

BIROn - Birkbeck Institutional Research Online

Enabling Open Access to Birkbeck's Research Degree output

An investigation into the economic regulatory framework of English professional football in the post-modern era: the value of a regulatory space approach

<https://eprints.bbk.ac.uk/id/eprint/46907/>

Version: Full Version

Citation: Saunders, Jonathan Paul (2021) An investigation into the economic regulatory framework of English professional football in the post-modern era: the value of a regulatory space approach. [Thesis] (Unpublished)

© 2020 The Author(s)

All material available through BIROn is protected by intellectual property law, including copyright law.

Any use made of the contents should comply with the relevant law.

[Deposit Guide](#)
Contact: [email](#)

'An investigation into the economic regulatory framework of English football in the post-modern era: the value of a regulatory space approach'.

Jonathan Paul Saunders.

Department of Management, PhD.

Birkbeck College, University of London.

Declaration.

I hereby declare that this thesis entitled: *'An investigation into the economic regulatory framework of English football in the post-modern era: the value of a regulatory space approach'*, represents the results of my own work except where specified in the thesis.

Jonathan Saunders

Abstract

Over the course of the last thirty years, many professional football clubs have reported serious financial problems. Concurrently, there has been a consistent commentary within the media and political circles of an economic and financial 'crisis' in English football, and a failure of economic regulation together with a lack of governance at clubs and by the football authorities, particularly the Football Association (FA). Despite the talk of a financial crisis, very few clubs have gone out of business, and those that have are predominately from the lower leagues of English professional football. For this reason, we have seen very little change in the economic regulatory framework for football: it remains a self-regulatory system with the last major iteration of economic regulation being introduced in 2013.

This thesis, using the analytical concept of regulatory space, examines the development of the economic regulatory framework for English football between 1992-2019. Drawing on secondary sources and primary interviews, the empirical analysis of the economic regulatory space in football provides supporting evidence regarding the importance of organisations and the role of the 'crisis' in defining and shaping the space; in both instances, however, the data provides subtle additional understandings of the original theory. Furthermore, the evidence gathered suggests that the original envisaged bounded area could be developed into a more nuanced image of regulatory space including the topography of an expanding regulatory universe, a visualisation of how space is occupied and the intensity of negotiations between its inhabitants. Finally, the thesis supports the contention that a number of factors, particularly culture and the political landscape, have a crucial influence on the development of regulatory space. It concludes that without some rebalancing of the economic power or the introduction of statutory legislation to legitimise the power of some organisations, the current economic framework for English football is unlikely to survive.

Acknowledgements

This thesis would not have been completed without the support of numerous people. I would especially like to thank my supervisors Dr Geoff Walters and Mr Sean Hamil, both of Birkbeck College, University of London, who have overseen the thesis from conception. Their comments, contributions, patience and perseverance throughout the project have proved to be invaluable.

I am also grateful for the input from several current colleagues at Birkbeck, who have provided 'sounding' boards and constructive criticism throughout the project, in particular Dr Mark Panton, Dr Frederick Guy and Dr Horen Voskeritsian. I would also single out the support of a former colleague, Mr Peter Clarke, who completed his MSc in Sports Management and the Business of Football at the same time as I did and has provided insightful pertinent commentary throughout the process, and a former work colleague, Dr Cormac Hollingsworth, for persuading me to undertake this thesis and who has offered continuous encouragement through the process.

I would like to thank members of the Department of Management at Birkbeck, including Dr Konstantinos Chalkias, for running a stimulating PhD programme that provided me with the opportunity to meet with other students and discuss issues. In this regard, a special mention must be made of the insightful, informative research seminars organised by Mr Sean Hamil of the Birkbeck Sports Business Centre that were a source of on going ideas as the thesis developed.

Of, course, research such as this is nothing without the participation of interviewees, and I must thank all those who gave up so much of their time and showed their willingness to discuss the issues of football and regulation. Although all the interviewees had a passion for the game, I appreciate that many had other jobs and, therefore, I am truly indebted to their contributions and the time they gave for the generation of primary data for this research.

I would like to thank my parents, Len and Margaret Saunders, for their constant, weekly encouragement. I would also like to thank Larissa Keown for her willingness to assist with Word and PowerPoint and for providing an unbroken level of encouragement, stimulation and inspiration. Any remaining errors or omissions are purely and solely my responsibility. I must also acknowledge that without Larissa, this project would never have come to fruition. She has provided unremitting, unwavering support over the last seven years while this thesis has been in the process of gestation: it has been a long birth but hopefully worth the wait!

Table of Contents

Part 1. Overview of the changing economic landscape of English professional football

Chapter 1. Prologue and introduction

1.1:	Prologue: the debate on the financial regulation and governance of English football continues to be a topical issue	13
1.2:	Introduction to the changing economic landscape of football in England	13
1.3:	The development of financial and economic regulatory space theory and its potential application to the English football industry	19
1.4:	Structure and contribution of the thesis	20

Part 2. Theoretical perspectives on regulation and governance including the introduction of the concept of regulatory space

Chapter 2. Economic and financial regulation theory

2.1:	Introduction	24
2.2:	'Public interest' and 'interest group' theories of economic regulation	28
	2.2.1: An overview of the public interest theory of economic regulation	
	2.2.2: An overview of private interest theories of economic regulation	
2.3:	The role of 'ideology' as an inspiration for economic regulation	34
2.4:	Institutional theories: relationships, networks and space	36
	2.4.1: The culture of an organisation: examples of organisational cultural response to regulation	
	2.4.2: Corporate governance and self-regulation	
2.5:	Power and individual decision-making	44
2.6:	Summary	48

Chapter 3. Developing the theoretical concept of the organisation of economic regulatory space

3.1:	Introduction	54
3.2:	What comprises 'regulatory space'?	54
3.3:	The importance of organisations within regulatory space	57
3.4:	The significance of 'place', 'national peculiarity' or culture in the formulation of the character of economic regulatory space	60
3.5:	Issues and regulatory space	65
3.6:	The role of history and time in determining the current shape of a given economic regulatory space	67
3.7:	Regulatory Space: Theory or Analytical Framework, Concept or Tool?	67
3.7:	Conclusion	71

Chapter 4. Methodology, research methods and processes for analysing data

4.1:	Introduction	73
4.2:	Epistemology and ontology considerations that derive research methodology	73
	4.2.1: Epistemological and ontological reflections	
	4.2.2: Philosophical underpinnings and interpretivism	
4.3:	Conceptual overview of qualitative research methods	76
4.4:	Research methods and research questions	80
	4.4.1: Research methodology	
	4.4.2: Research questions	
4.5:	Research methods for gathering data: interviews and secondary sources	83
	4.5.1: Overview of methods used	

4.5.2: Interview process	
4.5.3: Analysing primary interview data	
4.5.4: Secondary sources and documentary analysis.	
4.6: Conclusion	106

Part 3. The post-modern era of English professional football

Chapter 5: A historical review of the contest for regulatory space within the English professional football industry between 1992-2019

5.1: The economic and financial regulatory organisation of English football, 1990-1992	107
5.2: Conflict between the FA and the EPL	110
5.3: The commercial growth of the English football industry	112
5.4: The requirement for financial regulation emerges	115
5.5: First forays into economic re-regulation	116
5.6: Continued economic growth of English football attracts foreign investment.	119
5.7: The increasing use of debt and innovative financing solutions to fund football clubs' sporting ambitions	122
5.8: High wages, transfer fees and debt repayment costs foster financial instability	124
5.9: Introduction of international financial regulation	125
5.10: Criticism of Financial Fair Play (FFP)	128
5.11: Regulators demand increased balance sheet transparency	130
5.12: The role of the fans and supporters in the economic regulatory space	132
5.13: Government intervention in economic regulatory space	136
5.14: The influence of media in economic regulatory space	142

5.15: Conclusions	143
-------------------	-----

Part 4. The analysis of the development of economic regulatory space in English professional football

Chapter 6. The magnitude of regulatory space

6.1: Introduction	145
6.2: The rationale for financially regulating football	146
6.2.1: Prudential regulation	
6.2.2: 'A level playing field': financial regulation to produce competitive balance	
6.2.3: 'Fit and proper': conduct regulation	
6.3: Exploitation and Conflict	162
6.4: Analysis	176
6.4.1: The football industry can and should be regulated	
6.4.2: The language used by respondents provides further clarity, vision and understanding to the topography of regulatory space	

Chapter 7. Crisis as a catalyst

7.1: Introduction	185
7.2: How crisis manifests itself	185
7.3: The cycle of regulation	192
7.4: Analysis	197
7.4.1: What is 'football in crisis' and crisis acting as a spur to regulation?	
7.4.2: The development of regulatory space can follow a specific pattern	

Chapter 8. The impact of culture

8.1:	Introduction	205
8.2:	Motivation and attitude to regulation	205
8.3:	The exercise of power	217
8.4:	Analysis	223
	8.4.1: The influence of culture	
	8.4.2: The power dynamics between organisations.	

Chapter 9. The relevance of actors in the regulatory space

9.1:	Introduction	231
9.2:	Perceived lack of individual power	231
9.3:	The 'absent' large organisations	238
9.4:	Analysis	243
	9.4.1: Observations on the lack of fan power	
	9.4.2: The missing organisation: government	

Chapter 10. Conclusions and directions for subsequent research

10.1:	Summary of the contribution of the thesis to the theory of regulatory space	249
10.2:	Insight into the potential reorganisation of the economic regulatory space of English football: 2020 and beyond	256
10.3:	Areas and directions for further research	259
10.4:	Epilogue: A tale of two cities	261

References

List of Tables

Table 1:	Rationales for economic regulation justified by ‘public interest’	30
Table 2:	Explaining regulation	48
Table 3:	Interviewees and roles	92
Table 4:	Dimensions, themes, categories and data	98
Table 5:	Dimensions, themes and categories	105
Table 6:	The rising value of domestic and international EPL TV income	110
Table 7:	Summary of various economic regulatory controls across English clubs	172
Table 8:	Further supporting evidence of ‘crisis’ in football and football clubs’ ability to regenerate	187
Table 9:	Supporting evidence to suggest that the collapse of Portsmouth F.C. was a significant ‘crisis’	200
Table 10:	Supporting evidence to show contrasting financial backgrounds and motivation of owners within football clubs	210

Frequently Used Abbreviations and Acronyms.

Alternative Investment Market	AIM
All-Party Parliamentary Football Group	APPFG
Asset-Backed Securities	ABS
Chief Executive Officer	CEO
Court of Arbitration for Sport	CAS
Department of Culture, Media and Sport	DCMS
Employment Benefit Tax Schemes	EBT
European Club Association	ECA
English Football League	EFL
English Premier League	EPL
Federation of International de Football Associations	FIFA
Financial Compliance Unit	FCU
Financial Fair Play	FFP
Football Association	FA
Football Advisory Committee	FAcT
Football Audit Committee	FAC
Football Regulatory Authority:	FRA
Football Supporters Association	FSA
Football Task Force	FTF
Gross Domestic Product	GDP
Her Majesty's Revenue and Customs	HMRC
House of Commons Public Accounts Committee	PAC
House of Commons Committee for Culture, Media and Sport	HoC CMS
League Managers Association	LMA

London Stock Exchange	LSE
Monopolies and Mergers Commission	MMC
Non-Executive Board Director	NED
Private Equity	PE
Professional Game Board	PGB
Professional Players Football Association	PFA
Scottish Premier League	SPL
The 'leading' English football clubs in a given era	'the Big [TBD]'
UEFA Champions League	UCL
UEFA Europa League	UEL
UK Corporate Code of Governance	The Code
Union of European Football Associations	UEFA

Part 1. Overview of the changing economic landscape of English professional football

Chapter 1. Prologue and introduction

1.1: Prologue: the debate on the financial regulation and governance of English football continues to be a topical issue

“We are writing to you to express our strongly held and collective views regarding governance at the FA and its inability to reform and modernise in a fast-changing world”. Thus wrote David Bernstein, David Davis, Greg Dyke, Alex Horne and David Triesman in an open letter to Damian Collins M.P., Chair of the Culture, Media and Sport Committee, in December 2016 (UK Parliament Committee, 2016). The letter, signed by five former FA Chief Executives or Chairmen, highlighted the failure of the governance and economic regulation of football and that the FA, as ‘lead regulator’ for football in England, was no longer ‘fit for purpose’. The letter highlighted a set of areas where the authors perceived the FA was failing, from financial regulation to racism. The letter concluded that: “The FA has been given more than enough time to self-reform and, therefore, we ask that Parliament take this on board [...] and legislate as necessary”.

This letter was published about halfway into the completion of this thesis. It could have been written five years prior since it reiterates much of the evidence presented to the House of Commons Select Committee on Culture, Media and Sports (HoC CMS) during its investigation into the governance of English football in 2011 or, indeed, five years later since many of the issues around the economics of football had failed to be addressed. It highlights the central issue that surrounds the economic regulation of football in England: the rapid commercialisation of the game puts significant stress on the economics of football which football regulators have failed to address with economic regulation. The level and extent of financial and economic regulation of football, therefore, remains a topical issue, and one worthy of further investigation.

1.2: Introduction to the changing economic landscape of football in England

The nature of sport, and particularly professional sport, has changed significantly over the past forty years. Nowhere is this more in evidence than in association football (or soccer) and at its heart is the conflict between sport as an economic activity or as merely a pastime, an entertainment where ‘the game’ is more important than the economic outcome. The process of globalisation and commercialisation has transformed the

economic landscape of football (Allison, 1998) and football merely reflects these changes as a microcosm of wider societal and economic changes (King, 2002). As football becomes increasingly an economic or commercial venture, questions about whether the financial regulation and administration of football are 'fit for purpose' in the light of the changing economic and financial structure of the football industry, together with the changing social mores around sport, are inevitable. For, while the economics for football have fundamentally changed over the past decades, the principal elements of the economic framework for football, particularly organisations designing the economic system, have remained relatively constant: football within Europe and England remains a self-regulatory process.

The self-regulatory authorities that created the early financial regulatory framework, in the nineteenth and early twentieth century, did so to restrict and prevent the commercialisation of the game. Initially, it was the preserve of the middle and upper classes in Britain: football was founded in the public schools of England and, hence, it was imbued with a set of values and expectations that has been at the core of societal understanding of sport ever since. Sport, including football, was deemed to foster character development by providing a set of morals, values and ethics; it was not about earning a living or making a profit. Paradoxically, however, these character qualities were meant to provide a standard and framework for how British gentlemen would conduct themselves in later life, including commerce, in Victorian Britain. Indeed, the rationale for physical activity was encapsulated in the Victorian adage *mens sana in corpore sano*. This moral code, generated from sport, entailed fair play, loyalty, honesty and integrity, as well as encompassing physical courage, leadership, teamwork and, perhaps most importantly, the value of working within and respecting the rules. From this cadre of public schoolboy's, bestowed with the various qualities formed by participating in the character-developing sport of football, emerged the first football administrators or regulators with the establishment of the FA in 1863 (Lowerson & Myerscough, 1977).

The societal changes wrought by the industrial revolution, particularly urbanisation, the increased wealth of the working class, as well as the increasing amount of free time available for leisure (itself a result of economic regulation imposed by the Factory Acts of the 1840s and 1850s) opened up sport, and particularly football, to the working classes, who were attracted primarily by the minimal equipment and facilities needed, together with the simple rules. The expansion of the game to all levels of society meant its adoption as the 'people's game', and it was applauded for its democratic roots involving all spectrums of society (Walvin, 2000). Its universal appeal propelled it to become the

national game, assuming a pre-eminent position in the sporting and social or cultural context of England and Scotland (but not Wales, where a different social context promoted rugby union as the sport most associated with national identity). It is within this environment that football became the English national game and continues to touch a significant proportion of the population, representing a critical factor in forming the national identity of England and, hence, its importance in society (Walvin, 2000; Imlach, 2005; Calvin, 2019).

Wealth and leisure time allowed the working classes to participate in playing and watching football, but it was the commercial middle classes who exploited the potential for profit from sport by establishing clubs and leagues, subsequently building enclosed stadia to generate competitive fixtures and revenues (Cox, 2002). This increased commercialism and professionalism can be contrasted with the amateur, volunteer ethos of the administration and regulatory apparatus. While the playing and commercial organisation of football shifted from the elite to the working and commercial classes, the administration of the game remained, by and large, in the hands of the privileged class, who continued to see sport and football as a way of disseminating a code of conduct and ethics.

This schism has continued into the twentieth and twenty-first centuries and can be seen in the conflict between the commercial ambitions of the English Premier League (the EPL, created in 1992) and the societal aims of the FA (formed in 1863) over the last thirty years. There remains a conflict between the moral, social and ethical values imbued by sport, and the recognised societal value of sport, versus competing commercial motivations. Perhaps even more significant is that the changing off-field economic and financial landscape has restructured the competitive on-field activity: increasingly it is perceived that on-field success can be bought. This perceived lack of competitive balance, an un-level playing field, created by the commercial success or wealth of some clubs, has potentially serious implications for the long-run popularity of football and the viability of the 'football pyramid', including the crucial element of promotion and relegation. Furthermore, the drive to compete for on-field success, as owners 'chase the dream', can encourage football clubs into financially risky commercial strategies with potentially disastrous outcomes (BBC News, 2018b).

There is, therefore, seemingly a conflict between the increasing commercialisation of the sport, the societal qualities football can provide, and a current economic regulatory framework that finds it difficult to reconcile these potentially competing objectives. Ultimately, this challenges a pre-conception that sport is different from other economic activities and that it is somehow above the need for regulation: the increased

commercialisation of sport and football inevitably brings football more within the scope of regulation, on a par with other economic activities, and opens up the debate over using economic regulation to produce a framework to deliver certain objectives. As Houlihan (1997: 137) argued “[...] as the social, economic and political importance of sport has increased over the past forty years or so, the triangular relationship between government, the governing bodies (or voluntary sector) and the commercial sector has become more intense and more significant in the development of sport”.

Therefore, the advent of increased commercialisation has challenged the remit of football regulators and raised the potential for external (statutory) regulation or legislation, where the current framework of self-regulation has failed to identify or provide remedies to existing problems. Sport, at least in Western capitalist democracies, has always argued that it was somehow different to other economic activities and, therefore, outside the scope of government legislation. Despite the increasing economic value of the football industry, some organisations in the sector have consistently rejected the need for further regulation, either by football authorities or government, citing that more regulation would inhibit the growth of the industry.

However, an alternative view exists where the rapid commercialisation and growth in economic value of the English football industry brings about a need for financial regulation. While football is popular across the globe, much of its early development occurred in self-contained national systems: national leagues. Intra-continental competition was a relatively late addition to the football economic framework. The Union of European Football Associations (UEFA) European Cup (rebranded as the Champions League (UCL) in 1992) only started in 1955. Individual movement across leagues for players or managers was, until the 1980s, relatively rare. However, from the 1990s onwards, there was an exponential rise in the revenue that football produced: a phenomenon of the current football system is that it is truly global with significant movement of resources (financial, playing and intellectual) across leagues and continents. With the increasing globalisation and commercialisation of football, the initial changes were seen in the development of global revenues and widespread global player movement. Club ownership had remained relatively parochial, but this has also significantly changed over the past ten years (Nauright & Ramfjord, 2010; Rohde & Breuer, 2016a). With this global expansion has come a change in the financial structure of football. Football in its widest sense now represents significant economic value. Revenues generated by football clubs highlight the significant economic value of the industry: in 2019 the top thirty European football clubs generated over €10bn in revenues (Deloitte, 2019). The EPL is at the centre of this development, “[...] the

metropolis of the global football empire (Goldblatt, 2019: 30). Among the most successful European clubs, thirteen play in the EPL, generating €4.41bn of revenues. The drivers of this increased revenues, the sale of TV broadcasting rights and the inflow of capital, has been highly influential in the changes of the economic framework of English football since the formation of the EPL (Nauright & Lamfjord, 2010; Millward, 2012). All of this puts pressure on economic regulatory frameworks that were initially conceived on a national basis. While there has, in the last ten to fifteen years, been an overlay of some pan-national economic regulation, this is against a backdrop of thirty years of rapid, global economic change.

Thus, the evolution of the English football industry can be summarised into three distinct phases (Giulianotti, 1999). A 'traditional' era existed up to the end of World War One that was characterised by the formulation of the rules of the game and the establishment of, in England, the football pyramid of leagues, with promotion and relegation, together with the overarching regulatory authority, including economic regulations, of a national administrator (the FA) and an international overarching authority of the Federation Internationale de Football Associations (FIFA). The first World Cup, fully recognising the role of international football at the zenith of the game, was organised in 1932, although England did not compete in the World Cup until 1950. A 'modern' period from 1919-1980 can be subdivided into three terms. An 'early modern' turn, up to World War Two, saw the confirmation of football as the global game; an 'intermediate modernity' period from the end of the war to the 1960s, one that ushered a further development of the economics of the industry with the increasing prevalence of television in family homes and the creation of pan-national governing bodies: UEFA was established in 1954, and, finally, a 'late modern' phase (1960-1980) that accentuated these trends, with players becoming national or international superstars with revenues from sponsorship, merchandising and broadcasting rights outstripping gate receipts.

A 'post-modern' or 'glocal' epoch (Giulianotti & Robertson, 2004), from the 1980s onwards, can be characterised by even further, rapid commercialisation and globalisation of the industry. These trends accelerated through the period, particularly from 1990 onwards, and hastened the reformation of the English football pyramid in 1992 with the creation of the EPL. The rebranding of football by BskyB as "A whole new ballgame" (Baimbridge et al., 1996) was, perhaps, prescient. Broadcasting revenues became the most significant source of income flow for top-flight clubs, while fans now became "[...] a new kind of football spectator keen to produce and consume a wider variety of football product" (Giulianotti, 1999: 169). The recognition of the changing way some fans are involved in football presages the increased use of social media and digital

technology by fans both to watch football and to participate in the production of football content. As the football industry develops in the twenty-first century, it could be described as transitioning into post-postmodernism or an era of 'digi-modernism' (Kirby, 2006; 2009), which emphasises the role of the individual in creating cultural content via new platforms such as social media. However, the dominant trend overarching this entire post-modern era is that of ever-increasing commercialisation (Downward et al., 2009; Garcia, 2010; Hamil & Walters, 2010).

It is within this context of a rapidly expanding industry that the development of economic and financial regulation can be examined. The change in the economic paradigm of English football has challenged the regulatory and governance framework of the industry. At its heart, it challenges the traditional structure of football, with FIFA at the apex of the pyramid, continental associations a level below, then national associations, for example, the FA, and, finally, clubs at the foundation (Garcia, 2007a and 2009). In this framework, the potential impact the banking financial crisis in 2008 might have had on the football industry was investigated by Szymanski (2010). However, while noting that the financial instability of football clubs is a reoccurring theme, Szymanski stressed that football clubs rarely disappear. Unlike other businesses that go bankrupt and exit the marketplace, football clubs display a phoenix-like ability to resurrect and continue. Thus Szymanski (2010) postulated that while the financial crisis might exacerbate the financial stress for some clubs, overall, football clubs displayed considerable resilience to the economic shocks. While accepting that football clubs regularly got into financial difficulties, their ability to be reborn limited the loss to shareholders. In view of this ability to resurrect themselves and the lack of negative externalities in relation to an individual football club going into financial difficulty, Szymanski (2010) concluded that there was little evidence to support an extensive financial regulatory regime.

However, there is an alternative hypothesis: that the cost of financial failure is not contained to just the shareholders and that individual failure significantly impacts not only the fans of that club but also the whole of a league. The contention is that the collapse of a single club impacts the integrity of the league and, therefore, the economic value. Much of the economic value of the EPL is generated via the selling of broadcasting rights and the inability to complete the league because a club goes into administration or out of business, it is argued, would affect the value of these broadcasting rights. In addition, financial regulation can have a positive impact in restoring 'competitive balance'. Because of the 'peculiar economics' of sport (Neale, 1964), there is a need to have an 'uncertainty of outcome' and teams and leagues need to have some competitive

balance. Again, Szymanski questions whether the need to have a 'level playing field' is overrated. Referring to the National Football League (NFL) in America but making comments that could equally apply to the EPL: "[...] most home games are attended by home fans who much prefer the home team to win. These fans may not want the game to be very balanced [...] we also know that record-breaking is attractive, and so a team that goes an entire season unbeaten can do much to enhance interest in the league as a league in which there is almost no gap between the top and the bottom" (2015: 236).

Finally, there is potential for financial or economic regulation to ensure that football clubs are owned and managed by 'fit and proper' individuals. On the one hand, there is the premise that football clubs are like any other business, and that a relatively narrow interpretation of fit and proper needs to be applied. Alternatively, because of the societal value that football clubs can impart to local and national communities, there is a need to ensure a higher standard of probity for owners and managers than is found in other businesses. Again, this dichotomy of opinion can be cast in the light of the 'modern' commercial development of football against a historic value-based judgement of the benefits that sport, and particularly football, can provide to society. Given these alternative views on the need for economic regulation and the existence of a financial regulatory space in English football, it is an arena ripe for investigation and examination.

1.3: Financial and economic regulatory space theory and its application to the English professional football industry

Hancher & Moran (1989) formulated the concept of 'regulatory space' as an analytical tool to understand the development of financial and economic regulation. Alongside their concluding sketch of the organisation of financial or economic regulatory space, they presented a collection of essays or case studies from various industries in Western Europe - car manufacturing, financial services, and pharmaceuticals were examples - to demonstrate how their theory explains the development and occupation of economic regulatory space. This thesis can be seen as the basis for an additional chapter where the primary evidence gathered, supported by secondary sources, supports the theory of organising regulatory space holds for a sporting context and, specifically, the English football industry. Their theory was published in 1989 and was not in position to include a chapter on the EPL and the English football industry. This investigation lays the groundwork to rectify this omission. This concept provides the broad research question that encapsulates the investigation: Are the overarching themes developed by Hancher & Moran (1989) evident in the development of economic regulatory space for English professional football? This can be summarised as:

How has the rapid commercial growth of English professional football and the economic strength and success of the EPL clubs influenced the economic regulatory space at the expense of other organisations and objectives?

If the general purpose of the research is to establish whether the development of the financial regulatory space for English football follows the sketch that Hancher & Moran (1989) provides, this gives rise to a number of supplementary questions that concern the various factors that influence the development of economic regulatory space. Their conclusion was that the current financial regulatory space of an industry is a function of national and political settings, historical context, organisational structure, the character and volatility of markets, together with the nature of the issues at stake in the regulatory arena. They identify four general themes that describe the development of economic regulatory space across different industrial settings they collated in 1989: “[...] economic regulation is an activity increasingly dominated by large organisations [...] the conventional divisions between public and private spheres of power lose most meaning in regulatory arenas [...] of all the big organisations involved in regulation, large firms have a peculiar importance and that understanding regulation means understanding how cultures and structures of critical organisations are shaped – and this demands attention to national setting, historical timing, and the nature of regulatory issues and arenas” (Hancher & Moran, 1989: 5). The supplementary research questions follow this logic and seek to investigate how these themes have shaped the economic regulatory space of English football between 1992-2019:

- 1. What is the historical context of football financial regulation?*
- 2. Given this setting to what extent should the industry be economically and financially regulated?*
- 3. Has ‘crisis’ prompted development in the economic regulation framework?*
- 4. How has ‘culture’ impacted the development of the regulatory space, including how do the political landscape and the attitude of different organisations shape it?*
- 5. What role do multiple actors play in the organisation of the football industry’s economic and financial regulatory space?*

1.4: Structure and contribution of the thesis

The research will entail a study of the development of the financial regulatory space of the English football industry over the period 1992-2019 but examine it through the lens of Hancher & Moran’s (1989) theory of the organisation of economic regulatory space. In doing so, it seeks to outline the historical and thematic development of the specific

industry economic regulatory space and how various factors, including the impact of increased commercialisation, financial crisis, changes in the culture of organisations and the ability of organisations to engage in the system, have shaped the evolving framework of that space.

The thesis is structured as follows. After the introduction (Part 1), Part 2 reviews some of the theoretical perspectives that exist on financial regulation. This overview touches on some of the critical theories and issues concerned with the development of economic and financial regulatory frameworks, including a review of the Hancher & Moran (1989) theory. The initial chapter of Part 2 addresses some of the theoretical underpinnings to the establishment of a financial regulatory framework. This chapter establishes the neo-classical justification for regulation and includes some of the theoretical approaches to the regulatory process. Chapter 3 outlines and distinguishes the concept of 'economic or financial regulatory space' (Hancher & Moran, 1989). It seeks to establish how the concept of regulatory space can encompass and provide a meta-theory regarding the development of an economic regulatory framework. This chapter will go on to outline why the construct of regulatory space can help explain the development of regulatory frameworks, and it provides the background for an examination of the development of the financial and economic regulatory framework for the English football industry (Part 3) viewed from this prospective. Part 2 of the thesis concludes with the theoretical methodology used to collate and present the evidence of the research undertaken for this thesis. Chapter 4 addresses the methodological approaches used in the collection of the data. It details the specific methods, the strengths and weaknesses of each method, and it provides a rationale for the selected approach to the empirical research. It also touches on the ontological and epistemological context that has guided and underpins the research.

Part 3 is a review of the development of the regulatory framework for English football between 1992-2019. Chapter 5 provides a historical, longitudinal review of the development of the financial regulatory space for English professional football using a range of secondary sources. Chapters 6 through 9 use a variety of primary sources, representing various stakeholders, in the football economic regulatory space. To complement the secondary data sources, primary sources were employed to provide contextual judgement regarding the issues and regulatory framework organisations operated in during this period. In the examination of these phenomena, the primary research centred on several 'experts', representing stakeholders, to provide a further overview of the thematic development of the regulatory space. While the interview process could not source comment from every participant in the football regulatory

space, the use of 'experts', a Delphic approach, allows the research to provide some depth and context to the overall historic and thematic approach presented by the secondary sources. The data collected from these primary sources was collected via semi-structured interviews.

Part 4, including Chapters 6 to 9, details the evidence gathered, together with a summary and analysis of the data from a 'regulatory space' perspective. The thesis concludes with Chapter 10, which provides a further summary of the findings, together with conclusions, alongside suggestions for potential further areas of research.

The thesis will therefore trace the pattern of development of the economic regulatory space of English football from its early beginnings to the period of investigation (1992-2019) and will demonstrate the increasing commercialisation of the game at the expense of the societal benefits and cohesion of the football economic pyramid. This theme, the increasing conflict between excessive commercialisation or 'aggressive' capitalism and more 'traditional' values of sport and football, the societal value of 'the game' and the benefits that it confers on society, is emphasised in this study. The evidence gathered from both primary and secondary sources portray an accelerating conflict between these forces within the economic regulatory of space and the dominance of the capitalist forces at the sacrifice of societal objectives that presents an existential threat to the current economic framework of English football and the football pyramid.

The crucial conclusion from the study is therefore that if it is considered important to preserve some the traditional elements of the football pyramid within the English game, a 'stronger', truly independent economic regulator needs to be created. This organisation needs to be able both to control the advance of commercialisation and balance this against the need to create an economic system that maintains the societal benefit that the football industry generates. Such is the economic power of the football industry and particularly the EPL the evidence suggests that the counterweight to this power has to be statutory power granted to an independent regulator via the state. This need for a legal framework is heightened by the willingness of some football organisations (clubs and leagues) to increasingly use the legal system to challenge the control of the existing regulatory authorities and re-structure the economic regulatory space of football to their benefit at the expense of other organisations. Government needs to provide a statutory framework for the independent regulator to operate within to moderate and shape the economic path for football.

This conclusion has been reached before both within academic circles (see Hamill, 1999; Sutcliffe, 2000) but also within the wider football community (see The Football

Supporters Association including its forerunner Supporters Direct and reports by the All Party Parliamentary Football Group (APPPG), 2004 and 2009) however the timing and reassertion of the need for an independent football regulator is significant. This research provides evidence to buttress the views of some stakeholders calling for this fundamental change in the organisation of football's economic regulatory space. In particular, it appears at a time where the proposals of the commercial forces within football represented by the ideas encapsulated by Project Big Picture (MacInnes, 2020) or the suggested European Super League (ESL) (Conn, 2021), exacerbated by the economic challenge presented by the COVID pandemic, threaten the economic framework of domestic and European football. In response to these proposals there has been a reinvigorated resistance by some stakeholders to this vision of unfettered capitalism in part capturing the current societal preference for 'regulated capitalism' over pure free markets, epitomised by the creation of the pressure group 'Our Beautiful Game' formed in 2021 and its proposals for a new regulatory body, but also emerging from mainstream political circles as evidence by the Conservative Government's instigation of a 'fan-led' review of football to consider the potential for an independent football regulator (UK Gov, 2021). In this context, this thesis provides an updated, evidenced-based conclusion to the potential future development of English football's economic regulatory space.

Part 2. Theoretical perspectives on regulation, governance and the introduction of the concept of regulatory space

Chapter 2. Economic and financial regulation theory

2.1: Introduction

The extent of economic regulation in developed Western economies means that it is possible to describe these economies as integral to the 'regulated state' (Moran, 2002). Vibert (2014) goes further in explaining regulation as not only a method of providing a specific response to a particular policy issue but also that economic regulation is now a critical component and mechanism for making adjustments between different systems of coordination (economic, political, legal) used in contemporary governance. Regulation is part of the social and economic fabric facilitating the coordination of (Western) capitalist society: an integral part of the democratic process. Consequently, the rationale for deploying economic regulation across different types of economic activities has been extended to a wide variety of areas. Regulation can be used to deliver a variety of social and economic objectives, with the priority determined by the democratic process. It is in this context that two distinct themes for the rationale for economic regulation emerge, first from an economic dimension, and second from a political aspect. While the former provides a clear, distinct set of economic characteristics to explain why regulation is necessary, for example, market failure, the latter provides a wider set of justifications for the creation of regulation, for instance, for the implementation of government social policy.

As a result of the growth of regulation, there has been a corresponding growth in the field of academic research into the concept of regulation. Consequently, the developments and extension of various theories regarding how regulation occurs, develops and who benefits from it, has been the subject of academic contributions across a variety of disciplines, including political science, economics, the law and sociology. Drawing on these varied fields of academic research, there is now an established body of literature regarding economic regulation several alternative theories on how such regulation occurs, develops and, potentially, fails.

Within these varied approaches to explaining regulation there is considerable debate on what is regulation and how regulation can differ from and supplant other forms of control and governance, including legislation. In this sense, regulation remains a 'contested concept' (Moran, 1986), open to a range of interpretations. A classical view of regulation suggests that it is solely focused on the process of government (public sector)

intervention in social and economic life. However, the extent and penetration of regulation into an economy extends across private organisations economically regulating private concerns. The FA and the EPL are two such organisations economically regulating football in England. With the decline of public ownership of the means of production, regulation in its broadest definition, whether it emanates from the state or other organisations, is increasingly necessary to control and organise the predominately private market economy, to achieve either economic or political objectives.

Increasingly, as the field of economic regulatory engagement grows, other institutions are providing the regulatory processes, often with minimal public or government oversight. For the state, economic regulation remains an integral part of the democratic process of government, playing a role alongside the legislature (and judicial system) in framing and organising society (Vibert, 2014). Indeed, it can be argued that regulation is now the pre-eminent form of control of social-economic activity: "Regulation has grown as a response or answer to the imperfections in other systems of authority" (Vibert, 2014: 3). Moran (1986), drawing on the work of Stone (1982) but emphasising the establishment of rules, provides a definition of regulation as "[...] an activity in which the discretion of individuals or institutions is restricted by the imposition of rules" (Moran 1986: 185). Even this definition is 'contestable'. The mere presence of a regulator, rather than actual regulatory activity, may affect markets; the potential for regulation to be introduced, may impact the behaviour of organisations.

The emergence of organisations other than the state in the design and implementation of economic regulatory frameworks highlights the artificial distinction between public and private regulatory processes. More often, the process of regulation entails both sectors working together (and sometimes the state working with the state: departments of government working together or working with non-governmental or quasi-governmental institutions). Hence state regulation, to be effective, requires cooperation from the private sector, although often, cooperation can, over time, become a form of 'capture' (see below). Equally, much of the private sector 'self-regulation' relies on implicit state support or the threat of state intervention to be effective; a symbiotic relationship between public and private regulation is necessary to ensure the successful operation of regulatory regimes. Thus, regulation is often a multi-institutional process in which various actors influence the outcome. It is, in essence, a hybrid process operating between various organisations and institutions.

If regulation is most extensive in the developed Western economies, an analysis of the processes of regulation is likely to revolve around the operation of markets. The operations of markets are central and a distinguishing feature of these developed

economies. At the same time, however, there is a general acceptance that the unfettered operation of markets does not always produce the optimal outcome. The 'failure' of markets can produce a number of unfortunate outcomes and negative externalities, be they sub-optimal resource allocation or poor consumer outcomes. Economic regulation is the process that exercises control over markets to ameliorate the 'unfortunate' outcomes from unfettered, unrestricted, unlimited markets. As indicated, it is possible to see Western democracies as 'regulatory states' or societies (Moran, 2002; Majone, 1994), reflecting an economic or financial regulatory world created by a variety of institutions, organisations and structures rather than just economic regulation created solely by the state. The concept of the regulatory state and society, therefore, captures the multi-institutional, multi-functional development of economic regulatory frameworks together with different levels of such financial regulation, across boundaries of public and private ownership, and intra-government and supra-national bodies (Hood et al., 1999).

While a significant body of literature is devoted to the study of the regulatory influence the state wields and is particularly prevalent in the 'public interest' debate (see Mitnick, 1980; Breyer, 1982; Ogus, 1994 and below for further detail), the forces of regulation also encompass other organisations. As North (1990) outlined, for markets to function efficiently, there need to be good institutions as well as good organisations. Institutions identify the rules and regulations by which firms or corporations operate. Organisations encompass a myriad of other entities, such entities being primarily, but not exclusively, in a market economy, those firms or corporations operating in the market that establish legal and economic relationships. While firms are likely to take a leading role in a market economy, other participants in the market, including consumers, can participate in the process. North's analysis, however, needs to include the 'good' structure of the organisations and institutions in the process, which may create additional levels of regulation, for example, internal audit committees of firms, together with the presence of 'good' personalities and characters of individuals across all institutions and organisations involved in the process since their behavioural approaches and understanding of the regulatory process, will impact the ultimate shape and efficacy of a regulatory framework: 'culture' also has a role to play in framing the economic regulatory space.

Within the body of literature that describes how economic regulation occurs (see Baldwin, Scott & Hood, 1998; Decker, 2015; Crew & Parker, 2006; Baldwin, Cave & Lodge, 2010) encapsulating how such regulation emerges, evolves and potentially ebbs, two broad themes arise. First, the explanation of how such regulation emanates, expands and, in some instances, wanes can be attributed to exogenous factors, for example, various 'interest'-based approaches to understanding economic regulation. Alternatively,

there is a body of literature that ascribes the development of an economic regulatory framework to the endogenous features of a market space and the organisations that inhabit this space, incorporating factors such as culture or historical context. However, within these opposing views, there is a clear distinction made between economic and social regulation (see Kip Viscusi, Vernon & Harrington, 2005) and a division between regulation of the 'market', structural economic regulation designed to impact the operation of the market, for example, the removal of barriers of entry, and conduct regulation formulated to impact the behaviour of participants within a market (Kay & Vickers, 1990).

Commentators on economic regulation also differentiate between the origins and sources of the regulation. After statutory economic legislation, there emerges a distinction between economic regulation derived from a myriad of non-governmental organisations and institutions created by the state for the purpose of economic regulation and that introduced by self-regulatory industrial bodies. In the context of English football, this spectrum is evidenced by economic regulation created by non-government departments such as Sport England, self-regulatory industry-wide organisations (the FA), and those created by a sub-section of the football industry: the EPL and EFL.

In addition, some English clubs also have economic regulation imposed upon them by supra-national organisations, specifically UEFA, in the shape of FFP. In turn, there is a body of economic regulation that is produced by the state or, in some cases, by supra-national governments. Thus, in the European Union (EU) context, the Bosman ruling in 1995 (see below, Chapter 5) had a direct impact on the economic regulation of football throughout Europe. For a variety of reasons, also explored below, direct UK state economic regulation of the English football industry has not occurred. The delineation of economic regulation created either by government statute or legislation or other (non-governmental, including self-regulation) sources can also be characterised as being either centralised or de-centralised economic regulation (Baldwin, Cave & Lodge, 2012).

Teleological theories explaining the development of an economic regulatory framework are built upon the premise of market failure and the motivation of a general overarching social purpose encompassing social justice or public interest. Instrumental theories offer a contrast by suggesting that economic regulation is a product of some narrow section of society promoting its own self-interest through the development of such a framework. A further alternative view is the use of cultural theories to explain regulation. These can be either wide-ranging, where economic regulation is seen as an integral part of the process of capitalist development and decline, or apply a more limited interpretation, that economic regulation is seen in the context of a national culture and the issues that face

society at a given epoch. Finally, financial regulation can be seen as an administrative response to administrative problems. Administrative theories explain economic regulation as a need to create rules for bureaucratic institutions to enable activities to be controlled, information gathered, and the actions of firms and individuals organised.

Administrative theories of regulation, for example, focus on the issues of control and are often concerned with the evidence of regulatory failure. Thus, administrative theories emphasise the range of tools that regulators can use to ensure issues are resolved. Hood (1974) focused on the 'tools of government' but as indicated, increasingly, the role of regulator was not confined to just the state but a wider range of agencies or organisations employing a variety of 'tools' potentially broader than just the governmental suite. The issues at stake with administrative theories of regulation are the use and appropriateness of the tools used, and the process of intelligence gathering to assess the efficacy and effectiveness of the regulatory regime.

In the course of developing economic regulatory frameworks, all four theories have had significant influence and sway at various times. Furthermore, the eventual process of economic regulation often involves aspects of all four themes in the final shape of the framework. For example, as a response to the perceived failure of capitalism in the 1930s during the Great Depression, economic regulation was employed both to shape society to prevent a re-occurrence of the conditions that had caused such social dislocation and to address market failures. Roosevelt's New Deal programme embraced both social goals and a variety of economic regulatory agencies created to protect the public "[...] lest capitalism by its own greed, avarice, or myopia destroys itself" (Douglas in Hancher & Moran, 1989: 244).

2.2: 'Public interest' and 'interest group' theories of economic regulation

2.2.1: An overview of 'public interest' theories of economic regulation

Public interest theories of economic regulation coalesce around the central tenet that it is needed to ensure that public interest or welfare is secured rather than the interests of other groups, sectors or individuals (collectively grouped as private interests). (In addition to Mitnick, 1980, Breyer, 1982; Ogus, 1994 see Levine & Florence, 1990; Hood, 1995; Hantke-Domas, 2003; Morgan & Yeung, 2007 for a comprehensive review of the issues and theories of public interest economic regulation). Such economic regulation almost inevitably emerges from the auspices of the state, a centralised approach where the government act as a 'benevolent' agent to secure public welfare or certain desired results in circumstances where the market (or private interests) would not deliver these outcomes (Baldwin, Cave & Lodge, 2012). Government, therefore, plays a central role in

formulating public interest economic legislation to correct market failures (Mclean, 2004).

Public interest theory, consequently, places government at the centre of the creation of economic regulation and, in doing so, places considerable trust in the motives and abilities of government to secure the public interest welfare in the face of 'competition' from private interests. It casts the formulation of economic regulation as a political process, but one where it can establish an objective identification of market failure and operate with detached, impartial expertise and objective standards (Baldwin, Cave & Lodge, 2012). Thus, the government, when exercising regulation for the public interest, operates where it does not seek to consistently expand the regulatory reach of the state at the expense of legitimate private concerns, but only initiates legislation where clear, identifiable market failures exist and where the public interest is threatened. It makes no account for venal politicians or special interest groups seeking exemptions or favours at the expense of the public interest (Barry, 1990).

Critical to the imposition of public interest economic regulation is the definition of what the 'public interest' is. However, recognition that it is a political concept and open to interpretation, given different political ideologies, leads to diverse interpretations as to the extent the state can introduce economic regulation to secure varying public welfare benefits. Both Mitnick (1980) and Francis (1993) provide descriptions of the determination of the public interest as a process of balancing different interests, requiring the state to compromise between different sectional interests and engage in trade-offs between competing factions. This clouds the clear and impartial firmament under which a benevolent government, motivated by a clear public interest, judiciously introduces economic regulation. This reinforces the position that the concept of public interest is open to interpretation and dependent on specific national, social, ideological, or even idiosyncratic, objectives.

The influence that external, exogenous factors can have on the development of an economic regulatory landscape leads to the development of capture theory to explain the eventual regulatory perspective. Capture theorists (Stigler, 1971; Peltzmann, 1976; Becker, 1983) emphasise the role that economic and political power has in the configuration of economic regulation. The acknowledgement that various actors, both within and beyond government, can exert influence over the process leads to the conclusion that private interests can subvert the more benevolent approach contained within public interest theories. While private interest theories do provide some insight into the development of economic regulatory patterns and question the long-term viability of public interest motivation to deliver results, it should be recognised that the

public interest motivation for economic regulation remains a powerful *causa agendi* for the introduction of economic regulation even if, subsequently, other agendas supersede this initial motivation (Breyer, 1982; Sunstein, 1990).

In conclusion, notwithstanding the above, there is a wide body of literature that deals with the justification for economic regulation based on the identification of public interests and the need for regulation to eradicate market failures. The crux of the case for regulation based on public interests can be summarised as several technical justifications for regulation. The table below provides an overview of these various technical rationales:

Table 1: Rationales for economic regulation justified by public interest (taken from Baldwin, Cave and Lodge, 2012: 24)

Rationale	Main Aims of regulation	Example
Monopolies and natural monopolies	Counter tendency to raise prices and lower output Harness benefits of scale economies Identify areas that are genuinely monopolistic	Utilities
Windfall profits	Transfer benefits of windfalls from firms to consumers or taxpayers	Firm discovers unusually cheap source of supply
Externalities	Compel producer or consumer to bear full costs of production, rather than pass on to third parties or society	Pollution of river by factory
Information inadequacies	Inform consumers to allow market to operate	Pharmaceuticals, food and drinks labelling
Continuity and availability of service	Ensure socially desired (or protect minimal) level of 'essential' service	Transport service to remote region
Anti-competitive and predatory pricing behaviour	Prevent anti-competitive behaviour	Below-cost pricing transport
Public goods and moral hazard	Share costs where benefits of activity are shared but free-rider problems exist	Defence and security services Health Services

Unequal bargaining power	Protect vulnerable interests where market fails to do so	Health and Safety at work
Scarcity and rationing	Public interest allocation of scarce commodities	Petrol shortage
Rationalization and coordination	Secure efficient production where transaction costs prevent market from obtaining network gains or efficiencies of scale Standardization	Disparate production in agriculture and fisheries
Planning	Protect interests of future generations Coordinate altruistic intentions	Environment
Human rights	Protection of weaker citizens.	Discrimination Embryology
Social protection	Social solidarity	Broadcasting

Source: Table 2.1 Understanding Regulation Baldwin, Cave & Lodge (2012: 24)

The range of industries in the examples of where regulation can be justified is significant: regulation is pervasive and impacts the vast majority of economic activities. While sport is not specifically mentioned, the market mechanics of the English football industry can give rise to some of the market failures identified. Furthermore, as emphasised by Hancher & Moran (1989: 278): “There are no obvious natural boundaries to regulation. Notions of what is ‘regulatable’ are plainly shaped by the experience of history, the filter of culture and the availability of resources”.

2.2.2: An overview of private interests theories of economic regulation

As suggested, an alternative view of the development of economic regulation is one driven by private interests. At its heart lies the proposition that all parties involved in the creation and subsequent operation of economic regulation, including government, are motivated and seek to maximise their utility or welfare. As such, self-interest is the key motivation in the private interest sphere of economic regulation. The bulk of the literature regarding the role of private interests in the formulation of economic regulation is, however, generally framed in direct contrast to public interest theories and, by extension, creates a conflict between the state and the private sector.

The focus on this school of research is why state regulation fails and the overarching conclusion is that regulation generally culminates in the capture of the regulator which, while nominally operating in the public interest, is inevitably made a captive of the dominant business interests in the industry (Bernstein, 1955; Kolko, 1963; 1965). Stigler

(1971) and the Chicago school envisaged regulation as a process driven by the strategic objectives of sectional interests that ultimately triumph over the public interest. In their analysis, the beneficiaries of regulation would be powerful politicians, businesses and bureaucrats, and that, in such circumstances, regulation is often a result of capture at the point of origination: "As a rule, regulation is acquired by the industry and is designed and operated primarily for its benefit" (Stigler, 1971: 3). Alongside outright capture, organisations may adopt strategies that seek to neutralise the operation of the regulatory agency: entrapment rather than capture. Organisations may seek to manipulate, to co-opt, influence or control the regulator and this is analogous to the process of capture. In outwardly co-operating with the regulator but internally impeding the process, organisations seek to neuter the regulator. By employing these strategies, firms are attempting to shape the value, beliefs, definitions or criteria of normative behaviour and to frustrate the regulation. In doing so, organisations may lobby the regulator directly, or influence public perception and opinion, to dilute the proposed scope of the new regulations (Shapiro & Matson, 2008).

This model of economic regulation, where public and private interests battle for control of the regulatory agenda, has dominated US and UK literature. At its heart is the concept that the public sphere of governance is concerned with the process of command and control of economic activities. It therefore must be separated from, and have a different motivation to, the private sector. This conflict model creates the opportunity for regulatory capture where the private sector's influence on the regulatory process is analogous to corruption. The focus of a large section of the literature on regulation is on this conflict, between the state and the firm, which forms the nexus for the development of regulation. While capture theory can sometimes explain a significant element of the development of regulation, other forces are at work (Thornburg & Roberts, 2008), and capture is not inevitable.

The issue at stake is the 'transfer of wealth' (Peltzman, 1976). Large corporations act as 'rational egotists' to maximise their own wealth creation. As large, well-managed, organised and resourced organisations, they can do so at the expense of a scattered, disorganised consumer. Thus, economic regulatory development follows Olson's (1965) 'logic of collective action', where small, concentrated groups, i.e., the industry, have an advantage over larger less unified, more heterogeneous groups. However, if the small, disorganised band of consumers can coalesce and mobilise, then they can play a significant role in the regulatory process (Stigler, 1975; Peltzman, 1976). Using the construct of regulatory space, as outlined by Hancher & Moran (1989), this allows other

organisations to potentially claim or retake regulatory space and change the regulatory agenda.

The differences between the various alternative capture theorists principally revolve around the motives for capture: wealth (Stigler, 1971) or other motivations, ideological (Niskanen, 1971), bureaucratic (Dunleavy, 1991) or social (Majone, 1996). A further distinction can be drawn between the Chicago school that emphasised the pursuit of wealth by actors as the primary motivation for regulation and the more nuanced approach of the Virginian school that proposed a broader range of stimuli, including popularity (votes) or ideological rationales to describe the interactions of stakeholders in the regulatory process. At the same time, capture theorists have alternative views as to the moment of 'capture': at conception (Stigler, 1971) or over time (Bernstein, 1955). If, as Bernstein suggests, it occurs over a period of time, it gives credence to the suggestion that economic regulation has a predictable, predetermined life cycle.

An extension of the various instrumental theories and particularly the focus on regulatory capture is Bernstein's (1955) life cycle theory of economic regulatory development (also see Huntington, 1952; Kolko, 1965). It focuses on the development of the regulatory agency as the principal focus for changes in the regulatory framework. Thus, in a gestation period, there is an identification of the issues and the potential harm to the public interest, which results in the birth of the specific regulatory agency. In its youth, the agency is energetic and driven to enforce regulation in the public interest; however, as it matures, the regulating agency loses its zealots and becomes more conservative and less likely to challenge the industry being regulated (Bernstein, 1955; Downs, 1967). It is increasingly vulnerable to capture as regulator and regulated become more intertwined and co-dependent. As old-age approaches there appears "[...] debility and decline, [as it] resorts to ever more judicialised procedures and the agency giving priority to industrial rather than public interests (Baldwin, Cave & Lodge, 2012: 47).

The development of the life cycle version of regulatory development is an example of a broader interpretation of private interest group theory. It envisages a developmental process that is a product of interactions and relationships between a variety of interest groups or stakeholders, including the state competing for power in a political context (Francis, 1993). Such interest group politics can range from a pluralist agenda, where competing groups vie for electoral success and power to subsequently become legislators shaping economic regulation, to a more restricted view, where successful interest groups work in coalition with the state to frame economic regulation to their benefit and to the exclusion of other interest groups (Self, 1972; 1993). However, the success of private interests over public interests is not inexorable or, at least, it can be delayed. Wilson

(1980) highlighted how 'capture' was not an inevitable consequence for the regulator and that it could be forestalled. For example, changes in staff or governmental attitudes to regulation could re-invigorate a regulatory entity, imbuing it with renewed vigour and enthusiasm, allowing it to re-evaluate the status quo and challenge the established consensus. While regulation is susceptible to capture by the regulated, whether it occurs and is sustained depends on the specific circumstances of both the industry in question and the time or place regulation occurs. Wilson (1980) provides a model for regulation where its development is contingent on the costs of mobilisation of regulatory forces and the distribution of the benefits of regulation.

2.3: The role of ideology as an inspiration for economic regulation

Given the influence of government on the establishment of regulation, the dominant ideology and philosophies of governments at different times can have a significant impact on the regulatory framework. The shape of the regulatory regime can be moulded by the ideology underpinning the government, and that regulation or deregulation reflects the politics of the time rather than the purely technical operational procedures of markets (Meidinger, 1987; Hood 1996).

It follows that a process of regulation, deregulation and re-regulation can emerge as the political and intellectual climate changes. The philosophy and ideas of governments "[...] provide the essential basis of assumed social realities" (Harris & Milkis, 1989: xii), and can provide both the justification and motivation for economic regulation. Furthermore, as regulation is concerned with economic outcomes, the general economic paradigm that dominates the political climate can provide a meta-theoretical framework for the need for, or removal of, it. Thus, with the economic policy paradigm shift from Keynesianism to monetarism in the 1980s a parallel shift in the extent and level of the regulatory framework occurred (Hall, 1983; 1993). In particular, it contrasted the movement from public ownership to private ownership as the dominant method of economic control. However, within this shift of ownership, much debate exists on the need for regulation of the private sector, and a continuum exists from 'laissez-faire' through 'light-touch' to more draconian regulatory frameworks. Prosser (2006) also highlights the additional strand of justification for government philosophically led regulation based not on economic rationales but to achieve social objectives. Thus "[...] regulation in the 1960s and 1970s differed both substantially and institutionally from that of the 1930s [...] the purpose of government controls not primarily to stabilise the economy [...] but protect public health and safety [...] and to counteract the social subordination of disadvantaged groups" (Sunstein, 1990: 12-13).

The philosophical drive for deregulation in the 1980s, particularly in the US and UK, reflects the ideological view that the private sector was inherently better equipped to provide services and goods than the public sector. Drawing on the concept of regulatory capture, it was felt that regulated industries inevitably subsumed the regulator to the benefit of the private sector and the detriment of the consumer. Liberated markets and deregulation prevented the need for firms to involve themselves in the process of capturing and controlling regulation. However, while the force of ideas emphasises the importance of culture and history in the creation of a regulatory framework, it also reinforces the view that regulation is primarily a conflict between the state (public) and its philosophical stance and private interests. The extent of the regulatory framework, reflecting the overarching ideology of the state with regard to the effectiveness of state interference in markets, is contrasted with the desire of firms to have unfettered control over their actions.

Both descriptions of public and private interest theories of economic regulation place government as a key participant in the development of a framework. In both, though, the government's role is driven by exogenous factors. Government can also, as highlighted, however, be motivated by an endogenous philosophy on regulation. Hence, it can have a deliberate, intellectual view, an overarching philosophy, that propagates regulation or, fosters deregulation and reflects a cerebral preference on how the state controls and interacts with the economy (Hood, 1994; Harris & Milkis, 1996). Indeed, from a UK perspective, the Conservative government of the 1980s placed deregulation at the centre of Thatcherism. Such hostility to existing regulatory regimes was justified given their perceived inherent failings of "[...] weak enforcement by agencies, red tape, juridification, bureaucratization, high compliance costs and ineffectiveness" (Baldwin, Cave & Lodge, 2012: 49).

If the drive for regulation or deregulation reflects a wider intellectual or political stance, there is also, in turn, a wider societal view of regulation. This view of regulation reflects how individuals and then groups behave within society and then how these individuals or groups want society to be ordered. Thus, depending on an individual's or group's outlook of how society should be structured, this leads to an enthusiasm (or rejection) of regulation. Cultural theory outlines various control styles, including fatalism, individualism, hierarchy and egalitarianism (Douglas, 1996; Hood et al., 1999; Hood, 1998). These divergent worldviews of preferred control styles result in contrasting acceptance or repudiation of regulation. Finally, in relation to the intellectual framework to develop an economic regulatory system, some consideration must be given to the significance of 'deliberation' and 'conversation' in formulating a coherent and societally

accepted view of economic regulation. Black (2002b) suggested the existence of 'regulatory conversations', emphasising that regulation is primarily a communicative process. It is this communicative process that leads to an understanding of the rules, conventions and shared understandings that allow the participants in the regulatory process to bridge the gap between the rules contained within the regulations and the reality of any particular economic activity.

2.4: Institutional theories: relationships, networks and space

If a social context shapes economic regulation, then, at the same time, the structural arrangements of the market will also influence the resulting regulatory space (Morgan & Yeung, 2007). Thus, not only will individuals' responses to regulations impact the resulting configuration of the regulatory space but also how institutions respond will have repercussions for the disposition of that space. The role of institutions in organising the economic regulatory framework can be viewed from a variety of perspectives, including economic, historical, and sociological (See, respectively: Williamson, 1985; Hancher & Moran 1989; Meyer & Rowan, 1977).

Much of the literature regarding institutions focuses on the inter-institutional relationships that exist, encompassing both the relationship between regulatory institutional agencies, government and the respective industries they regulate. The former relationship centres on control; once politicians delegate authority away how is control maintained? The latter relationship is concerned with both 'capture' (see above) or 'drift' from the initial objectives (Niskanen, 1971). Drift can be expressed "[...] by the regulatory agency's accommodation with the regulated industry, or with the agency focusing on the convenient and seemingly popular rather than on the difficult and potentially controversial" (Baldwin, Cave & Lodge, 2012: 55).

Rather like 'capture', there is the potential to perceive that 'drift' is inevitable and institutional design is critical to prevent both. In terms of drift, McCubbins et al. (1987) suggested three design features for institutions to arrest this tendency for drift. They suggested that delegated regulatory institutions needed to have both internal and external 'police patrols' focused on controlling the agency, such as internal audit functions or external parliamentary review. Alongside police patrols, they advocated politicians needed forums where fire alarms or whistleblowing could be heard, where external or internal actors could inform on regulatory agencies. Such forums would also allow access to the regulatory process for other private interests that had previously been excluded, perhaps as a result of capture (Ayres & Braithwaite, 1992). The emphasis of the literature is concerned with preventing regulatory agencies from deviating from

their original intentions and, in addition, ensuring the regulator and the regulated work effectively, highlighting the need for two-way communication in ensuring compliance. Braithwaite (1989) envisaged a 'regulatory pyramid' of activities that fostered the required behaviour. At the base is a rich, frequent dialogue, constructive conversations, designed to persuade and encourage firms to engage with the regulator. Higher up the pyramid would be the threat of action against individual firms or an industry-wide threat of sanctions and, finally, the application of legal sanctions and penalties. The thrust of Braithwaite's theories, supported by Gunningham & Grabosky (1998), is that 'subtle' regulation is potentially more effective than proscriptive rules. Such regulation may also change firms' cultures to compliance rather than circumvention. Thus, the effectiveness of both 'police patrols' and 'fire alarms' ultimately rest with the willingness of politicians to act on revelations by such police patrols or on hearing alarm bells. In the face of a lack of political action, the judicial system can also have a role to play in the prosecution of regulatory agencies that act *ultra vires*.

Finally, McCubbins et al. (1987) also highlight the effectiveness of institutional procedural rules, 'deck stacking', or the creation of standard operational procedures that keep institutions on 'the straight and narrow' and within the legislative intent of the delegated authority. While the literature may suggest that agencies are inherently out of control, it also suggests that the design of institutions and the use of various devices can rein in some of the potential excesses that an unchecked agency might amass. However, the literature also explores the issue that, over time, the control functions might weaken their vigilance, particularly as political views change. This is an issue of 'credible commitment': the potential that regulatory settlements do not continue over time as governments change or the preferences regarding regulation are reversed by an incoming administration (Estache & Wren-Lewis, 2009).

The involvement of politicians in the design of the role of regulatory agencies also raises the issue of politicians' motivations and, specifically, 'blame avoidance' (Hood, 2007). Fiorina (1982) suggests that politicians are motivated to delegate politically unpopular, embarrassing or electorally damaging issues but retain control where the 'political opportunity cost' is positive. Horn (1995) outlines four dimensions that shape the political decisions involved around the institutional structure eventually chosen. High 'decision-making costs' shift the likelihood that these decisions are delegated to an agency. 'Commitment costs' refer to the ongoing costs to maintain the regulatory framework, for future policy-makers. High 'agency costs' suggest that politicians will retain authority or legislative power. Finally, 'uncertainty costs' highlight that with any decision, either to retain power or to delegate it, the outcome remains unforeseeable and

only in hindsight can actors determine whether the outcome was preferable for their specific objectives and whether the costs associated with unfavourable solutions have occurred.

Alongside the inter-institutional forces that shape the regulatory relationship between institutions, there are internal forces in each institution that will shape a specific institution's particular response to the regulatory framework: intra-institutional inter-relations. 'Institutional layering' describes how organisations and rule systems respond to changes in the regulatory arena. While some accounts suggest that organisations immediately adopt newly imposed regulations and approaches to regulation, 'layering' would suggest that new regulations or approaches to regulation are initially resisted, then somewhat accepted and, only if pursued, finally completely adopted. Thus, a specific organisation's responses to changes in the regulatory environment are partly a reaction to the exogenous 'shock' of initiatives by other organisations as well as endogenous factors of how the internal structures and individuals within an organisation respond to these initiatives and react to change. Thus, changes in regulation occur over time and in incremental steps. (For more detail on how these endogenous factors influence an organisation's response to change, see Greif & Laitin, 2004; Thelen, 2004; Orren & Skowronek, 2004; Mahoney & Thelen, 2010).

The issue in developed Western economies is that the 'marketplace' in any industry is not merely a configuration of firms and the government but a much more complex environment populated by a wide variety of organisations and consumers. For example, in some industries, trade bodies or associations create a self-regulatory framework. Furthermore, the activities of other parties or stakeholders, including consumers or the media, can influence and change both the regulatory agenda and architecture. As highlighted, the role of the firm is crucial to the regulatory process in the overall framework of the market and its regulation or control. It responds to the regulatory framework imposed by the state and the alternative frameworks established by other organisations. The role the firm plays in these alternative frameworks can vary depending on the interactive nature of the firm with the organisation.

If the process of regulatory changes occurs in incremental steps, it leads to the conclusion that some incomplete changes will bring competing logic to the current regulatory framework, a 'perversity' that results in potential unintended consequences of regulation as existing regulatory frameworks compete with new, alternative but incomplete regulatory changes (Merton, 1984). The idea that regulation could result in unintended consequences was further explored by Sieber (1981) who formulated seven internal actions that would frustrate proposed changes: functional disruption, exploitation, goal

displacement, provocation, classification, over-commitment and placation. The application of these various mechanisms shows how internal forces in an organisation can frustrate the objectives of externally created regulation.

How organisations can frustrate regulation is often centred on the 'culture' of organisations. The culture of an organisation will have a direct impact on the understanding and acceptance of regulation and a culture of rejection of regulations will lead to organisations and individuals applying the various mechanisms identified by Sieber (1981) to forestall regulatory change. Thus, organisations and the individuals that make up those organisations, can: "[...] filter out information that seems to suggest a rejection of favoured instruments and underlying cause-effect relationships" (Baldwin, Cave & Lodge, 2012; 60). Regulation is, however, also the product of national cultural instincts and preferences. Thus, regulation in each country has a different style. Both Kelman (1981) and Vogel (1986) highlight how different countries can regulate the same industrial sector in different ways. Vogel (1986) highlighted the cultural differences between the US styles of regulation (litigious and adversarial) as opposed to the UK style of a consensual approach to resolving conflicts. Hancher & Moran (1989) also identify a number of key themes in pan-European regulatory systems as distinct from US regulatory frameworks. While there is some overlap and cross-fertilisation of approaches, there are also significant differences. Hence, regulation is a social activity and is reflective of the time and place. The cultural view of regulatory theory can place the progression and increase of regulation as part of an economic continuum where the growth of regulation reflects the decline of capitalism and free markets (Schumpeter, 1976).

If this view reflects a perpetual, increasing need for regulation to rebut the excesses of capitalism, an alternative view is proposed by Hirsch (1977), where the development of capitalism is contrasted with bouts of regulation and deregulation, reflecting the economic cycle of growth and recession. At periods of economic crisis, the cultural appeal of regulation is strong, but with economic growth, the cry for deregulation gets louder as an emotive appeal for the removal of red tape and the reduction of the burden of regulation. Again, this resonates with Hancher & Moran's (1989) contention that crisis acts as the inspiration and instigates regulatory change. They also highlight the activity and domination of the process by large organisations. The conventional distinction between public and private economic sectors in the regulatory arena is relatively meaningless: regulation is a hybrid, cooperative effort between several actors across the public and private sectors. Increasingly, the term 'large organisation' is synonymous with the operation of large firms as well as the state.

Finally, while large firms exercise considerable power and influence in the regulatory process, they do so differently across nations and industry sectors. Cultural and organisational structures shape how corporations engage in the regulatory process. The influence, however, of the national environment, historical setting and specific regulatory issues all have a profound impact on the ultimate structure of the regulatory framework, those specific rules of regulation, and the process that creates this framework. Derthick & Quirk (1985) also highlight how the philosophical and intellectual environment can shape the overall cultural climate and attitude to regulation. In doing so, it provides an explanation of periods of regulation and deregulation and can contribute to the temporal shaping of the regulatory regime.

2.4.1: The culture of the organisation: examples of organisational cultural responses to regulation

The idea of conditioned compliance of self-regulation was explored by Braithwaite (1989), including the need for a moral response of adherence to rules. For example, that firms need to operate with integrity is a key component in the UK Corporate Code of Governance (the Code), and the critical 'enforcer' of integrity is the board of directors providing the cultural norm of compliance of rules for a firm. For Braithwaite (1989), this required 'responsive regulation', a constant two-way dialogue between the regulator and the firm to maintain, enhance and enforce the cultural acceptance of the regulatory framework. Firms need both a normative understanding of the regulatory framework and a cultural commitment to implementing regulation. This encompasses the need for both a formal, legalistic framework and informal arrangements that operate to produce the desired behavioural and operational changes prior to the use of the sanctions underpinning the legal framework. Consequently, an external regulator needs to have at its disposal a variety of policy responses, both formal and informal, as part of its process to change behaviour: a 'quiver of arrows' (Black, 1997).

Oliver (1991) presented a typology of organisational strategic responses to institutional external regulatory pressure. This outlines a range of potential responses at an organisational level to external (regulatory) stimuli. This presents actors in the regulatory space different responses to a potential reorganisation and realignment of this space, including a response to threats to the existing normative regulatory process (Shapiro & Matson, 2008). However, while the typography focuses on the response by a firm to external regulatory pressure, similar strategic responses can be initiated intra-firm, between the board of directors and the executives operating the business or, indeed, between different departments within the same firm. The variety of responses outlined by Oliver (1991) include both passive and active strategies and can be

categorised within the broad headings of acquiescence, compromise, avoidance, defiance or manipulation. In Shapiro & Matson's (2008) critique, organisations will employ these strategies to either prevent or frustrate the implementation of regulation: "Elite and powerful institutions will attempt to actively shape and defeat legislation and regulation that adversely affect their interests" (Shapiro & Matson, 2008: 201).

An acquiescence strategy might adopt a tactical response to new regulation by unconsciously following taken-for-granted rules or values, by imitating other organisational models or by consciously complying with existing values, norms and behaviours (Oliver, 1991). Compromise entails the organisation using tactics of negotiation, including the interpretation of rules and regulations, bargaining, balancing, or pacifying the various interests of actors within the regulatory space. For example, both Scott (2001) and Hancher & Moran (1989) emphasise the process of ongoing debate and cooperation between participants in the regulatory process as critical in the final regulatory outcome (although a 'final' outcome is of debatable existence since the process of regulation is a dynamic, ongoing and evolutionary process; it does not reach a static final state but rather mutates to reflect the changing economic and social stimuli). In this way, the interpretation of rules is seen as an ongoing, interactive process with the eventual rules and their subsequent enforcement also dependent on the social and relationship distance between the participants and the frequency of contact. Hancher & Moran (1989) expand on this issue by highlighting that regulation cannot occur without extensive cooperation between participants and that regulators need to negotiate boundaries to the regulatory space to ensure and maintain the legitimacy of the process, and to prevent 'mission creep', or the legal challenge to regulation, that is *ultra vires*.

An avoidance strategy attempts to avoid conforming to regulation by shielding actors from scrutiny from not only the regulator but also external stakeholders. Indeed, institutions, by concealing their non-conformity behind a 'façade of acquiescence' (Oliver, 1991), thereby provide only symbolic acceptance of the regulatory framework. Alternatively, avoidance strategies can employ 'buffers', for example, self-regulatory arrangements, to prevent detailed scrutiny of an organisation's operation. Finally, avoidance can also include 'escape', the flight of an organisation, from the jurisdiction of a regulator.

A strategy of defiance more actively confronts the institutional pressure and employs the tactics of dismissal, challenge and attack. Dismissing or ignoring proposed regulation is likely to occur when the potential for enforcement and sanction is low or where it can be argued that the premise for regulation is flawed (Shapiro & Matson, 2008). Organisations can also challenge or contest the new normative rules particularly where they are at

variance with their “[...] own insular and elevated vision of what is, or should be appropriate, rational and acceptable” (Oliver, 1991: 156-157). The progression from challenge to attack reflects the intensity and aggression organisations seek to employ when reviewing new regulation.

2.4.2: Corporate governance and self-regulation

Given the role that institutions and organisations play in the formulation of an economic regulatory framework and that, in developed Western market economies, corporations represent the principal organisation within most markets, the development of a regulatory regime will also, to an extent, depend on the compliance of firms and their own internal regulations that enforce compliance. Large corporations in the UK must have regard for the Code, with respect to the policies and procedures of the board of directors regarding the organisational direction of the firm. The first iteration of the Code was the publication of the Cadbury Report in 1992, which was a response to a number of major corporate scandals where governance failures were identified as a significant contributory factor (Polly Peck, BCCI and the Mirror Group: see Clarke, 1993; Drennan, 2004; Wearing, 2005).

Corporate governance, however, has been a topic of debate since before the 1990s. The failure of corporate governance was recognised as a contributory factor in the 1929 US Stock Market crash and the emergence of the Great Depression (Berle & Means, 2017, originally published 1932). Unsurprisingly, corporate scandals and financial crises act as a catalyst for new regulation (Hancher & Moran, 1989). After the Cadbury Report, further reviews were undertaken of the Code. For example, the Greenbury Report in 1995 was focused on executive remuneration and was a response to the suggestion, by the Conservative government, that regulation was needed to control executive compensation: an example where the threat of external regulation or legislation produced internal self-regulation. The issue of corporate governance has continued to be an ongoing iterative process with regular reviews and updates (see the Hampel Report, 1998; Higgs Review, 2003). Each reassessment has added to the governance protocols that corporates need to follow (although, for FTSE 100 companies, the regime is one of ‘explain or comply’), expanding and developing the Code. The Code focuses on how an effective board should operate to achieve long-term success for the company. Issues the Code addresses are leadership, effectiveness, accountability, remuneration and relationships between the management (executive and non-executive arms) and the shareholders.

The thrust of corporate governance has been to address the failures of corporate behaviour resulting, generally, from the abuse of managerial power. Such failures include financial mismanagement (fraud, but also negligence or poor decision-making) and extend to addressing the social responsibility of the firm (Letza et al., 2004). Like the analysis of regulation, the range of corporate governance theory is also a multi-disciplined subject, embracing “[...] micro-economics, organisational economics, organisational theory, information theory, law, accountancy finance, management, psychology, sociology and politics” (Turnbull, 1997: 180) to derive explanations of how failures of corporate governance occur and how they can be prevented.

Recognition of the multi-discipline facets of corporate governance means that a variety of theories exist to explain how governance structures influence the performance of the firm to generate profits and, in turn, how firms’ own internal governance legislation and rules should be conceived (Blair, 1995). As an example, the financial approach to corporate governance focuses on aligning the management’s interests with the shareholders’ (Ross, 1973; Fama & Jensen, 1983a; 1983b). Management theory should focus on the internal organisational structure for the efficient operation of the firm to provide a model for corporate governance (Lannoo, 1999). At the heart of the various theories of corporate governance is, however, the relationship between the management and other parties (shareholders or stakeholders).

Broadly, therefore, theories of corporate governance can be divided into either a narrow interpretation of the responsibilities of the board to serve the interests of the owners, a shareholder model of corporate governance, or a broader interpretation where the board needs to take into account the interests of other and all stakeholders. This broader interpretation of the role of corporate governance would include, for example, stewardship (Donaldson, 1990; Davis, Schoorman & Donaldson, 1997); stakeholders (Donaldson & Preston, 1995); managerial hegemony (Kosnik, 1987; Shleifer & Vishny, 1997) and political models (Pound, 1993; Roe, 1994) of corporate governance theory.

The scope and literature on various theories of corporate governance is vast. In relation to regulation, it is worth highlighting that the shareholder model of corporate governance has, in the UK and US since the 1980s, “[...] earned its position as the dominant model of the large corporation” (Hansmann & Kraakman, 2001: 468). In particular, the shareholder model of corporate governance is underpinned by agency theory (Jensen, 1983) and the role of the board acting as the agent of the shareholder. The separation between ownership and control brings the potential for the principal-agent problem, highlighting the potential for the interests of the agents and owners to diverge. Corporate codes of governance, either enacted by individual firms or as an

industry acting collectively (self-regulation), and external regulation are attempts to address this potential conflict.

Self-regulation, however, can only be effective given the willingness of firms to abide by (and embrace) both the rules and the spirit of the rules within a non-legalistic regulatory framework. In a Stiglerian context (see Stigler, 1970 and 1971), it requires firms to subsume the strategic interests and competitive advantage that might accrue by not complying with informal rules in favour of a commonly agreed set of rules that governs and regulates corporate behaviour.

2.5: Power and individual decision-making

In this sense, in a broad interpretation of the process, regulation can be seen as a product of the exercise of power and control by different organisations and individuals. Regulatory authority is not concentrated or confined to one institution or organisation and particularly, not dominated by the state (Black, 2001), but rather is diffused among several participants in the regulatory debate (Scott, 2001). This complex interactive process highlights the role of a variety of actors and participants in the process. As such, game theory may explain the actions of actors, individuals and organisations, in the process and how the division of power can shape the regulatory outcome (McGubbins et al., 1989). As Hancher & Moran (1989: 277) conclude: “Any investigation of the concept [regulatory space] involves examining the outcomes of competitive struggles, the resources used in those struggles, and the distribution of those resources between different involved institutions. In other words, the play of power is at the centre of this process”.

Clearly, power is an important element in the formulation of a regulatory arena. Drawing on Weber (1948), Dahl (1968: 80) provides a clear one-dimensional view of power as an act of domination: “[Party] ‘A’ has power over ‘B’ to the extent he can get ‘B’ to do something ‘B’ would otherwise not do”. This highlights how power consists of both potential to influence other parties and the success of domination: actual power. In establishing which parties have power, Dahl concludes: “[...] determine for each decision which participants had initiated alternatives that were finally adopted, had vetoed alternatives by others or had proposed alternatives that were turned down.” (Dahl, 1961: 336). This pluralist view of power or influence is characterised by the observable behaviour of decision-makers and frames the process as one of conflict and domination. By establishing the sum of these ‘successes’ less any ‘failures’ provides empirical evidence as to which party has actual power. Thus, in a pluralist approach “[...] an attempt is made to study specific outcomes to determine who actually prevails in

community decision-making” (Polsby, 1963: 113). Contained within this approach is a recognition that actors display overt and covert power and, therefore, observable conflict might be absent, although an underlying conflict between the parties remains: “[...] rough test of a person’s overt or covert influence is the frequency with which he successfully initiates an important policy over the opposition of others, or vetoes policies initiated by others, or initiates policy where no opposition occurs” (Dahl, 1961: 66).

However, such a one-dimensional view of power that frames power within the context of conflict makes no account for when preferences or interests are unclear, unseen or unconscious. Bachrach & Baratz (1970: 8) provide an extended version of the exercise of power, a two-dimensional view: “[...] to the extent that a person or group – consciously or unconsciously – creates or reinforces barriers to the public airing of policy conflicts, that person or group has power”. This draws on Schattschneider (1960: 71): “[...] organisations have a bias in favour of exploitation of some kinds of conflict and the suppression of others [...] Some issues are organised into politics while others are organised out”, which is mirrored in Hancher & Moran’s (1989) observation that the regulatory process includes the identification of issues within the regulatory space, while excluding others. Bacharach & Baratz (1970: 30) provide a typology of the type of power used: coercion, influence, authority, force and manipulation. Influence exists where ‘A’: “[...] without resorting to either a tacit or an overt threat of severe deprivation causes [B] to change his course of action”. However, they also recognise that while this typology includes observable actions and decisions, power was also evident in non-decisions. Thus, non-decisions are a “[...] means by which demands for change in the existing allocation of benefits and privileges in the community can be suffocated before they are even voiced, or kept covert, or killed before they gain access to the relevant decision-making arena; or failing all these things, maimed or destroyed in the decision-implementing stage of the policy process” (Bachrach & Baratz, 1970: 44). Likewise, preferences or interests of different parties are extended to include both those actively involved in the political process and those that “[...] are partly or wholly excluded from the political system, in the form of overt or covert grievances” (Lukes, 2005: 24). Thus, power is not only the process of exercising control over identified, public issues but also the political agenda, hence controlling which issues become public.

Lukes (2005) provides a further development of the expression of power in his three-dimensional view. First, the development of a political agenda of issues is both the act of conscious and deliberate decisions by individuals as well as the result of systematic bias and unconscious processes. Hence, “[...] the bias of the system is not sustained simply by a series of individual chosen acts, but also, most importantly, by the socially structured

and culturally patterned behaviour of groups, and practice of institutions,” (Lukes, 2005: 26). In this way, decisions are made by a variety of actors encompassing organisations and institutions, groups and individuals, the result being the outcome of the relative power between these various participants in the process. This reflects Hancher & Moran’s (1989) concept of regulatory space occupied by a variety of organisations and the competition for space being the exercise of power. Second, the evidence of conflict need not be required for the use of power. Indeed, Bachrach & Baratz (1970) foresee this in their typology: both manipulation and authority need not automatically require conflict of interests or preferences to occur. Thus “‘A’ may exercise power over ‘B’ by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping and determining his very wants” (Lukes, 2005: 27). This is the shaping of the political agenda by not only excluding other parties’ preferences but also powerfully constructing them.

Lukes (2005) also identifies a divergence from the two-dimensional view of power in that ‘grievances’ need not be observable or articulated. An absence of obvious grievances does not imply consensus since grievance can include a vague sense of unease or sense of exclusion and loss (See Lipsitz, 1970). Thus, this more developed view of the use of power recognises that power is the ability to exclude potential issues from the arena of decision-making. This can occur because of individual decision-making or organisational and social practices. Finally, this exclusion of issues represents latent conflict between participants and their subjective and real interests. Haugaard (2002) suggested a fourth dimension to power: in addition to ‘power over’ (domination) actors, an additional dimension was the ‘power to’ (empowerment) trigger participation in the distribution of power and decision-making. In including this additional dimension, Haugaard (1997; 2002) bridges the gap between a body of literature dealing purely with the concepts of ‘power with’ or ‘power to’ (Arendt, 1970; Parsons, 1963; Searle, 2007) and the literature emphasising the issue of power as domination, as described above (See Mann, 1986; Hayward, 2000; Hayward & Lukes, 2008). The additional dimension allows for power being exercised in a non-zero-sum or even a positive-sum situation: a ‘win-win’ scenario, while the focus of the other dimensions remains that of power being utilised in a zero-sum calculation (Parsons, 1963). An extension of the use of power with or to persuade is the use of ‘soft’ power (Nye, 1990), the persuasive approach to the use of power using cultural or economic influence on the benefit of all the participants.

The above highlights the importance of how decisions (and actions) come about. The concept of ‘bounded rationality’ (Simon, 1947; Kahnemann, 2003) emphasises that the process of decision-making is determined by biases and the need for ‘satisficing’ (limiting

decision choices and applying cognitive shortcuts, rules of thumb to enable quicker decision-making). Individuals operate within a range of 'heuristics' to reach a decision, and often individuals will rely on the heuristics of an intuitive "automatic" cognitive system rather than a 'reflective' process to reach a decision (Thaler & Sunstein, 2008). To shape decisions and address these instinctive, intuitive behaviour patterns, Thaler & Sunstein (2008) advocate the deployment of 'nudges' and other 'architectural' devices to suggest to individuals the right or required response. In addition, individuals will use frames to provide context and shape to their decision-making process. Social framing allows for a move between individual decision-taking and collective decision-making. Social framing is a qualitative approach whereby individuals rely on and make sense of their environment without a comprehensive and rigorous analysis, but it is one that can still be considered reasonably effective (Freedman, 2008). The decision-making process involves the assimilation and rejection of multiple items "[...] frames do not just govern what we attend to but also what bits of knowledge and belief become more accessible in the memory and what criteria we will use for the selection and ordering of alternatives" (Lindenburg, 1992: 249). How individuals reach conclusions will shape how they occupy the regulatory space and interact with other individuals and organisations within that space. Likewise, how the regulator approaches and interacts with individuals can shape their decision-making processes and produce different responses to regulatory initiatives.

The issue at stake is whether corporations control or are controlled by the operation of the market. In essence, do corporations dominate the regulatory environment or do other organisations, including, but not exclusively, the government, occupy positions of power within the regulatory space to curb the operations of corporations. While the issue of control is at the heart of this debate about regulation, it also has to be set in the context of the market environment in which the 'players' operate. Within this market environment, cultural influences can exert powerful pulls to shape the regulatory framework. This cultural influence embodies a variety of influences – historical, national and, significantly, differences between economic sectors and industries.

The regulatory framework that corporations find themselves in is the product of the theoretical, traditional view of the need to control the market to principally mitigate against market failures, and the idiosyncratic, unique factors peculiar to an industry, alongside the national and international economic, political and cultural environments the firm operates in. Thus, regulation is a process created by organisations and determined by the relevant power they hold vis-à-vis other organisations in the process: in essence, the relationship between organisations. This includes the cultural

environment, both historic and prestige, accumulated over time, together with current cultural and social impacts. In addition, the legal framework they operate in and the resources at their disposal will shape the interaction between organisations. It also holds that individual organisations will be engaged in a number of different regulatory spaces reflecting different regulatory issues and with different participants. There is, therefore, significant plurality to the regulatory process and its openness to a variety of actors. Furthermore, the multi-dimensional aspect of regulation means that organisations and the individuals within organisations play a critical role in the formation of regulation. A powerful personality within an organisation, particularly a charismatic chief executive, can significantly change the role of an organisation in the regulatory space by either changing the (external) regulatory agenda or changing the cultural norm in an organisation to comply or circumvent rules.

2.6: Summary

There are several theories to explain economic regulation (see table below). However, these theories are not necessarily mutually exclusive and as the factors including participants or culture changes, the rationale for regulation can change as well.

Table 2: Explaining Regulation (taken from Baldwin, Cave & Lodge, 2012: 67).

Type of Theory	Main Emphasis	Key Problems
Public interest	Regulator acting in pursuit of public, rather than private, interests Regulator disinterested and expert	Difficult to agree a conception of public interest Scepticism concerning disinterestedness, and public-spiritedness of regulators Understates influence of economic power and prevalence of capture in regulation Concern that public interest outcomes often fail to result Understates competition for power amongst groups

Interest group	<p>Regulation as a product of relationships between groups and the state</p> <p>Role of private economic interests in driving regulation</p> <p>Incentives of firms to secure benefits and regulatory rents by capturing regulator</p>	<p>Assumes that regulated parties are rational maximizers of own welfare</p> <p>Difficulty in identifying preferences of parties</p> <p>Possibility of altruism and public-spiritedness</p> <p>Informational limitations may limit self-interestedness of actions</p> <p>Role of groups and institutions may be underemphasized</p>
Ideas	<p>Role of ideas in steering regulatory developments</p>	<p>It may be hard to separate the force of ideas from the role of economic interests</p>
Institutional	<p>Influence of organizational rule and social setting on regulation</p> <p>Actors seen not purely as individuals but as shaped in action, knowledge, and preference by organizational rules and social environments</p> <p>Principal-agent issues and problems of democratic control of implementation</p> <p>Institutional design as shaped by characteristics of political setting (or 'institutional endowment')</p> <p>Institutional processes leading to self-destruction</p> <p>Regulatory authority diffused between and across public and private organizations</p>	<p>How to balance institutional explanations with others in accounting for regulatory changes</p> <p>Regulatory authority not shaped in a principal-agent relationship.</p> <p>The extent to which formal institutional settings require an additional understanding of informal norms and conventions</p> <p>Over-determination of failure accounts</p> <p>Establishing boundaries of networks and spaces</p>

Source: Table 4.3 Understanding Regulation Baldwin, Cave & Lodge (2012: 67)

Both Baldwin et al (2012) and Black (2002a) provide broad definitions of what is regulation. Baldwin et al (2012: 3) emphasise that it is every form of social and economic influence that can be “[...] direct and deliberate or incidental” while Black (2002a: 3) highlights the variety of participants within the regulatory arena with the aim to

influence the shape of the regulatory space: “The sustained and focused attempt to alter the behaviour of others according to defined standards or purposes with the intention of producing a broadly identified outcome or outcomes”. In this context Hancher and Moran’s (1989) sketch on economic regulatory space, within the institutional school of regulatory theory, provides an environment that encapsulates both this broad definition of what is regulation but also the significance of multiple actors participating in the process to produce favourable outcomes for their organisation. It emphasises that regulatory power and authority is diffused across the artificial boundary of public or private institutions and rests with those organisations with the dominant access to resources for example legal authority, power or finance to control the regulatory process.

Morgan & Young (2007) identified three main categories of regulatory theories: public interest, private interest and institutionalism, the latter “[...] is intended to capture any theory where rule-based spheres, or relationships between rule-based spheres, play an important role in explaining why or how regulation emerges” (Morgan & Young, 2007: 17). Hancher and Moran’s (1989) description of regulatory space with its emphasis on interactions between organisations, the importance of culture including the use of legal frameworks and the involvement of the state place their theory within this environment of an institutional perspective of how and why regulation develops. However, it should be noted that regulatory space theory provides mostly a description of ‘why’ regulation occurs and touches only on ‘how’ it occurs as a function of the negotiations between actors. Significantly, because of the focus on participants and their interactions, regulatory space theory presents scope to encapsulate both public and private interest theories or indeed other explanations for the configuration of a specific economic regulatory framework at a given time and setting. Regulatory space theory can be positioned as a meta-theory able to encompass variety of sub-theories to explain the resultant landscape of a regulatory space.

Inherent therefore within regulatory space theory is for potential for change, and for the new regulatory framework to reflect alternative theories based on a different outcome of negotiations between organisations. Thus regulatory space is subject to a continuous process of innovation and reflecting changing interactions between occupants. The process of change is the outcome of multiple sets of decisions and (resource) transfers (Martinez Lucio & McKenzie, 2004). Hence, neo-liberal policies or liberal market changes in regulatory space are often defined as ‘deregulation’, while coordinated market regimes are seen as more rule-bound and ‘regulated’ (Esping-Andersen & Regini 2000). However, from a regulatory space theory perspective, regulation and deregulation are merely processes of redefining and rebalancing allocation of space and resources within the

regulatory arena. Regulatory space therefore can accommodate both private and public interest theories of regulation and the shift from one to the other to explain the current configuration of a regulatory regime by way of a further negotiations and their outcome between occupants of regulatory space.

The emphasis on the exercise of power in the arrangement of economic regulatory space forms a central plank in regulatory space theory that differentiates it from other theories of how and why regulation occurs. The concept of power is inherently linked to the process of regulation (Dundon et al, 2014). Participants in regulatory space can exercise power through access to resources, they can influence organisations, cooperate or consent with other actors, and importantly shape the pattern of regulatory space by how information is used and shared. Across the regulatory space, actors negotiate, bargain, broker, consult, co-operate, threaten, or act according to semi-articulated customary assumptions. Thus the allocation of roles between rule makers, enforcers and bearers of sectional interests constantly shifts, which do not show an obvious public-private dichotomy (Hancher & Moran, 1989). Hence, it could be suggested that the regulatory space does not necessary follow a hierarchical and immutable structure. Instead, relationships between actors, and their respective levels of influence always change, giving rise to a continuous process of adaptation and counterbalance, as a dynamic and fluid entity. This changeability reflect a contrast with other theories of regulation which tend to portray an inevitability to the eventual structure of a regulatory framework, for example, 'capture theory'.

Regulatory space theory sits within the institutional approach to understanding regulation and provides an overarching theory to the development of a regulatory framework. It provides a holistic view of a regulatory framework focusing on the factors that produce the environment for a regulatory response to an economic situation. In this, capitalism i.e. the development of a specific industry and culture are crucial determinants in the resulting shape of the regulatory solution. Crucially, however, regulatory space theory also recognises the fluidity of a regulatory solution. Power and the bargaining of institutions, together with any change in the dynamics of the industry or cultural evolution will change the topography of the regulatory space and a new configuration may emerge. In this regulatory space theory can accommodate explanations of development of regulatory space such as capture theory as part of the play of power between organisations.

Where the concept of regulatory space aids the understanding of the process of economic regulation is therefore in its ability to encompass the varied nature of the rationale for

regulation in the regulatory 'space'. Its focus on power and interactions between participants in the regulatory space allows for changes to the rationale for economic regulation to occur over time, as the power distribution between actors changes.

The concept of regulatory space has been used sparingly in the analysis of the development of the economic regulatory space in English football (Walters & Hamil, 2013). Rather, the analysis has focused on the concept of regulatory capture because, as outlined below in Chapter 5, in the case of the EPL the clubs explicitly control the principal economic regulator. However, as outlined above, regulatory capture provides only one explanation of regulatory development amongst many. Alternatively, regulatory space analysis is concerned with all manner of organisations and institutions and how they occupy this space, how they respond to other organisations in this space and how events and ideas may change their responses and positions in it. In doing so, it recognises that alternative theories of how regulation evolves, including regulatory capture, but only as one explanation of the current disposition of organisations. As other forces contest for regulatory space, the captured may be liberated or further incarcerated as the dynamics of the regulatory space change. In this way, an analysis of a regulatory arena shaped by the concept of regulatory space allows for an appreciation of the dynamic, changing process that economic regulation is, where interactions between participants characterise the evolution of the regulation architecture within that regulatory space.

Regulatory space is an abstract, conceptual space created and constructed by individuals, organisations, events, and ideas interacting with each other on a set of specific regulatory issues subject to public scrutiny and decisions (Hancher & Moran, 1989; Jonnergard & Larsson, 2007; Young, 1994). The term regulatory space is a useful conceptual tool to employ when reviewing the development of a regulatory framework. First, it provides a perspective on the overall regulatory framework: it encourages the examination of the whole regulatory system, embracing both informal and formal types of regulation. Furthermore, the concept allows for the potential for the 'space' to be occupied. It encourages the perspective that regulation is a process that involves a number of actors and ideas and that new entrants into the regulatory debate (including organisations, institutions, individuals or even philosophical ideas) can occur. In doing so, it allows a longitudinal analysis of the development of regulation, where different forces may prevail and shape the regulatory system at a given point in time and recognises the interdependence of the relationships of these various actors to the process of regulatory development. The variety of influences on the regulatory process emphasises the network of relationships that exist in the space and that the strength of these network

connections or relationships ebbs and flows, allowing dynamic changes to the shape of the framework.

Furthermore, the terminology of space or area also suggests a 'terrain' or 'topology' (Baldwin, Cave & Lodge, 2012) of the regulatory system. Actors or ideas in the regulatory space can occupy more terrain or seize the 'high ground' of the area to dominate the regulatory agenda or contest the regulatory space. In turn, the imagery and terminology of acquiring territory and dominating the regulatory agenda or 'battlefield' invites the potential for (regulatory) conflict and capture. In doing so, it highlights how the process of regulation is dominated by the division of power amongst those involved in the regulatory space, and that effective deployment of power is a powerful instrument in the sculpting of the regulatory space into the regulatory system. The concept emphasises the plurality and openness of the regulatory process to a variety of actors. The construct of regulatory space allows the potential of many actors to play a part in the regulatory process: to occupy as well as gain, maintain or lose space (Hancher & Moran, 1989). In doing so, this emphasises the fluid nature of the regulatory space where, for example, the influence of a particular issue ebbs and flows, in or out of favour.

Regulation is a confusing, complex process where several actors with different philosophical stances, knowledge, information, ideas and resources interact to produce a regulatory framework. Rather than being in a perpetual state of opposition and conflict, these actors can also engage constructively, collaboratively and cooperatively, even interchanging roles, to co-produce regulation in a regulatory arena (Black, 2002a and 2000b). The concept of regulatory space does not exclude such theories but rather focuses on the understanding of the nature of this (shared) space and the relationships between occupants in the space. It is the relevant power of the organisations that ultimately determine the extent and scope of the regulatory framework and explain the shape of the regulatory space.

Chapter 3. Developing the theoretical concept of the organisation of regulatory space

3.1: Introduction

The seminal work introducing the concept of regulatory space was *Organising Regulatory Space* by Hancher & Moran (1989) in *Capitalism, Culture, and Economic Regulation*. As they proclaim: "Regulation is virtually a defining feature of any system of social organisation" but, "[...] a special place is occupied by the process [...] of regulation of economic activity in Western capitalist societies" (Hancher & Moran, 1989: 271). By using the concept of regulatory space, the analysis of the economic regulatory system is extended from the limited review of public versus private interests or other micro-contests inside the specific economic system into a broader examination of the entire regulatory system. In this analysis, the crucial components of the regulatory process are the nature and character of the shared regulatory space. Within this environment, it is how participants are involved in the process, the relationship between actors (occupants) and the specific characteristics of the industry in question, and the unique economic and political aspects, including cultural influences, that shape individual markets and generate regulatory issues. They provide a 'sketch' of economic regulatory space that highlights the implications and connections between capitalism, culture and regulation: "[...] regulation is best understood through the analytical device of 'regulatory space' and [...] how national political, legal settings, historical timing, organisational structure, character of markets and the nature of issue arenas all influence the shape of regulatory space and the allocation of power within that space" (Hancher & Moran, 1989: 271).

3.2: What does regulatory space consist of?

Hancher & Moran (1989) developed and extended the approach used by Crouch (1986) to define 'public space' regarding economic regulation: "[...] the range of issues about which general universal decisions are made within a given political unit" (Crouch, 1986: 180). Crouch (1986) framed the debate around economic regulatory space in the context of the public versus private interest theories of economic regulation. Hancher & Moran (1989) defined regulatory space as space "[...] whose dimensions and occupants can be understood by examining regulation in a particular national setting, and by analysing that setting in terms of its specific political, legal and cultural attributes" (Hancher & Moran, 1989: 277). While the state was likely to be a significant occupier of economic regulatory space, this broader definition allows for the potential of economic regulatory space to be created and populated solely by private interests or self-regulatory

frameworks but allows the potential for a variety of combinations, including the state, to occupy the space. Thus, “[...] economic regulation [...] involves interdependence and bargaining between powerful and sophisticated actors against a background of extensive state involvement” (Hancher & Moran, 1989: 272).

The motif of ‘space’ infers a number of qualities to the analysis. Space can be occupied. Furthermore, the occupation of space can be unequally divided between major and minor actors. It also allows for the perception that regulatory space can represent specific ‘galaxies’ of economic regulatory space that contain the particular economic regulatory requirements for an individual industry. Issues that dominate the regulatory space of a given industry are likely to include some issues that resonate with other industries as well as those that refer to specific issues of that particular industry. Finally, the image of ‘space’ can be amplified by complementary imagery; alongside connotations of the solar system, space is synonymous with ‘area’, ‘arena’, or even ‘Lebensraum’, perhaps emphasising the idea of conflict within the regulatory process. Hancher & Moran (1989: 277), in describing a violent process, state “[...] regulatory space may be furiously contested [over]. Its occupants are involved in an often-furious struggle for advantage”. However, the language of space also can suggest a bounded, demarcated area and that a ‘hard border’ between those within it and those excluded may exist.

If it is true that some organisations are in the regulatory space and some are on the outside, marginalised and excluded from the process, it follows that this is also true of ideas. At different times, ideas (or political philosophies) will determine both the extent and size of ‘space’: the economic and political agenda within a given regulatory area. Ideas will determine the overall thrust of the process simplified to either regulation or deregulation as well as which issues are prioritised. As the force of ideas varies over time and between cultures, accordingly, the priorities of regulation will change. As highlighted earlier: “Notions of what is ‘regulatable’ are plainly shaped by the experience of history, the filter of culture, and the availability of resources” (Hancher & Moran, 1986: 278). Given the dominant position that large organisations occupy in regulatory space, how organisations become committed to (or change) their attitudes and approaches to regulation will determine the scope and agenda of specific regulatory spaces. The role of the regulator is an attempt to address the existing normative procedures that have been applied to a particular activity and influence or shape the discourse. A regulator will “[...] attempt to influence these normative discourses in order to establish or maintain the legitimacy of its actions” (MacDonald & Richardson, 2004: 492). As attitudes and relationships between various actors change, political philosophies fluctuate or democratic expectations for economic regulation alter, and areas of activity that had

previously avoided regulation, particularly from the state, can be brought within the regulatory ambit.

This background of potential state involvement highlights the importance of the distinctive, national features of individual states. The form that economic regulation will take in a national context will be shaped both by the rule of law and the allocation of sovereign authority in that national setting. Thus, the deployment of public power is derived from legal authority that, in Western democracies, is founded on the will of the people, exercised via the democratic process. Accordingly, “[...] the range and form of [economic] regulation is deeply influenced by the particular conception of the scope and purpose of the law which prevails in any particular community and at any particular time” (Hancher & Moran, 1989: 273). Alongside the legal culture of an individual nation that will influence the ultimate configuration of regulatory space, the distribution of sovereign authority will also prejudice the final organisation of this space. How markets are organised, the prevalence of large firms and the democratic or political process inside the boundary of a national setting and, in some circumstances, a pan-national setting, combine to produce different arrangements of regulatory space. For example, the dominance of the political process, to the extent that government might have a monopoly on the formulation of economic regulation, would go some way to framing this process as one of popular implementation of regulation to preserve the public interest at the expense of private power.

This strand of analysis, that economic regulation is the preserve of the state to control the operations of the market and private power, resonates in the debate on public versus private interests and, by extension, ‘capture’ by private groups. As referred to in Chapter 2, there is a considerable body of literature devoted to the examination of this specific economic regulatory outcome (Kolko, 1963), and there is a distinct separation between public and private sectors of the economy (Lowi, 1979), culminating in the conclusion “[...] that the practice of regulation has involved the subordination of public authority to sectional interest” (Hancher & Moran, 1989: 274). Hancher & Moran (1989), however, question this inviolable separation of public and private spheres of the economy. Rather, they frame the debate on economic regulation around the various organisations contained in a regulatory space, including the state. They rebut the private versus public distinction with the observation that “[...] the most important actors in the process are organisations, and organisations which, regardless of their formal status, have acquired important attributes of public status” (Hancher & Moran, 1989: 274). Alongside this pronouncement, they conclude that: “Of the formally ‘private’ organisations with public status, none is more important than the large firm” (Hancher & Moran, 1989: 274).

3.3: The importance of organisations within the regulatory space

Hancher & Moran (1989: 272) outline how the exercise of power is centred on the relationship between organisations in the regulatory space: “[...] economic regulation is dominated by relations between large, sophisticated, and administratively complex organisations”. Moreover, they note that the term organisation encompasses a broad swathe of institutions, including the state, comprising government departments, quangos and specialised bespoke regulatory authorities, as well as organised interest groups, including trades unions or trade bodies and, of course, corporations. The range of organisations blurs the traditional distinction between public and private decision-making bodies and rather focuses the analysis on how all organisations assert their will through a process of negotiation and bargaining. As suggested by Middlemas (1979), firms have become ‘governing institutions’ or, as Lindblom (1977) formulated, in a market economy, firms are the primary source of economic decision-making. It is firms that, in the first instance, decide on investment, employment, and output that are the key factors in determining the output of a national economic system.

Hancher & Moran (1989) highlight that the concept of space also encourages the examination of those organisations within the regulatory space and those excluded. Furthermore, the process is dominated by large organisations where institutional hierarchies are a common trait of the organisational structure. Such bureaucratic hierarchies are shaped by the proscriptive institutional policy and procedures of established rules: organisations have ‘standard operating procedures’. The application of these rules rather than individual choice is the dominant factor in determining how organisations, rather than individuals within those organisations, engage in the process. The accent on the role of the organisation in the process, shaped by a firms’ culture and operational procedures, does not diminish the role of some individuals, specifically the management or leaders of organisations who, by dint of their authority because of the position they hold and, sometimes, their charisma, can significantly shape operational practices and the culture of large organisations.

The central relationship, however, that determines this space is that of the interaction between large organisations. It follows that how they operate within the regulatory space, for example, which issues they choose to address, or their relative power and ability to influence the process is critical in creating the final shape of the regulatory space, recognising the dynamics and changing nature of organisations. At the same time, the internal processes of organisations determine how they interact with other organisations. Hancher & Moran (1989) envisage an intricate, fluctuating pattern of alliances between organisations that can bridge the traditional public-private divide. The

allocation of power and roles “[...] between rule-makers, enforcers and bearers of sectional interests constantly shifts, again obeying no obvious public-private dichotomy” (Hancher & Moran, 1989: 276). Economic regulation in these market economies is shared between organisations. As Hancher & Moran (1989: 276) propound: “[...] explaining the complex and shifting relationships between and within organisations at the heart of economic regulation is the key to understanding the nature of the activity”.

While organisations will dominate the process of occupying the regulatory space, the type and form of organisation will differ across economic sectors. As a result, how organisations affect the regulatory space will vary but they will remain central to the process. As highlighted, individuals will have a part to play in this process but, by and large, as a function of the role they hold in various organisations. Their legitimacy to affect the regulatory space is derived from the positions they hold, for example, chief executive or chairman in the private sector or director-general, minister (or equivalent) in the public sector. Individuals are not, however, excluded from the space but, in general, “[...private] citizens are ‘takers’ of regulation; organisations are the makers and shapers” (Hancher & Moran, 1989: 286). The Bosman ruling by the European Court of Justice (ECJ) in 1995, however, is a good example of where the private citizen, through a legal process, can change the economic regulatory space of an industry. (The Bosman ruling concluded that the transfer system with the football industry restricted the free movement of players in the European Union (EU) and, therefore, was in contravention of Article 39 (1), now Article 45 (1), of the EU Treaty on the functioning of the EU). The judgement resulted in a fundamental change in the transfer market in the EU and the regulatory space of the football industry. See Chapter 5 for more detail).

While the character and type of organisations will vary and this variation will, as a result, impact how organisations engage in the regulatory process, they will display some similar characteristics. Those that occupy the greatest space impact the regulatory process most and, generally, will be the largest organisations in a particular economic sector: size being a function of the resources available to an organisation, including economic, legal and political. Size is significant in the regulatory process. Even if the largest organisations are not initially involved in this process because of their size and importance to a particular industry, their compliance and acceptance of the regulatory system is crucial to the effective implementation of a regulatory agenda. But large organisations are typically bureaucratic and hierarchical. The effectiveness of regulation must be transmitted throughout an organisation, from top to bottom. Failure to ensure this culture of compliance permeates the entire organisation will undermine any regulatory process. Effective regulation entails individuals in organisations working

together, both with co-workers in the organisation and individuals in other organisations operating in the space. While a level of interdependence and exchange of information throughout organisations and between organisations is needed, at the same time, these organisations will be in competition with each other. Firms will seek either to gain an advantage over competitors in the market, gather success, demonstrated by profits, market share or in a sporting context, win silverware or achieve league position. At the same time, they will be in competition with regulatory bodies to occupy and control the regulatory space to ensure their continuing success and favourable economic operational environments. Regulatory organisations will compete to maintain their control over the regulatory process and ensure their legitimacy to control it, institute rules and enforce sanctions for failure to comply. As a result, "Regulation – and the rules and distribution of power through which it operates – is always a 'stake' of industrial or political struggle" (Hancher & Moran, 1989: 287). Furthermore, systems of power and authority are typically mingled and exercised in different, changing combinations (Dahl, 1970).

As highlighted earlier, the concept of regulatory space gives rise to the potential for conflict over the occupation of that space. For Hancher & Moran (1989: 277), the outcome of this contest is the result of a power struggle: "[...] the play of power is at the centre of this process", and it is determined by the distribution and deployment of resources in this struggle for supremacy. They also suggest a division of power that presages Lukes (2005) more complete description of a third dimension of power by referencing the importance of identifying both the relationship between organisations in the scope of the regulatory space as well as those excluded from that space. Again, for Hancher & Moran (1989), the role of the large organisation is crucial in determining this division for those in power and those excluded from it. As highlighted above, the way institutions go about their business, their standard operating procedures, will shape the way organisations respond to regulation and the composition of the regulatory space: "Institutional procedure, that is, the routine application of established practices, rather than individual choice, is the dominant influence in deciding who is taken in, or kept out of, regulatory space" (Hancher & Moran, 1989: 278).

Hancher & Moran (1989: 289-299) outline several characteristics as a condition for organisations to enter the regulatory space: "[...] large scale, extended hierarchies; a refined division of administrative labour, enforced cooperation in the implementation of regulation [and] the relentless pursuit of institutional advantage". But while there might be shared characteristics, organisations are also extremely varied, which impacts how organisations approach regulation. This diversity in organisations influences the allocation of power in the regulatory space, and the dimensions of regulatory space

themselves, thereby moulding the agenda for regulation. The multifarious nature of organisations extends across organisational structure, internal cohesion, including social and cultural cohesion, and the economic strength of individual industries or sectors.

The impact of the organisational structure not only affects how organisations, with their internal operational policies, implement regulation but also what regulation can be accomplished. Organisational structures “[...] tend to impose certain perceptions, responsibilities and interests on actors” (Hall, 1986: 265). There are two cultural influences on the regulatory process: a meta-cultural effect of a nationalistic interpretation of the role of regulation and a sub-culture of individual organisations. Such sub-cultures will be influenced by the national variations in culture since, as described earlier, regulation is a process heavily influenced by ‘place’. Thus, a complex exchange and inter-linkage of cultural influences occurs in the regulatory space, creating a multi-cultural environment.

3.4: The significance of ‘place’, national peculiarity or culture in the formulation of the character of economic regulatory space

Economic regulation is control by, for and over organisations. Within this, however, are other forces, including cultural or political influences, that change the response of organisations to regulation. Whether actors (organisations, individuals and ideas) are in the regulatory space or are excluded, their effectiveness in occupying that space is derived from the cultural environment created in organisations and how this culture is projected in the broader societal environment in which they operate. The scope of their activity is shaped by their internal, standard operating procedures which form an internal culture and influence the type of interaction or cultural approach to other (potential) occupiers of the space. This is why some issues are “[...] prioritised, included or excluded at different times and in different places [...and] show how organisations become committed to, and maintain a commitment to, particular definitions of the scope of regulatory space” (Hancher & Moran, 1989: 278).

While Hancher & Moran (1989) are concerned with the central relationship between organisations and the relative power between organisations that allow for the dominant to define the scope of regulatory space, they recognise that the ability to organise it thus is also a reflection of the “[...] prevailing general political attitudes and legal traditions existing in any community to the place of organised interests in the policy process” (Hancher & Moran, 1989: 279). The substantive difference in cultural approach, or place, is most clearly expounded in the role of the legal system in different national jurisdictions. Commentators highlight how the contrast between the European and the

US or UK approach to public law and the legal embodiment of the state is epitomised by the fundamental difference between Roman and English or common law (See Dyson, 1980; Graham, 1989 and, for a broader discussion of the different legal positions, Harlow & Rawlings, 1983). As stated earlier, however, even in similar legal frameworks, the approach to the use of legal resolution differs: the more litigious US approach, characterised by detailed rules and an adversarial regulatory process, contrasts with the stylised UK approach of consensus and cooperation (Vogel, 1986).

Crouch (1986) provides a detailed description regarding the importance of place in determining the variation of response to similar economic regulatory problems, providing a historical and social perspective that the shape of regulatory space changes as nations' political experiences and institutions evolve. Thus, as Hancher & Moran (1989: 280) elaborate: "[...] although the economies in advanced capitalist nations exhibit similar patterns of extensive regulation dominated by a small number of large organisations, there exists significant national variations in the political and constitutional responses to these similarities". Accordingly, national regulatory spaces will reflect "[...] the operation of culturally based dominant values that inhibit or preclude some kinds of arrangements but favour others" (Hayward, 1976: 341). As Hancher & Moran (1989: 282) conclude: "Variables attributed to distinctive legal cultures may also determine the ability of 'excluded' interests to challenge the existing distribution of power within the common regulatory space".

Hancher & Moran (1989) also highlight how culture is not changeless or timeless in character and that it can be specific to an individual regulatory space and time. They refer to the pre-Big Bang culture of the UK financial services sector "[...] marked by a deferential attitude [...] towards authority and by a preference for informal private regulation..." (Hancher & Moran, 1989: 283). The change of culture in organisations will challenge the previous configuration of regulatory space evidenced by the influx of American financial institutions into the City of London and the subsequent alterations of the tone for economic regulation. Alongside this change in the culture of organisations was a similar change in the philosophy of government, from regulation to deregulation, thereby also changing the configuration and extent of the economic regulatory space.

Since firms are key organisations in the regulatory space, how they are structured and operate is a significant variable to explain the development of economic regulation. The role of the individual is marginalised and, most often, is limited by the position an individual holds in an organisation. The senior management, executive and non-executive board members will have a disproportionate influence on an organisation's role in a specific economic regulatory space. Hancher & Moran (1989: 286) do

acknowledge that “[...] occasionally private citizens may succeed in mounting a successful legal challenge to a regulatory programme, but sustained or permanent participation is precluded”. This description could have been a precursor to the outcome of the Bosman challenge to the restrictive employment practices used by football clubs before 1995 (see above and Chapter 5).

The organisations that control regulatory space have several similar defining features. They are usually large and contain complex internal, administrative hierarchies and, due to their size, a high degree of division of labour. This adds to the intricacy of the process since it creates, in certain circumstances, the need for inter and intra-organisational levels of cooperation as well as the potential for similar levels of competition. For regulation to occur, organisations need to work together; conversely, a failure to do so can thwart the objectives of regulation. Equally, organisations can work together to stymie the intentions of the regulator. Hence, “[...] even if they [organisations] are not involved in the formal process of rulemaking, nothing would happen to promulgated rules without their extensive cooperation” (Hancher & Moran, 1989: 287). However, this does not eradicate the strategies that some organisations will employ in the process of inter-organisational negotiation, seeking to extract economic competitive advantage over other organisations. “Indeed, the essence of regulatory politics is the pursuit of institutional advantage: the pursuit of advantage in the marketplace [...] and the pursuit of command over the regulatory process itself...” (Hancher & Moran, 1989: 287). Others, in a Stiglerian approach, will subsume corporate advantage to work with competitors to frustrate the regulator and extract favourable economics for the whole industry. In the context of the football industry, a distinction needs to be made between the pursuit of economic success and on-field sporting success, which adds a further complication to the politics of economic regulation in a sporting environment. While organisations may share some similar traits, considerable variance remains between the characters of organisations. These variances emerge from the cultural differences organisations display in the response to the substance of regulation, the structure of the organisation, both political and economic, including the ownership model employed by firms, and the intra-solidarity of firms and organisations, together with the inter-cohesion, social, economic and cultural of sectors and industry.

Different forms of ownership structure (and owners) will influence how corporates approach regulation. Large firms are likely to have a wide shareholder base and in this large shareholder base, large institutional investors can exert disproportionate influence on the organisational response to regulation. The varied types of shareholders (owners) can shape the organisational culture. Organisational structures will impose both a

practical and cultural approach to dealing with issues (Hall, 1986). There are two cultural forces at work in the process of economic regulation: a national cultural approach to regulation and a sub-culture at the organisational level. This internal culture or political character of firms is an important factor in the institutional response to regulation. Strong hierarchical control (as might be expected in firms with a sole owner) is likely to display a coordinated, coherent, approach to regulation. However, a more fragmented ownership structure may produce significant differences in the approach. Hancher & Moran (1989) make the point that there is a degree of inter-linkage between these cultural influences and both a national and organisational-specific culture will be reflected in the resulting economic regulatory structure. Thus, a fragmented national political and economic structure is likely to be mirrored by a fragmented regulatory structure. Hancher & Moran (1989:289) use the example of the US political and regulatory systems to clarify: "The fragmented competitive pattern of state organisation in the United States is thus likewise reflected in the balkanised character of [US] pressure group organisation."

In the football industry, a wide variety of owners and types of ownership (both private and public companies) exists. A cursory examination of the approaches of the two EPL clubs in Manchester would indicate that ownership structures can significantly impact the operational policies of businesses but, beyond that, would affect the cultural practices of the businesses as well. Manchester United's majority owners are the Glazer family, American entrepreneurs with ownership of a number of sporting enterprises. However, Manchester United is also listed on the New York Stock Exchange, so both institutional and retail investors are owners. Furthermore, the balance sheet of the football club includes significant levels of debt, and, in certain circumstances, debtholders may become the owners of a firm and can influence the operation of the firm and its culture. Manchester City is owned by the Abu Dhabi United Group, a sovereign investment fund for the Abu Dhabi ruling family. It is an equity investment. While both sets of owners may, *prima facie*, have similar goals, i.e., on-field success, their different financial strategies can impact this ambition and provide other objectives: generate revenue for debt repayment or curtail expenditure to stay within financial constraints. This may change a club's response to economic regulation. The UK football industry also is an example of the concentration of power within the key actors active in the regulatory space. The 'Big Six', the largest, most successful football clubs in the EPL in terms of both economic and sporting success, dominate the industry a situation identified by Hancher & Moran (1989: 289): "The domination of industries by a small number of giant firms is one of the commonest features of market organisation in advanced capitalist economies".

While firms do engage with each other in fierce competition, it is important to note that the largest firms, those with the largest market share, are likely to have similar organisational responses to issues of regulation. There is, therefore, likely to be a divergence in the responses between large and small firms. This divergence of interest was seen in the establishment of the EPL in 1992 with the breakaway twenty-two football clubs, generally the largest, most successful, economically powerful clubs, from the rest of the EFL (seventy-two, mostly smaller, clubs). However, while there may be divergence of approaches between large and small organisations, there can be social and political inter-linkages between individuals at these clubs that can work toward a more cohesive industry approach to regulation. Clearly, some senior executives of football clubs can share similar work and life experiences, including similar social origins. Hancher & Moran (1989: 290) indicate that some industries, such as banking, will “[...] exhibit this high social and cultural unity [...] this sort of social cohesion can add cement to organisational structures”. However, the influx of capital from across the globe (see Chapter 5) has led to a significant degree of diversity amongst EPL (and EFL Championship) owners that perceptibly dilutes this shared social cohesion and similar cultural response to economic regulation.

Organisations remain at the centre of the regulatory process; however, their character or cultural preferences will heavily influence the shape of the regulatory space. The division of power and influence within and between organisations, due to a variety of factors, for example, social, historic, economic and cultural, will also mould the regulatory space. Finally, as regulatory issues rise and come to the surface or centre of the regulatory space, alliances of actors will form, bound by common approaches to issues and areas of regulation. In turn, actors in the regulatory space are united in a common approach and interdependency, but as issues or agenda’s change, these alliances can become stronger or wane, reflecting the changing regulatory landscape. As such, the regulatory space can be populated by a myriad of organisations and sundry, changing combinations of organisations working together. Some will form strong links and an interdependency with other organisations based on an extensive pattern of informal and formal cross-organisational links and networks. The “[...] density of linkages” (Hancher & Moran, 1989: 291) reflects the existence of formal, legally binding rules or regulations supplemented by organisations’ standard operating procedures enforcing and embellishing the formal regulatory framework or can be characterised by a less formal interdependency seen in conventions and other social interactions. (For more detail on the development of intra- and inter-organisational networks, see Granovetter, 1973; 1985; 2005; Kilduff & Tsai, 2003; Kadushin 2012). The concept of regulatory space allows an examination of not only the actors involved in creating networks but also the

structural features in the regulatory space which facilitate the development of networks and the interdependency between individuals and organisations. In doing so it also encompasses the individual circumstances and peculiarities on specific regulatory spaces: the potential networks developed will vary in character and formulation across industries and countries.

3.5: Issues and regulatory space

The development of a regulatory space occurs through the process of issues entering the space, actually or potentially impacting the operation of organisations, requiring organisations to respond. As mentioned earlier, issues can be created endogenously by organisations already in the regulatory space or exogenously identified and entering the space. No issue will produce the same regulatory response or generate the same engagement from a given organisation: engagement with an issue will be shaped by the relative importance an issue has to the operations of an organisation and the resources available, recognising that in large, complex organisations, regulatory issues will create a variety of both social and economic consequences and require cross-organisational engagement. The type and definition of issues will shape how and where in the organisation the issue is dealt with. Hancher & Moran (1989: 293) draw a distinction between technical and political issues and “[...] the high and low politics of regulation”. In doing so, they draw attention to the different approaches, resources and solutions organisations will employ in dealing with technical issues or those that involve high-level principles. Indeed, they highlight the approach in, for example, the financial services industry of designating issues as technical, such as entry into markets or standards of honesty. By doing so, financial services organisations set the framework in which the ‘solution’ is formed: defining the character of the issue can set the agenda and limit the scope of external regulation intervention. Furthermore, institutional languor can mean that there is no contested vibrant debate between organisations over the definition of issues but rather an acceptance of the status quo and precedent in determining the type of regulatory space issues enter.

Furthermore, this process of characterising issues drawing on institutional indifference and inertia, together with the acceptance of customs and conventions in deciding the type of issue, also indicates which organisations will have the most power and occupy the largest regulatory space in the final resolution of the issue. However, it is important to recognise that shifts in power and changes in the topography of the regulatory landscape can produce a redefining of regulatory issues from the technical to the political sphere (and vice versa). In the case of rapid innovation or change, this may result in the legitimisation of regulating technical issues being eroded and returning these issues to a

political arena (Picciotto, 1989). Hancher & Moran (1989: 294) expand on this point: “Growth, innovation, and structural change all magnify the complexity of the issues which arise in economic regulation” and, as a result: “The dynamic nature of the market economy disturbs the routine processing of issues and their routine assignment to particular spheres”. The very growth in complexity, in the absence of a political view, however, shifts the focus of the regulatory space to a technical debate between experts that only reverts to a political debate technical solutions fail.

An increasingly complex social and administrative operating environment mirrors the increasing intellectual complexity of issues in the regulatory sphere driven by, for example, innovation. Effective regulation of large organisations requires the understanding and complicity of large numbers of co-operating, interdependent individuals. In addition, large organisations beget large bureaucracies and administrative systems, typically highly defined, involving management hierarchies. At each level of hierarchy and at each decision point in the management of an organisation, there exists the potential for input on the regulatory process, both internally shaping an organisational response to regulation and, via networks, influencing other organisation’s responses to regulatory stimuli.

In the case of multinationals or organisations operating across national boundaries or within specifically created economic areas, the regulatory space may encompass both national and supra-national regulatory agencies. Hence, the English football industry faces economic regulatory issues generated by both national (FA or EPL) and European pan-national regulators (UEFA). The issues of innovation and structural change, together with the effect of social and administrative complexity, are inevitably magnified, with the addition of more, large organisations, in the regulatory space. It further raises the potential for regulatory organisations to conflict with each other: a contest for regulatory space between regulators with resources deployed to establish legitimacy at the expense of regulating.

The capacity of actors to respond to regulatory change and threats to the current normative regulatory space depends on the availability of resources. Individual organisation’s responses to change, for example, the development of the various strategies outlined by Oliver (1991), hinge on the availability of resources. The key resources, as identified by Hancher & Moran (1989); MacDonald & Richardson (2004); Scott (2001) and Young (1994), are formal (legal) authority, organisational processes (marketing, lobbying), the acquisition of professional advice and expertise, control of information, and finance.

The change in the culture of a regulatory space brings two additional dimensions to its formulation: it is reflective of both a particular period of time and place. Thus, regulation is characterised by a specific epoch, and those national boundaries help define the space. It, therefore, makes sense to analyse regulatory space both within a country and to see the evolution of the space as part of a longitudinal study.

3.6: The role of history and time in determining the current shape of a given regulatory space

That similar industries have evolved different regulatory systems reflects not just the national differences between jurisdictions but also the relative different stages of industrial development. As Hancher & Moran (1989: 284) state: “The significance of timing arises from an elementary characteristic of regulation as an activity: it has to be organised”. Therefore, control of the organisational process of regulation at the initiation of a regulatory regime and the acquiring and deployment of resources at that critical junction provides the organisation with an initially dominant position in the regulatory space. Furthermore, the influence that an organisation can wield by being the proponent of the regulatory system, enacted at that critical historic point when regulation is first introduced, can extend for some considerable time: “The moment of [the] historical origin of regulation can thus be of the utmost significance” (Hancher & Moran, 1989: 284).

The catalyst for this moment of regulatory origination, or a change in the regulatory framework, is often the culmination of a crisis which acts as a spur and accelerant to a change in culture and, hence, regulation. In this way: “Regulation is largely a matter of organisational routine, of institutionalised procedures, punctuated by occasional crises, economic or political.” (Hancher & Moran, 1989: 284). Both Boin et al. (2005) and Breyer (1993) point to political action in response to an articulated, vocal crisis. Moreover, reiterating the point above, some literature on regulation and crisis emphasises specific national cultural approaches when dealing with crisis, and the subsequent introduction of remedial regulation (Hofstede, 1991; Kagan, 2001; 2007). Alternative reactions to an articulated crisis “[...] predict ad hoc or *Pavlovian* responses to policy problems and discount the importance of national institutions and suggest politicians [...] turn to similar [...] measures to please anxious publics” (Lodge, 2011: 28). In contrast, Majone (1994; 1997) and Power (2007) return to the concept of the existence of the regulatory state to explain the embedded nature of regulation design and creation as a technical response to a crisis: this reflects a wider view of risk management by both public and private organisations and suggests a policy response founded on ‘risk-based regulation’. Such risk-based regulation is rooted in neo-liberal economic theory and emphasises the

role of self-regulation to control and ameliorate risk. Certainly, the response to the financial crisis in the football industry has been the introduction of economic regulation, generically described as the FFP rules, by self-regulating football authorities (see Chapter 5).

Hancher & Moran's (1989) trigger of crisis, or the sense of crisis, to promote regulatory change also lends itself to a timeline where periods of crisis and regulation or re-regulation are interspersed with periods of relative calm, a lull where organisations seek to consolidate power and moderate the regulatory process. The dimension of time, however, as well as determining when regulation starts, also provides an influence on the initial shape of the regulatory system. Late industry adopters of regulation will imitate early introducers of regulation: "Copying is obviously an economical way of solving the problem of regulatory design" (Hancher & Moran, 1989: 285). In addition, because regulation is often the response to crisis, speed of deployment and initiation is critical and, hence, the imitation of other existing regulatory regimes is promoted. Alongside the process of imitation due to crisis management, there is also the diffusion of ideas and political philosophies that shape the regulatory space. Various studies (Wilks, 1989; Prosser, 1989; Cawson, Shepherd & Weber, 1989) have shown how advanced, developed regulatory systems can be transplanted across national jurisdictions, albeit with the influence of national culture redefining some of the characteristics of the framework, but also aware that the force of ideas, such as increased regulation or deregulation, can influence the regulatory agenda.

At the crucial moment of establishing a regulatory framework, control of resources is of critical importance in determining which organisation seizes the initiative. The balance of institutional forces, the required resources of a combination of economic strength and political will, is fundamental at that critical moment. In some cases, the state will command the necessary resources to dominate the process. Alternatively, in other situations, as described by Hancher & Moran (1989) for the UK pharmaceutical or securities industries, the control of resources tilts the balance in favour of the industry. A similar circumstance emerged with the creation of the English Premier League (EPL) in 1992; the control of the economic resources by the breakaway league allowed it to establish its own economic regulatory framework. Regulation, therefore, takes place in a particular setting - national or cultural - as well as at a particular time in the evolution of an industry, most often at a period of crisis when the failings of the market are laid bare and the need for regulation is most obvious.

3.7: Regulatory Space: Theory or Analytical Framework, Concept or Tool?

Hancher and Moran (1989), present the image of 'regulatory space' in order to explain the complex dynamics of the creation of economic regulation and its development. As outlined it focuses on a number of variables for example the catalyst of crisis and the interaction of actors within the regulatory space influenced by culture and capitalism, which results in a given configuration of regulatory space. They reflect that as these variables change or the interaction of actors develops, then different configurations of economic regulatory space may emerge. However, it is debatable whether regulatory space is a 'theory', a 'framework', a 'tool', or an analytical 'concept' or 'metaphor'. Notwithstanding oversimplification of these nuanced considerations, regulatory space as a lens for evaluating a social science phenomenon has been used by among others: Hancher & Moran, 1989; Scott, 2001; Martinez Lucio & MacKenzie, 2004; Walters & Hamill (2013), Dundon et al., 2014 and Vibert, 2014.

However, it is important to consider the theoretical value of regulatory space theory. Babbie (1989: 46) suggests that social science theories are "a systematic explanation for the observed facts and laws that relate to a specific aspect of life" that is, an attempt to explain a complex set of relationships amongst several variables. This resonates with Sekaran's (1992: 73) definition of social science theory: "[...] it is a logically developed, described, elaborate network of associations among variables that have been identified through such processes as interviews, observations and literature surveys". However, Kerlinger & Lee (2000: 11) extend the requirements of social science theory: "A theory is a set of interrelated constructs (concepts), definitions and propositions that present a systemic view of phenomena by specifying relations among variables with the purpose of explaining and predicting the phenomena". This requirement for predictive conclusions from social science theory is reiterated in Reynolds (1971), Popper (1985) and Wacker (1998) and forms a significant element to accepted social science theory creation. While regulatory space theory may satisfy the more general view of theory creation presented by Babbie (1989) and Sekaran (1992), the more exacting demands of Kerlinger & Lee (2000) with their inclusion for example of definitions and predictions, highlight elements lacking in regulatory space theory.

In certain areas therefore, Hancher & Moran's (1989) description of regulatory space leaves some ambiguity and hence erodes its value as theory on the development of regulatory frameworks. It does however remain a powerful analytical tool to examine the development of a regulatory space. If some variables are left, frustratingly, vague such as

'crisis', regulatory space 'theory' does provide, satisfyingly, a series of variables that influence the establishment and development of regulatory space. In identifying these variables for example, culture, capitalism and crisis, together with the influence of place, time and the interaction of actors within the regulatory space, Hancher & Moran (1989) provide a canvas upon which researchers can depict the creation and evolution of any regulatory space as the relationship between variables changes. While therefore regulatory space theory may not predict how a regulatory environment may culminate, it does provide the variables to follow when trying to explain how the resulting regulatory framework occurred and allows the researcher to follow the potential for its mutation as the influence of variables alters.

It is perhaps because of its relative lack of definition and its equivocal status as either a theory or an analytical tool that regulatory space theory has been on periphery of academic investigation concerning regulation. In their chapter on explaining regulation, Baldwin, Cave & Lodge (2012) focus principally on public interest or group interest theories to explain the development of a regulatory framework. However, they also acknowledge as a separate influence the power of ideas in shaping the regulatory framework. Thus the influence of ideas, ideologies and beliefs, reflecting the current political and cultural inclination towards the extent of regulation, can be simplified to an inclination to regulation or deregulation. Hence, Derthick & Quirk (1985) ascribe the result of regulation, and then deregulation in the US, as a product of a changing ideological framework reflecting fluctuating approaches in economics, consumerism and law. Finally Baldwin, Cave & Lodge (2012: 53) turn to institutional theory to explain regulatory development. While they acknowledge that institutionalism is a 'broad church', they recognise that "[...] institutional structures and arrangements as well as social processes significantly shape regulation".

Baldwin, Cave & Lodge (2012) highlight the historical approach that underpins the analysis that regulatory space theory provides, contrasting this with economic or sociological influences to explain the development of regulation from an institutional position. The strength of the Hancher & Moran (1989) methodology is that it is able to accommodate alternative explanations of development: their institutional perspective allows regulatory space to evolve due to a variety of variables including those outlined by Baldwin, Cave & Lodge (2012) namely public or group interest theories (although the concept of 'capture' is perhaps less relevant since power is shared, to a greater or lesser degree, between public and private organisations); the powerful influence of ideas and the inter-institutional and intra-institutional behaviours of organisations. However, they also highlight the weaknesses of the Hancher & Moran (1989) theory. The 'boundaries' of

regulatory space are difficult to define. Hancher & Moran (1989) focus mostly on national boundaries and only sparingly comment on supra-national regulatory space although the development of economic trading blocs, such as the EU, weaken the primacy of the national regulatory space. Likewise, the 'theory' provides no insight into determining the 'topology' of space. Hence, it provides no judgement over the relative power of organisations, the distribution of resources or on how inter or intra-institutional behaviours and interactions occur including the nature of communication flows between organisations. The contribution that regulatory space theory makes to the general understanding of regulation is that it captures the complex, confusing and sometimes contradictory development of regulation over time: different aspects of regulatory development will resonate with different regulatory theories but can be accommodated within the encompassing framework of regulatory space theory.

Notwithstanding these criticisms, regulatory space theory does have a role in the understanding of economic football regulation. The concept of regulatory space has been used sparingly in the analysis of the development of the economic regulatory space in English football (see Walters & Hamil, 2013 for the foremost use of regulatory space theory being applied to the economic regulatory framework of English football). Rather, the analysis has focused on examining the operation of elements of the regulatory framework and in particular the influence of FFP (see Szymanski, 2014; Iorwerth, 2018). Likewise other research has examined the operation of the economic framework from a single perspective for example Szymanski's (2010) or Morrow's (2004) research on the financial crisis in English and Scottish football respectively. Both focused on the evidence of financial crisis for example high levels of debt or football clubs entering administration but did not examine the reasons or variables that led football clubs into these financially perilous positions. Regulatory space theory does however encourage research to lift the veil and explore the range of factors that produce the conditions for crisis for example, capitalism and culture rather than just focusing on the evidence of crisis. Thus, regulatory space theory allows for a holistic examination of the regulatory space of English football: an investigation of both the evidence of crisis but also the variables that brought clubs to that point and the changing dynamics within that regulatory space.

3.8: Conclusion

Understanding the nature of the regulatory process in advanced capitalist economies involves, above all, an understanding of the character of the organisational forms dominant in the regulatory arenas. The allocation of power and influence between these organisations in a regulatory space is influenced by a national legal tradition as well as by

a wide range of social, economic and cultural factors. However, the arrangement and organisation of that space are also affected by a more immediate set of influences: the particular kinds of issues that are to be immediately dealt with in a given epoch reflecting, for example, the broader issue of the development of the industry at a given point in time.

Given the potential array of organisations within a given regulatory space, the arrangement of that space is not one simply produced by the conflict of public versus private interests, culminating in capture and capitulation of the public interest subsumed by private interests, but a broader canvas that portrays a 'battlefield' across which "[...] powerful organisations both state and non-state, gain, maintain and sometimes lose their dominant position with regulatory space" (Hancher & Moran, 1989: 297). The story of economic regulation and the changing environment of regulatory space is one of power and how this ebbs and flows between organisations. The pattern of regulatory space is one of networks of interdependence between a variety of organisations across it. Part three of this thesis will provide a longitudinal review of the development of the economic regulatory regimes of the English football industry through this lens of regulatory space.

Chapter 4. Methodology, research methods and processes for analysing data

4.1: Introduction

The purpose of research is to increase the extent of human knowledge and to accelerate the process of understanding (Easterby-Smith et al., 1991). Research involves the gathering of data and hence the choice of process or processes to collect and collate it, the research method is a critical component in the process. However, the methodological assumptions, the research philosophy that underpins the entire research project, provides the meta-philosophical framework in which the researcher can set his data gathering. Thus, the methodology provides the rationale for the adoption of chosen research methods. However, the methodology of a body of research itself will depend on the epistemological and ontological outlook of the researcher. Indeed, the conclusions the researcher reaches and their epistemological and ontological reflections will underpin the ultimate research methodology and drive the appropriate research methods. There is, therefore, an interrelationship between the building blocks of ontology, epistemology, methodology, methods and sources (Grix, 2002).

Researchers need to draw upon a “[...] frame of reference, which reflects a whole series of assumptions about the nature of the social world and how it might be investigated” (Burrell & Morgan, 1979: X). Furthermore, this philosophical framework will provide a context, a lodestone, to review and refer to during the process. It enables the researcher to recognise the strengths and weaknesses of any research design and adapt a chosen research design to reflect the particular circumstances of a given area of research. This philosophical underpinning allows for a considered review of a chosen research design and the overall configuration of the research: “[...] what data is gathered, from whom and where, and how this evidence is interpreted” (Esterby-Smith et al., 1991: 21).

4.2: Epistemology and ontology considerations that derive research methodology

4.2.1: Epistemological and ontological reflections

Epistemology refers to our understanding of how we come to know and understand the world. This is often presented as a stark choice between positivism, naively presented as a view that social sciences should follow procedures and theory-building established in the natural sciences, and interpretivism, where social research is concerned with the search for meaning within social activities. Thus, epistemology is concerned with how knowledge is generated and in what form this knowledge is obtained. It is intertwined

with the ontological considerations concerning the nature of social life. Ontology is concerned with claims about the nature of being and existence: in the context of social research, it is related to the objective or subjective nature of phenomena, and whether reality is “[...] external to the individual [...] or the product of individual consciousness” (Burrell & Morgan, 1979: 1). This dichotomy between an objective reality which exists independent of the observer and a reality which exists subjectively, as a consequence of the negotiations and understanding of different groups, is encapsulated in the contrast between the objective or realistic interpretation of the world and an interpretivistic or constructed understanding (Bryman, 2004).

Epistemology, how we understand what knowledge is and how we acquire it, will shape both the research methodology and the applicability of different research methods. By adopting an interpretivist outlook, the researcher is prompted to look at internal motivation and the human agency that constitute social activity as a source for the social phenomenon being examined. Interpretivists may consider why others, including the participants in the social activity, see a cause and effect within a social phenomenon rather than seeking an external factor to explain the cause and effect. The goal, therefore, of interpretivist research is to understand the meaning that cultural and institutional practices have for those taking part.

4.2.2: Philosophical underpinnings and interpretivism

While there is no central reference point to define interpretivism, there are several different sources that provide guidance. It is possible to draw on the work of Weber at the beginning of the twentieth century, as a guide to the influence of interpretivism in social research. Another point of reference for some interpretivists has been the later works of the German philosopher Wittgenstein (see O’Sullivan, 2017). He championed the rejection of absolute ‘essentialist’ definitions of the language used to describe the world to be replaced by the recognition that concepts can only cover ‘family resemblance’. Hence, alternative but similar explanations can be given for the development of a particular social phenomenon. Winch (1958) drew on Wittgenstein to suggest that social activity had to be understood in the context of the rules and social practices of a given situation. To understand a social activity, we have to empathise and understand these social conventions and the viewpoints, attitudes and feelings of the participants. Such an in-depth understanding of the cultural make-up of the participants resonates with the work of Geertz (1973) and his contrast between ‘thin’ description (acts) and ‘thick’ description, which involves both a description of the act but also, significantly, an understanding of the cultural influences, the societal rules and meanings which lie behind these acts.

Further points of reference for interpretivists are the concepts of constructivism and social constructivism. Broadly, both interpretivism and constructivism share a view where actors themselves create the meaning of social interaction rather than a world where the meaning of such interaction is fixed. In that sense, where positivism, in a social science context, is cast in the language of certainty, a quasi-scientific approach of 'administering tests', concerned with 'validity' and the 'elimination of bias', interpretivism is often couched in a softer language of 'exploring concepts'; 'engaging with social actors' and seeking to 'negotiate understanding' rather than providing undeniable 'proof'. Meanings are constructed rather than discovered and emerge via the 'negotiation' of parties. It should be recognised that these social negotiations may vary and be flexible but that often they become ossified into social and cultural expectations. Berger & Luckmann (1966) identified that such social constructs, particularly in institutional environments, can become permanent or subject to 'reification'.

Alongside epistemology, ontology also provides a philosophical framework for research projects. As outlined above, there is a dichotomy between the ontological view of an objective reality that exists independent of the observer and a more subjective reality that exists based on the process of negotiations between parties (Bryman, 2004). Ontology refers to the objective or subjective nature of a phenomenon and is concerned whether reality is "[...] external to the individual [...] or the product of individual consciousness" (Burrell & Morgan, 1979 page 1). This is a reprise of the alternative epistemological standpoints of positivism versus interpretivism and reinforces the view that epistemology and ontology are intertwined and closely aligned. The importance of establishing the ontological parameters of a research project was emphasised in Grix (2002) who held that the ontological understanding of a project is critical in the determination of the appropriate research methods. However, Grix (2002) also acknowledged the relative inadvisability of considering epistemological and ontological approaches separately in social science research. Thus, collectively, epistemological and ontological assumptions will have methodological implications and, taking all three together, will impact the way a researcher gathers data via the chosen research methods.

The research methodology acts as a link between the epistemological and ontological outlook and the technical research methods that are employed to gather the data. It provides the overarching strategy and rationale behind the research project and the 'tools' deployed to investigate the phenomenon. Thus, an interpretivist methodological approach to research will emphasise that social reality is complex, created by human interactions and that it is socially constructed. Interpretivist research is more likely to be underpinned by the need to understand the meanings behind such social interactions,

the values of the actors and the cultural setting in which the actors operate, together with their own cultural mores. As a generalisation, an interpretivist approach tends to follow the path of qualitative research. However, even in the interpretivist overarching philosophy to research, variations exist. For example, while realism shares much in common with interpretivism, it also recognises that alongside a reality created as a social construct, a reality can exist created independent of human thought and that the perceived differences occur because of the subjective interpretations of individuals. A realist approach “[...] recognises the importance of understanding people’s socially constructed meanings, or subjective reality, within the context of seeking to understand broader social forces, structures of processes that influence, and perhaps constrain, the nature of people’s view and behaviours” (Saunders et al., 2003: 85).

Finally, in the broad interpretivist school of thought, postmodernism has a role to play. Again, it draws from the interpretivist approach and entails a rejection of ‘grand narratives’ to explain social interactions as well as being sceptical of scientific methods and empirical investigations. Critical of the notion of any absolute, objective truth, postmodernism often focuses on the nexus of power to explain the development of a socially constructed reality (Bourke, 2011). Furthermore, it recognises that, since individuals socially construct reality, actors can have different perceptions of the same phenomenon and that multiple interpretations of the world exist. Thus, the school of postmodernism has emphasised the need for reflexivity by researchers and the difficulty in establishing ‘truth’. It often focuses on a series of narratives to explain a phenomenon, while being cautious over the ability to establish cause and effect or the effectiveness of processes such as triangulation to produce a definitive conclusion. Indeed, postmodernists can be seen as ‘disruptors’ with a preference for uncovering new perspectives and countervailing narratives. In extremis, for example, postmodernism has been extremely critical of the dominance of scientific rationality, and this has led to the challenging of existing paradigms (Feyerabend, 2011).

4.3: Conceptual overview of qualitative research methods

As outlined above, the underlying philosophical beliefs and values drive the research methodology and have implications for the choice of research methods. Qualitative and quantitative methods are two overarching research method techniques used to collect and analyse data, and each can be subdivided into specific research methods, for example, survey data or interviews. While not mutually exclusive, research projects can include both methods, and the choice of method and, subsequently, how the data is used, is heavily influenced by the ontological and epistemological assumptions of the researcher. The different research methods do, however, generate different types of data,

suggesting different, distinct types of interpretation and representation (Denzin & Lincoln, 1994).

The use of quantitative methods, such as surveys, structured interviews, experimental methods including the testing of hypotheses and statistical calculations, are likely to guide a researcher to look for statistical evidence to uncover patterns and suggest a causal relationship between variables. Using quantitative methods emphasises the ability to gather data systematically, with data that is easily measurable. Inevitably, many researchers using quantitative methods that are more deductive in approach have an underlying positivist philosophy concerning the research project and value qualities such as 'reliability', 'validity' and the need to reduce 'bias'. In contrast, qualitative methods, such as participant observation, including ethnographical studies, archival research and secondary sources, and semi-structured and unstructured interviews, lead the researcher down a different path. Qualitative methods suggest an inductive approach that is suited for exploring, explaining and revealing phenomena and producing new theoretical insights. These data gathering methods have a different emphasis and focus on interpretations and divining meanings from social contexts and situations. Researchers focus on 'trustworthiness' and other quality criteria rather than reliability or validity to benchmark the research. Thus, qualitative research will seek to "[...] understand phenomena in their entirety to develop a complete understanding of a person, programme, or situation" (Rudestam & Newton, 1992: 32), and is likely to find solace in an interpretivist approach embedded within the underlying philosophical assumptions (Denzin & Lincoln, 2005; Strauss & Corbin, 1990).

It remains a consistent criticism of qualitative research that, unlike quantitative studies, "[...] the rules, formats, and norms for doing, writing and publishing it are not uniform or established" (Langley & Abdallah, 2011: 203). Indeed, some have decried this lack of standardisation, casting doubt on the substance of qualitative research and highlighting the need for a 'boilerplate' methodology (Pratt, 2009). Langley & Abdallah (2011) do identify two 'templates' that provide some structure perceived to be lacking in qualitative research, which they classify as the 'Eisenhardt' and 'Gioia' methods. Critically, these are not mutually exclusive methods since they both rely on the use of data collection methods, although the analysis and the interpretation of the subsequent data diverges, and neither is meant to be 'recipes' to be followed slavishly. They do not allow the researcher to cherry-pick those elements of each method that conveniently fit the course plotted but rather encourage the researcher to focus on a single method as a chart to enable navigation of the research project but with more than a 'weather eye' to the alternative, highlighting, as it does, additional 'points of interest' to enhance the

research or dangerous 'tides and currents' that would take the project away from its core methodology.

Given the overall interpretivist methodology that underpins this research, the natural 'chart' to follow would be that of the Gioia method rooted in grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1990) and encapsulating, as it does, interpretivist principals: its purpose, to capture and model informants' understanding and meaning of organisational events. The Eisenhardt method, although positivist in conception, does provide some 'points of interest', even for those adhering to the Gioia method: the concept of using interviews with diverse informants is a key element of the Eisenhardt method to allow the development of novel, nomothetic theory, and can be incorporated into the Gioia method without losing consistency. Such data gathering can only add to the potential for revelation, richness and trustworthiness, which are critical components for the Gioia method. While the Eisenhardt method specifically searches for novel findings, a desire to find contrasting evidence to previous research, the Gioia method is more agnostic in its eventual contribution: by focusing on the data and allowing theory to emerge from this, it is possible that this method generates research that 'fills a gap' in existing theory or establishes new theory (Langley & Abdallah, 2011).

Gioia, Corley & Hamilton (2012) sought to provide guidance on how rigour might be introduced into this type of inductive, qualitative research. They note how qualitative researchers remain conflicted: such research is suited to producing new concepts and ideas, but that this tradition of research is often castigated for a lack of validity and reliability (See Popper, 2002, original work published 1959; Campbell, 1975). Gioia & Pitre (1990) tried to develop a systematic approach combined with an analytical discipline that would allay some of these concerns. The authors sought to address the limitations of qualitative approaches to research by imbuing their approach with some of the qualities of quantitative research while retaining the strengths of qualitative research. This approach was developed in a trilogy of studies (Gioia & Chittipeddi, 1991; Gioia, Thomas, Clark & Chittipeddi, 1994; Gioia & Thomas, 1996) and subsequently extended in a number of other papers and studies, including Corley & Gioia (2004), Corley (2004), Nag, Corley & Gioia (2007), and Harrison & Corley (2011).

This body of work, subsequently analysed and distilled by Langley & Abdallah (2011) and expressed as the 'Gioia method', seeks to bring the two traditions together in that while retaining the strength of a qualitative approach, it encourages the researcher to recognise the processes and terminology of the quantitative approach. It appreciates the traditional scientific method of theory development and the progressive extensions of existing knowledge as a way of uncovering new knowledge and accentuates the idea of

refining existing ideas, while retaining the potential for ground-breaking originality in theory development (Langley & Abdallah, 2011; Corley & Gioia, 2011). A fundamental tenet of this approach is the establishment of constructs. Constructs are abstract theoretical formulations about phenomena (Pedhazur & Schmelkin, 1991; Morganson & Hofmann, 1999; Edwards & Bagozzi, 2000). These constructs are established to facilitate measurement: “[...their] primary purpose is to delineate a domain of attributes that can be operationalized and preferably quantified as variables” (Gioia, Corley & Hamilton, 2012: 16). However, Gioia, Corley & Hamilton (2012) also emphasize that prior to the establishment of constructs, researchers in the social sciences need to elaborate ‘concepts’ that are: “[...] precursors to constructs in making sense of organizational worlds [...] For organizational studies to fulfil its potential for description, explanation and prescription, it is first necessary to discover relevant concepts” (2012: 16). The need to establish such concepts is emphasised in the exploration of organisational dynamics since our understanding of the essence of an organisation rests upon the processes by which organising and the organisation develop (Langley, 1999), in that much of what we understand about an organisation and how it operates is essentially socially constructed (Berger & Luckmann, 1966; Weick, 1979; 1989). Thus focusing initially “[...] more on how organizations’ members go about constructing and understanding their experience and less on the number or frequency of measurable occurrences”, Gioia, Corley & Hamilton (2012: 16) provide a framework for theory development that may be subsequently tested using different research methods and enable organisational study to fulfil its potential for generating work that has originality, understanding and predictive powers (Corley & Gioia, 2011).

A corollary of recognising that the organisational world is socially constructed is the acceptance that individuals in organisations are ‘knowledgeable agents’, able to explain their thoughts, intentions and actions. It, therefore, places the researcher, in the first order, as a ‘reporter’ retelling the individual stories of the actors in the phenomenon. This gathering of information can occur without the ‘reporter’ having a clear understanding of the shape or end of the story or, in other words, the researcher has no preconceived theories or constructs to explain or understand how the individuals operate in the organisation. Operating in this way allows the potential to discover new concepts to explain the processes of actors. Gioia, Corley & Hamilton (2012) use, as an example, the alternative terminology Gioia & Thomas (1996) employed, against that of Dutton & Jackson (1987), when investigating a similar phenomenon, to produce a different understanding of the motivation of individuals, thereby establishing a new concept. It should be noted that the benefit of this approach is that it is ‘open’ and ‘value free’: the eventual result, following the gathering of data and analysis, could mirror

previous exercises, thus complementing existing theories and constructs, leading to a more traditional, incremental extension of knowledge and understanding or produce a newly discovered theory.

Embedded in this 'open' approach to gathering data is that analysis occurs without imposing a pre-ordained understanding of the phenomenon: it is 'value free'. The researcher needs to approach the information-gathering stage as an empty, multifaceted vessel that is shaped, following analysis, into a specific functional receptacle, moulded by the movement from the amorphous mass of data to that of a crafted construct and coherent theory. Following Van Maanen's (1979) two-tiered approach, Gioia, Corley & Hamilton (2012) identified 'first-order analysis' as that focused on using informant-centric terms and codes, followed by 'second-order' analysis using researcher-centric language of concepts, themes and dimensions. The combined recounting of both views, that of the insider, the internal participant, and the outsider, the remote voyeur, allows for a comprehensive systematic approach and the potential for rigorously demonstrating the links between data and the concept, be it new or existing.

It should be noted that the 'Gioia method' is not without its limitations and critics. The focus and reliance on single-case studies can raise issues of transferability and relevance. However, the depth of contextual detail can potentially facilitate the understanding of similar situations. In this way, this research project hopes to avoid falling "[...] into the trap of having nothing but boring sequential narrative to tell, with no insightful plot or any hope of catching the readers' minds and imaginations with the 'cognitive stickiness' that Gioia (2004) was referring to" (Langley & Abdallah, 2011: 217). Finally, the process of distillation, so central to the method, requires a high level of aggregation. While an understanding of the low-level detail, the processes that occur every day in organisations that culminate in the high-level themes, should not be lost in the process of distillation, it is these themes that are most interesting, generating the 'cognitive stickiness' that is needed to engage the audience.

4.4: Research methodology and research questions

4.4.1: Research methodology

The epistemological and ontological assumptions underpinning the interpretivist approach are appropriate in the context of this research project for several reasons. Football clubs can be considered both a business and a social institution (Morrow, 2003). In this sense, football clubs, both as stand-alone economic entities and as the constituents of the leagues, are complex organisations with multiple stakeholders and intricate networks. Explaining the development of the economic regulatory space needs an

understanding of these complex organisational structures, together with an examination of the history and culture of the football industry in this economic environment. These factors, together with the multitude of actors influencing the regulatory space and the understanding of the interpretation of events, including, for example, the concept of 'crisis', promotes the use of an interpretivist methodology. Approaching this topic from an interpretivist standpoint also provides a juxtaposition to the positivist approach that has provided much of the research on the financial and economic regulation of football. For example, Szymanski (2010), Forrest & Simmons (2002) and Szymanski & Smith (1997) have all reviewed the financial and economic environment for English football clubs using empirical, positivist approaches.

Davis (1971; 1986) suggested that what makes a theory notable or famous is that it is seen not only as 'true' but also, and significantly, it is seen as challenging the assumptions that underly existing theories in some way. Therefore, the generation of research questions through 'problematization' (Alvesson & Sandberg, 2011), in the sense of challenging the assumptions underlying existing theories "[...] appears to be a central ingredient in the development of more interesting and influential theories". Taking Szymanski's theory of financial stability in English football and challenging its assumptions was the first port of call in the process of problematization for this research. In doing so, the research used a broad definition of 'theory' as articulated by Bacharach (1989: 496): "[a theory is] a statement of relations among concepts within a boundary set of assumptions and constraints. It is no more than a linguistic device used to organize the world [...] the purpose of a theoretical statement is twofold: to organise (parsimoniously) and communicate (clearly)".

The conclusions of the above studies would suggest that English football was financially secure, with access to external capital that suggests there is impressive financial stability in English football. When compared with other businesses (see Hannah, 1999), very few had gone out of business, implying that the need for economic regulation was minimal. And yet, a range of stakeholders has constantly proclaimed that the system is financially unstable, to the point where the regulators of football (UEFA, EPL and EFL) have introduced economic regulation. In light of this apparent contradiction, it suggests that an alternative methodology might provide additional insight, either providing new revelatory evidence regarding how football clubs operate within their regulatory framework or confirmation of Szymanski's theory of how the economic regulatory framework for football impacts on both financial stability and a competitive, level playing field. In particular, it seems that an interpretivist approach would provide a useful propinquity to the evidence gathered by Szymanski and others. Such an investigation of

economic regulation for football may be complementary to the body of work collated under a more positivist paradigm in this field of research.

Specifically, the research undertaken followed a grounded theory methodology. The approach to the phenomenon in question was 'open-minded'. Of course, this begs the question of how a researcher identifies a phenomenon worthy of research: what is that initial spark that piques a researcher's interest but allows an open-minded approach, not shaped by prior knowledge or bias. A 'pure' grounded theory approach would require the researcher to approach a subject in total ignorance. Perhaps more realistically, however, a researcher should approach the subject in semi-ignorance, aware of existing theories and literature but able to accede to a "[...] willing suspension of belief" (Gioia, Corley & Hamilton, 2012: 21). Clearly, the consultation of existing literature poses an existential threat to inductive research and a potential mutation to abductive investigation: inevitably the researcher needs to maintain a balancing act between the influence of existing literature and the open approach to inductive research, acknowledging that both can be considered in tandem (Alvesson & Kärreman, 2007).

4.4.2: Research questions

The choice of research questions is driven by the overarching methodology that subsequently has implications for the choice of research methods and, ultimately, the type of knowledge produced. Given the desire to provide a further counterpoint to the established positivist approach, and the background of research philosophy described above, a grounded, interpretivist approach to the thesis was employed. The research questions focused on the descriptive nature of the footballing regulatory system together with some observational and relationship enquiry. Gioia, Corley & Hamilton (2012: 19) emphasise that the initial research questions need to be "[...] well-specified, if rather general".

To reprise, the broad scope of the research asks:

A: How has the commercial growth of English professional football influenced the development of financial and economic regulatory space?

In referencing a 'regulatory space approach', the research focuses on various factors - capitalism, regulation and culture - which have influenced the development of the economic regulatory space of English professional football, and generates several more focused research sub-questions:

- 1. What is the historical context of football's financial and economic regulation?*
- 2. Given this setting, to what extent should the industry be financially regulated?*

3. *Has 'crisis' prompted developments in the economic regulatory framework?*
4. *How has culture impacted the development of the regulatory space, including how do the political landscape and the attitude of different organisations shape the current financial regulatory space?*
5. *What role do multiple actors play in the organisation of football's economic regulatory space?*

As such, the thesis could provide the material for a further chapter on Capital, Culture and Economic Regulation (Hancher & Moran, 1989), complementing the description in existing chapters or case studies about, for example, car manufacturing, financial services, or the pharmaceutical industry in Western Europe.

4.5: Research methods for gathering data: interviews and secondary sources

4.5.1: Overview of methods used

To address the research questions and the underlying issues, a two-stage multi-method research approach was employed. Stage one of the research process was the examination of secondary documents. This data source is a huge universe. Accordingly, the research was able to select from a wide range of materials. Taken together, these secondary sources provided the evidence to construct the historical context and pattern of the development of the economic regulatory space in the English football industry between 1992-2019. The second stage of the research involved accumulating primary data during a series of semi-structured interviews with different stakeholders in the industry. These sources provide a 'thicker' description of some of the factors that have influenced the development of the financial regulatory space and, bringing the evidence together, they provide an examination of the organisation of the regulatory space of English professional football in the post-modern era.

Secondary documents played a crucial part in the collection of data both in their own right but as supporting evidence to the primary data gathered via the semi-structured interview process. As a starting point secondary documents provided the basis for the historical description of the development of the economic regulatory space of football. This narrative in turn provided the context for the primary interview process. The documents provided a factual setting to the current economic regulatory framework and in turn shaped the initial questions that formed the template for the semi-structured interviews since the narrative of the evolution of football's economic regulatory space highlighted a series of potential issues that invited further examination through the interview process.

Subsequent to the gathering of the primary data and after the process of analysis, the research returned to a range of secondary documents. Using terms generated from the coding process, various documents were canvassed to seek further evidence either supporting or contradicting the primary sources. In this way the use of secondary documents was sought to provide corroborating evidence to the primary data and allow for triangulation of the data to produce a 'trustworthy' narrative or provide an alternative narrative to emerge. In the case therefore of some academic articles their quantitative, positivist approach provided a counterpoint to the more interpretivist approach of the thesis; in the case of newspaper articles or books they often provided factual description to the football clubs activities that supported and corroborated the interviewees interpretation of events.

4.5.2: Secondary sources and documentary analysis

Glaser & Strauss (1967: 162-163) were adamant about the value of secondary sources and the use of documents: "[...] documentary materials are as potentially valuable for generating theory as our observations and interviews" and should be regarded akin "[...] to the anthropologist's informant or a sociologist's interviewee". The primary value of secondary sources was corroborated by Yin (1994) as additional points of data that support contentions in the primary sources and allow for triangulation of the data. Thus "[...] documents constitute a rich source of insights into different employee and group interpretations of organisational life because they are one of the principal by-products of the interactions and communications of individuals and groups, at all levels, in organisations" (Forster, 1994: 148). Hence, "[...] documents have been a staple in qualitative research for many years" (Bowen, 2009: 27).

Of course, the term 'documents' is an umbrella term that encompasses a wide spectrum including films, videos, photographs, reports, letters, memos, social media content, newspaper and media articles, academic papers and studies, and books (Angrosino, 1989; Plummer, 2001). For this investigation into the English professional football industry, the research was able to draw upon a wide range of material, including previous academic work, books and media sources, both in print and online, including various dedicated football websites. Public reports from parliamentary committees, judicial investigations, football authorities (FA, EFL and UEFA) and other football organisations (the Football Task Force (FTF) or Supporters Direct) provided another avenue of secondary data. Industry reports from Deloitte, Ernst & Young, and Fitch provided a rich source of quantitative data to support the qualitative findings. Finally, this large body of secondary sources was supplemented by more personal accounts of

the football industry, for example, autobiographical books or journalistic investigations into specific football phenomena (see Reade, 2011; Jordan, 2013). These copious sources formed the body of documentary evidence gathered and they covered both primary documentary evidence, those documents generated in the period under investigation, and secondary documentary evidence, all of which provided an interpretation of the events based on the primary documentary data and accounts. This distinction between primary and secondary documentary sources can be blurred (Marwick, 1989) and caution was needed when ascribing 'truth' to an individual document. Documents are written for a specific purpose and a specific audience and are, to some extent, subjective. Even legal documents, for example, annual reports and accounts, can be open to interpretation and even manipulation.

Documents are, however, 'inert' texts. They "[...] tend to enter and leave the 'field' in relative silence" (Prior, 2008: 822). They have, however, long been accepted as containers of data (Goode & Hatt, 1952), and the need for them to be screened, counted and coded for appropriate evidence in support or otherwise of a relevant hypothesis (Weber, 1990; Krippendorf, 2004) has been firmly established. However, they need, like other forms of data, to be treated with caution and in context; they represent a given view at a specific time and space. They "[...] serve not merely as containers of content, but active agents in episodes of interaction and schemes of social organization" (Prior, 2008: 824).

Given the potentially subjective nature of documents, Bowen (2009: 33) suggests that "[...] researchers should look at documents with a critical eye and be cautious [...] Documents should not be treated as necessarily precise, accurate, or complete recordings of events that have occurred". Consequently, the researcher needs to consider a number of factors related to the document being examined: What kind of document is it? What does it say? What was its purpose? When and under what circumstances was it produced? (See Bowen, 2009: 31-32 for a more extensive examination of the advantages and limitations of document analysis).

While a researcher may not be able to discover the answers to these questions, by considering them, they act as a cautionary note to the unqualified acceptance of documents. By deliberating these questions, the interviewer can "[...] squeeze the last drop" (Marwick, 1989: 233) of content, while retaining an element of caution and scepticism. Indeed, contemporary documentary sources now have their own terminology referring to the validity or not of some sources: fake news! Hence, documents "[...] do not stand on their own feet but, like primary sources, need to be placed within their own frame of reference so that their content may be understood" (May, 1997: 171).

Given the potential universe of sources it seemed clear from the start that some form of purposeful or judgemental sampling process would need to be employed: given the size of the phenomenon being investigated this suggested a substantial number of primary sources and a cursory review of various secondary sources, both academic and media, suggested an equally large universe. In these circumstances some form of selective, subjective form of sampling would need to be employed to generate a meaningfully but comprehensive and diverse level of data, but not so much as to overwhelm the researcher. Such a sampling process is appropriate given the underlying purpose of the research to produce a data from an information rich phenomenon but in a way that was an effective use of limited resources (Patton, 2002).

Sources therefore had to be especially knowledgeable or experienced about the football industry (Cresswell & Plano Clark, 2011), so that the 'selection' of informants would provide a representative view of the sector of the industry they represented. However, in addition sources had to be available, willing and have an ability to communicate their knowledge and experience in an articulate, expressive and reflective manner (Spradley, 1979; Bernard, 2011). The initial tranche of primary sources rested on the researchers' prior knowledge and identification of stakeholders. In this, the researcher relied on the extensive data available from secondary sources to scope out the primary stakeholders within the regulatory framework of English Football, for example club owners and football regulatory organisations such as the EPL and FA. However as the interview process developed the use of a 'snowball' sampling strategy, prompted by the question "who do you know knows a lot about..." allowed the researcher to move from stakeholders and sources identified from an existing knowledge and contact base to those that emerged from the interview approach itself (Patton, 2002), reducing the potential for researcher bias but also expanding the data collection to present the potential for 'saturation' and a comprehensive understanding of the phenomenon (Miles & Huberman, 1994).

Thus the initial set of interviewees reflected a sample designed to induce 'breadth' into the sample i.e. an introduction to the key stakeholders as identified from the discussions and debates outlined in secondary sources. The snowballing process allowed both further breadth to enter into the data collection with the introduction of stakeholders not identified in the first limited tranche but more importantly allowed for 'depth' to emerge within the data collection process as informants identified new potential sources to provide further evidence to a particular issue (Glaser, 1978; Bernard, 2011). If the initial selection of interviewees were chosen to provide a broad view of the key

stakeholders within the regulatory space subsequent interviewees increasingly provided a more in-depth and detailed narratives of issues as the interview processes naturally 'funnelled' down to the key issues within the regulatory space (Spradley, 1979).

It can be seen that a varied selection of secondary sources provided a crucial input to the primary data collection process in that they provided the researcher with the initial data set that allowed for the key stakeholders to be identified. Secondary sources remained a valuable input into the data collection process throughout. Having provided the initial data to identify the key stakeholders, secondary sources provided an on-going source of data to refine and direct the primary data collection primarily on the identification of issues and topics within the regulatory space. As secondary sources highlighted issues these could be feed into the interview process to enable the research to provide contemporaneous evidence to newly identified issues within the phenomenon. Only during the writing up process was the use of secondary sources reduced since the scope of the research was time limited. Even then as issues within regulatory space emerged for example the proposed ESL, heavily documented by secondary sources, such data provided further corroboration to the issues and trends identified in the research.

The collection of secondary data was also subject to level of purposeful sampling. The volume of secondary data produced both from academic but also media sources had the potential to overwhelm the research in an abundance of data that would prevent effective collection and analysis. Thus for example, with regard to secondary media sources the research relied heavily on two sources, BBC Sport and the Guardian. Both provided two streams of potential data. Firstly factual information on the development of the regulatory space for example the changes in FFP regulations and secondly 'opinion' articles, either interviews with key stakeholders in the regulatory space or commentary by 'experts' e.g. David Conn. While the research has relied heavily on these two sources to provide factual information, much of the information or 'news stories' were repeated across a variety of different published media for example The Times, which allowed the researcher to verify and cross reference the information presented by these sources. In such a way secondary sources were able to provide both a factual background to the development of the regulatory space within football but also add to the rich, thick narrative that emerged from the primary data collection. The latter sources also provided corroborating evidence to the narratives that emerged from the books written by commentators on the football industry such as Michael Calvin which

also in turn and together provided supporting material to the data collected during the primary research process. Thus a triangulation process emerged from the use of both primary and secondary data collection process.

4.5.3: Interview process

There are three types of interviews that can be used in social science research: structured, semi-structured and unstructured. A structured interview involves using a predetermined list of closed questions. By nature, it is suitable for generating data that can be subsequently analysed using a variety of statistical methods. It is, however, less suited to generating data in a social context where the respondents meaning and understanding of the issues being examined are critical to the interpretation of the data. This failing to account for a social context is highlighted by Alvesson (2003), who suggests that interviews, in general, fail to generate objective data precisely because of the social nexus that they necessarily entail between the interviewee and interviewer. He argues that for such data to have meaning, the interviewer must take a reflexive stance that underpins a “[...] conscious and consistent effort to view the subject matter from different angles and avoid strongly a priori privilege a single, favoured angle or vocabulary” (Alvesson, 2003: 25).

In a semi-structured or unstructured interview setting, there is more opportunity to unveil the social context in which the respondent exists. Such interviews lie at the heart of the research providing, as they do, “[...] both retrospective and real-time accounts by those people experiencing the phenomenon of theoretical interest” (Gioia, Corley & Hamilton, 2012: 16). As such, both styles of interview are more suited to producing insights into the relationship between variables for explanatory purposes. In a semi-structured interview, a framework is provided with a range of questions, but these questions are ‘open’ in formulation to enable the interviewee to expand on issues to a significantly greater degree than could be achieved in a structured setting. The semi-structured interview provides the interviewee with some boundaries and guide-posts to frame the discussion but, critically within this space, the interviewee has free range to respond to questions. The format of such an interview allows the interviewer relative unfettered access to the interviewee to explore or pursue a particular line of enquiry that has stemmed either from the original questions presented or in the follow-up to an answer given to one of these questions. For this reason, the interview requires engagement from both parties (Morgan, 1983). The interviewer can prompt discussion of particular issues, thereby achieving a more in-depth, ‘thick’ description or understanding of that issue, while still ensuring that across the interviews conducted, each respondent

is challenged with the original set of questions. In such a way, the interviewer can gain a better understanding of the “[...] meanings interviewees attach to issues and situations in contexts that are not structured in advance by the researcher’s assumptions” (Easterby-Smith et al., 1991: 73).

Engagement is a crucial factor in the interview process. To a degree, the researcher is searching for confidential or proprietary information: the ‘thick’ descriptive data that adds weight to the reliability of secondary sources or provides a counter-narrative. However, informants also have their own, wider agendas: the researcher needs to “[...] protect their [informants] interests while trying to serve our [the researchers’] own” (Gioia, Corley & Hamilton, 2012: 16). To tease out the critical confidential information, the researcher needs to display both discretion and diplomacy, aligned with confidentiality. However, to ensure an engaging narrative, the researcher also needs transparency (Bansal & Corley, 2011). There is an apparent conflict between these two objectives. Gioia, Corley & Hamilton’s (2012) solution to this conflict was to offer respondents anonymity rather than confidentiality, and this was the approach employed in this research.

Interviewees needed to fulfil two requirements. Firstly they needed to be an ‘expert’ in their particular field as it related to the regulatory space of English football. As such they had to be well informed and conversant in the debates and issues around financial regulation displaying both a technical understanding of the issues but also a reflective understanding of the debate and motivations around other actors in the regulatory field. Thus sources also had to demonstrate lucidity to their narrative and a coherent and meaningful understanding to their perception of development of football’s regulatory space to provide a rich, thick pool of data. The most crucial factor for the eventual final choice of source, was however availability and accessibility.

It was these two factors, accessibility and availability that however drove the selection criteria and the resulting sample produced. While in theory a large number of candidates existed and would have allowed a more considered and weighted selection process, the reality was that a considerably smaller universe of sources were prepared to make themselves available for interview or prepared to let their comments on the football regulatory space be used, even with anonymity and confidentiality provided. For example while the research approached ten existing or former owners of football clubs only four made themselves available for interview. It was fortunate that this sample included a variety of owners to provide contrast and insight to the different motivations behind ownership but recognising that in some cases the information they provided was by definition ‘hearsay’. It was however of comfort to the research that that views

provided did reach a level of consistency across sources to allow the research to infer conclusions and provide for a level of generalisation again supported by data gathered from secondary sources.

Each participant in the interview process was approached in a similar way. Whether a 'cold call' or an existing contact, each informant was provided with a synopsis of the proposed research, the research questions and a list of open questions, nominally eight, although in several cases other supplementary questions were embedded in the initial questions. The latter provided anticipated follow-up questions or issues and helped ensure that the respondent reverted to the issues relating to the overall research questions. Care was taken to prevent any 'leading of the witness' to ensure that words were not put into the mouths of informants, but that a true copy of their words was recorded : as Gioia, Corley & Hamilton (2012: 19) described it: "[...] madly making notes on what the informants are telling us, conscientiously trying to use their terms, not ours, to help us understand their lived experience". Alongside this was an explanation of how the data would be used (and protected) and confirmation that the responses would be given anonymity. In a number of cases, following the twists, turns and roller-coaster rides that grounded research often entails, as avenues of research proved to be a 'dead-end', or interesting narratives took the research in other directions, further follow-up questions were submitted to informants on the basis of information gathered at their and other interviews: a feedback loop to generate further data and to test some of the propositions offered by respondents (Glaser & Strauss, 1967). While the process of semi-structured interviews gave the researcher considerable flexibility to engage with the subject, to provide structure and enhance the validity, the core set of questions remained constant (Burgess, 1988; 2002).

However, 'engagement' is not risk-free. Implicit in the process of getting close to the informant is the risk of 'going native', essentially "[...] being *too* close and essentially adopting the informant's view, thus losing the higher-level perspective necessary for informed theorizing" (Gioia, Corley & Hamilton, 2012: 16). Their solution was a large research team where one member could remain an outsider, a devil's advocate to challenge, provide alternative perspectives and critique interpretations. This approach is, however, unsuitable for a PhD thesis, but a variant was employed. Clearly the supervisors can act in this role but, alongside this, other colleagues in Birkbeck, University of London (PhD research students involved in their own sports management research projects) and former colleagues who had been on the MSc course in Sports Management and the Business of Football, were consulted, and they provided critiques of and challenges to the interpretation of data and the formulation of theories therein. In this way, the methods

employed hoped to address the issue of 'fact of fiction' in qualitative research (Van Maanen, 1979).

While the semi-structured interview is a recognised and accepted research technique, it is not without its issues. By its nature, by allowing the respondent some freedom, unlike, for example, in a survey, the direction and relevance of a specific interview can vary, and the usefulness of the data gathered can potentially fluctuate. As highlighted above, comparison of data gathered can be problematic although the structure of the 'core' questions can help to allow some juxtaposition of data and keep the respondent on 'the straight and narrow' of the research project. Although the interviews are able to generate a volume of thick, descriptive data, hopefully, replete with the interviewee's understanding of a social phenomenon, such data is within the context that that individual places upon the meaning and understanding of the social construction. Thus, it cannot be classified as objective truth since it is the interpretation of facts via the lens of the interviewee and the interviewer. The interviewer will also have to interpret the meanings that lay behind the interviewee's use of terminology, vocabulary and understanding of the particular context. As such, it remains difficult to produce generalisations from this mass of data, across the interviewee pool, but a vivid description and understanding of an issue from a particular vantage point can be discerned. Alongside the issue of interviewer bias, given the need to understand and interpret responses (and that different researchers can produce different conclusions given a different understanding and interpretation) other biases exist. Sample bias and interviewee bias (based on the perceptions an interviewee may have of the interviewer) could result in different responses to a similar set of questions.

It would be impossible to interview every person and every stakeholder and so some sampling is required. For this research, the sampling method chosen was a non-probability sample; key stakeholder organisations were identified, and respondents sought to 'represent' these groups. The issue with this sampling method is the extent that an individual organisation represents all the broad church that comprises a group. For example, eight executive and NED board members, together with shareholders of EPL clubs, were interviewed. . This spans representation from clubs in the Big Six to smaller, perennial candidates for relegation, some of which had been relegated. While this is a meaningful sample and covers a range of different football business models, it can only be a sample of the views that could be generated. However, in an attempt to eliminate some of this potential bias, answers were 'checked' and 'confirmed' as 'personal views (in terms of relating to an individual club) or general, 'consensus' opinions that could be taken as representative of the eighteen EPL clubs. (Although 'consensus' views might

give a general direction of travel for the whole of the EPL, it should be noted that such consensus opinions remain the opinion of the individual and, to a certain extent, are unverifiable as general propositions. Cross-referencing between the various primary sources and using corroborating evidence from secondary sources gives some comfort as to the general applicability but such opinions remain just that, opinions to be interpreted and weighed within the social construct).

The initial sample of interviews reflected the researcher's (and supervisors) known contacts in the field. This purposive sample (Sekaran, 2000) relies on the researcher's judgement that the respondents would be 'interesting' subjects to interview and would shed light on the chosen field of research. The construction of this initial list introduced an element of selectivity. To contribute to the validity, secondary sources were used to provide corroboration. In addition, subsequent interviewees were suggested by the initial respondents or were 'discovered' as the researcher expanded his contacts, including 'cold calling' some organisations. Such a process, 'snowballing', extended the range of potential candidates for interview, although it is not without its own issues: interviewees often nominate candidates for interview that support and corroborate their own evidence. For example, informant P was able to introduce the researcher to informant T who provided more detail than other sources on the economic regulatory processes of international, specifically UEFA, organisations. This twin-track process of identifying sources rendered the theoretical sampling techniques both deliberate and emergent. Again, as with all interviewing, the researcher had to display a degree of consideration to the social context to qualify the validity of the data gathered. Although the principal stakeholder groups were canvassed, some stakeholder groups were omitted: players, including the trade union that represents players (the PFA) and players' agents, were not canvassed because, after the initial round of data gathering, they were not flagged as a significant factor or there were time and access constraints. As a corollary to this, some significant stakeholders, significantly the EPL, declined to be interviewed. In response, senior management who had worked at the EPL but had subsequently left were solicited for views.

Table 3: Interviewees and roles in football.

Interviewee	Role
Informant A.	Senior executive at a fan-centric organisation (FSA).
Informant B.	Former NED at EPL and EFL club.

Informant C	Member of the Red Knights consortium that tried to buy Manchester United.
Informant D	Former executive at national football organisation (FA) and former CEO of EPL club.
Informant E	Former executive at national football organisation (FA).
Informant F	Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club.
Informant G	Member of supporters' trust at EFL club.
Informant H	Financial adviser and member of supporters' trust at EFL club.
Informant I	Current CEO of EPL club and former CEO of EPL and EFL clubs.
Informant J	Academic with research focus on sports governance and regulation, consultant to European football organisation (UEFA) and various European football clubs on governance.
Informant K	Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues.
Informant L	NED and former majority owner of EPL club.
Informant M	NED at English national football organisation (FA) and former NED at EPL club.
Informant N	Management consultant to football clubs on governance and former executive at international sports organisation (IOC).
Informant O	Financial adviser to EPL club.
Informant P	Consultant on board governance and culture within sports organisations and former NED of a non-departmental

	government body responsible for national sports governance (Sport England).
Informant R	Minority shareholder at EPL club.
Informant S	Journalist and author on the football industry and consultant to football clubs and national football organisation (EPL) on business strategy.
Informant T	Sports lawyer, clients include football clubs, international and national football organisations.
Informant U	Minority shareholder and NED at EPL club.
Informant V	Management consultant and financial adviser to EPL and EFL clubs.
Informant W	Editor and contributor to football website.

The roles detailed in Table 1 reflect the informants' existing or previous roles in the football industry. In several cases, the interviewees also brought other work experiences to the interview and their analysis of the economic regulatory framework for the football industry. For example, source B, while being an NED of an EPL and before that an EFL club, was also a former board member at a UK financial regulatory authority. This source was able to bring an additional level of analysis of the economic regulatory space of football drawing on their knowledge and experience of the design and operation of an economic regulatory space in another industry. This ability to bring additional experiences to their analysis of the football industry was replicated in a number of instances from the source pool.

4.5.4: Analysing data produced from interviews

In some cases, the process of interviewing and analysing the data gathered at interviews occurs simultaneously, in an ad hoc way, as the interviewer responds to the answers provided by the informants (Langley, 1999; Lincoln & Guba, 1985). However, this answer and response feedback loop, while natural, necessary and inevitable, lacks rigour and structure. As a result, Gioia, Corley & Hamilton (2012) have offered some guidance on how structure can be imposed on this mass of data. The initial data produces a multitude of interviewee-specific terms, codes and categories and is analogous to 'open coding' (Strauss & Corbin, 1998). Some informant terminology or vocabulary may overlap with other respondents (or indeed the interviewers' own theoretical understanding), however

much may be idiosyncratic to the interviewee. The first-order analysis that Gioia, Corley & Hamilton (2012) suggest is based on this idiosyncratic terminology employed by the informants, leading to the emergence of several categories, which may be boundless. As Gioia, Corley & Hamilton (2012: 20) describe: "There can be easily 50-100 first-order categories that emerge from the first ten interviews and the sheer number of categories initially becomes overwhelming". The units of coding varied from quasi-sentences or sound bites to full sentences or paragraphs. While smaller coding units had the virtue of ease of handling and collating, longer units retained much of the thick, descriptive detail that provided the interest in the developing 'story'. As the process of condensing data occurred, there was a natural progression to smaller units of coding material as the key themes and dimensions emerged.

From this mass of categories, however, some order must be established. Similar to Strauss and Corbin's 1998 description of 'axial coding', a review of the first-order categories allowed the researcher to identify both similar and different categories and a process of distillation was undertaken. First-order codes were read, re-read and re-read again, returning to the original text at points to clarify the understanding of the data gathered. In some cases, as outlined, this entailed returning to the interviewee to further probe the meaning behind passages. Over time, conceptual patterns began to emerge from this mass of data following a whittling down of the data. This condensation of categories to a more manageable number (Gioia, Corley & Hamilton, 2012 tentatively suggest 25-30) allows the researcher, while retaining the informants' nomenclature, to overlay, as a 'knowledgeable agent', some theoretical phraseology which provides a second-order (theoretical) level of themes, dimensions and a larger holistic narrative that encapsulates an answer to the key issue: 'What is going on here?' As the interview process continues, the researcher can engage in 'theoretical sampling', the testing of theories developed from the data in preceding interviews in subsequent interviews (Glaser & Strauss, 1967). In the approach outlined by Gioia, Corley & Hamilton (2012), this feedback loop continues until the themes and concepts identified as second-order theoretical themes are repeated in subsequent interviews. When no new themes or concepts are identified, a level of theoretical saturation is achieved (Glaser & Strauss, 1967). At this point, the researcher can proceed with a further level of 'purification' of the second-order themes into a concentrated distillate of 'aggregate dimensions' (Gioia, Corley & Hamilton, 2012).

The interview process undertaken for this research comprised 22 interviews and generated nearly 45 hours of material. The process, from start to finish, including follow-up and subsequent engagement, lasted a year. Mostly, the interviews were conducted

between September 2018 – September 2019, although a small number occurred prior and, in some cases, a rapport existed between researcher and interviewee that allowed for further follow-up during 2019 and early 2020. Initial interviews lasted around one hour on average, but several interviewees were kind enough to make themselves available for ‘follow-up’ interviews or further questions submitted via email. Most of the interviews were undertaken ‘face-to-face’, normally in the respondents’ offices or sometimes in coffee shops or internet cafes. Overall, the atmosphere surrounding them can be described as ‘relaxed’. In a few cases, due to logistical issues, interviews were conducted over the telephone or via Skype. As COVID-19 restrictions came into force, a large number of follow-up conversations were conducted via social media platforms or telephone conversations. The interviews were then written up, either on the day of the interview when it was still fresh in the memory or in the following forty-eight hours, although in all cases the interviews were recorded to allow the researcher to revisit them, if necessary, during the analysis phases.

The writing up of the interviews allowed the researcher two alternative analysis methods, both using a multi-step approach. In an old-fashioned approach, highlighter pens were used to mark similar data responses across interviews to give a visual representation to the researcher of issues with common or converse opinions on a specific topic. The colour coding reflected a first coding methodology to enable the data to be divided into more manageable chunks. These different coloured issues provided the researcher with the first inkling of the first-order categories that existed in the primary data. Alongside this relatively unsophisticated approach, the data was also reviewed using computer-assisted qualitative data analysis systems (CAQDAS), in this case, NVivo. This further facilitated the coding of ‘in vivo’ words, phrases, terms, expressions and descriptions offered by the participants. A helpful aspect of the NVivo package was the ‘memoing tool’ that allowed the researcher to draw theory from the data. By the end of this initial coding process, the data had produced 427 coded passages. However, the use of NVivo was not without issues: as identified by Brown, Taylor, Baldy, Edwards & Oppenheimer (1990: 136): “[...] the existence of multiple synonyms [could] lead to partial retrieval of information”. Hence, the researcher was content to use CAQDAS together with a manual approach to triangulate the data analysis and ensure that all the relevant data was captured.

The approach undertaken follows that outlined by Gioia, Corley & Hamilton, (2012) and described in more detail in Saldana (2016). Each individual text was examined and re-examined with codes applied and re-applied to produce a more concentrated data pool that would subsequently be divided, grouped, reorganised and linked to allow for the

discovery of patterns in the data (Bernard, 2011; Grbich, 2013). Data was initially broken down by the first-order coding process and reassembled using second-order categories to produce a theoretical outcome. From the pool of first-order coded data, a series of second-order categories emerged (see Table 2) where associated ideas could be grouped together. (Given the volume of data, the researcher inserted an extra step, bringing the initial first-order level of coded data from 427 lines to a more manageable 104 lines before a further iteration into categories). This first and second cycle of coding reflects the process of axial coding as described by Strauss & Corbin (1998). The process involves the examination of the categories of data identified and then reassembling them in linked themes. Thus, axial coding, “[...] determines which [codes] in the research are the dominant ones and which are the less important ones [...] and to] reorganise the data set: synonyms are crossed out, redundant codes are removed, and the best representative codes are selected” (Boeije, 2010: 109).

These categories continued to reflect the original words provided by the informants, but which represented a distillation of text into the key phrases or words encapsulating the meaning of the passages of text. Subsequent further review and re-evaluation of these more refined codes allowed a development from categories to themes and, ultimately, dimensions, further demonstrating that a concentration of data was involved as well as an increasing element of analysis as the research sought to use distinct terminology separate from that provided by the sources, to group themes and dimensions together to provide an analytical structure to the data pool. Thus, the original raw mass of data was slowly refined and condensed to produce first a wider arc of themes, fifteen distinct threads running through the data, and then, finally, a highly concentrated key set of (four) overarching dimensions that encapsulated the breadth of the primary research (see Table 3). The collapsing of data nodes or categories into themes, concentrated groups of data, allows analysis to occur and a language to emerge to concisely describe the factors highlighted by the primary sources. At the same time, the crosschecking and re-examination of the coded data from both the first and second-order of analysis allows for a triangulation of the data from different sources (Saldana, 2016). It also follows that this process of moving from raw data to categories, themes and dimensions was not a linear but a recursive process: an iterative operation to detect patterns and similarities in the first-order data that would allow the conceptual essence to emerge first as clusters of data that could be grouped into themes and then into the theoretical concepts of dimensions (Eisenhardt, 1989b)

As outlined, the tenants of ‘grounded theory’ (Glaser & Strauss, 1967; Strauss & Corbin, 1998) particularly the desire to let the narrative and theory emerge from the data and

hence an emphasis on an inductive approach to both the data gathering and the analysis underpinned the research. However, such a blank canvas is difficult to achieve in social science research. The process of the literature review and in particular the adoption of regulatory space theory as a framework for analysis inevitably meant that the gathering of primary data and subsequent coding was, to an extent, influenced by this prior knowledge. Of course, the research tried to suppress this knowledge and avoid being influenced by it however it remained in the background and as the data gathering process developed increasingly the terminology used by sources resonated with the language used by Hancher & Moran (1989). Thus, was the primary data developing theory or was the theory shaping the process and analysis? Was the initial intention of an inductive approach compromised by deductive influences?

Some themes, consistent with regulatory space terminology emerged very quickly from the primary data and eventually became aggregate dimensions. For example, sources immediately started to use the term ‘crisis’ to describe the economic situation within football over the last decades and hence the themes connected to crisis and finally the dimension “Crisis as a catalyst” emerged. In other cases for example, the language used by informants to describe the business philosophies and practices of owners, while never directly referencing ‘culture’, did lead to the formulation of an overarching dimension “The impact of culture”. In both cases, however the overall choice of language to describe the final aggregate dimensions was to a degree conditioned by the language of Hancher & Moran (1989) emphasising the role of crisis and culture within the development of regulatory space. What emerged through the analysis process therefore was an initial inductive approach but the process and the condensation of codes into more refined themes and ultimately aggregate dimensions increasingly introduced an element of deductive logic driven by the knowledge of regulatory space theory. The final coding process producing the heuristic shortcuts, drew heavily on the terminology used by Hancher & Moran (1989).

Table 4: Dimensions, themes, categories and data.

First-Order categories	Exemplar data
1. <i>Dimension: The magnitude of regulatory space</i>	
1. <i>Second-order theme: The rationale for regulating football</i>	
A. Free market versus controlled market; a regulated society; externalities;	A1. “Regulation of football is a contested area. [There are] those that advocate minimal (or no) regulation and those of a more socialist

community asset

view”

Informant A: Senior executive at fan-centric organisation (FSA)

A2. *“Regulation plays a significant role in the community. Communities are often defined by their allegiances to a particular club [...] People gather together, socialise, feeling pride when [their] club does well that also engenders a feeling of civic pride...”*

Informant B: Former NED at EPL and EFL club

B. Promotion of competition; uncertainty of sporting outcome; a ‘level playing field’; strained economics; promote ‘right’ behaviours; conduct of owners; fit and proper.

B1. *“Financial Fair Play (FFP) is probably a price worth paying to stop the financial madness that was engulfing the top level of football. The trade-off is that we have less competition in that it is harder for, say in the EPL, a team outside the top six to win the league”*

Informant M: NED at national football organisation (FA) and former NED at EPL club

B2. *“Therefore, the hurdle to regulatory intervention on competitive grounds is much lower in football (and sport) than other industries because a) you need some competitive balance to make the [individual] games interesting and b) enough ‘balanced’ clubs to make the league competitive and interesting”*

Informant B: Former NED at EPL and EFL club

II. *Second-order theme: Exploitation and conflict.*

C. Protection of stakeholders; emotional content of sport; fans versus clubs, leagues or competition organisers.

C1. *“The people who suffer most in the event of insolvency are the most loyal fans and the consequence of having to consume an inferior product as the club slips down the leagues”*

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

C2. *“The danger is that the best [European] clubs leave their domestic leagues and form a pan-European league outside the existing regulatory/competition framework [...] it is a shot across UEFA’s bows”*

Informant J: Academic with research focus on sports governance and regulation, consultant to European football organisation (UEFA) and various European football clubs on governance

D. Language used to describe the interaction of stakeholders: *“expanding”; “skirmish”; “competition”; “battle”; “war”; “dominance”; “contest”; “tribalism”*

D1. *“What we have is a fractured system of clubs’ governing bodies all frantically competing against each other to structure the game for their own benefit”*

Informant E: Former executive at national football organisation

(FA)

D2. *"It is natural, therefore, that this [football regulatory space] is a battlefield where regulated and regulators fight for control"*

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

2. Dimension: Crisis as a catalyst

III. Second-order theme: How crisis manifests itself.

E. Is crisis measurable? Is it an event or a process? The 'sense' of crisis; anecdotal evidence of crisis.

E1. *"There is an ongoing crisis in football not formalised purely by clubs going into administration"*

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in analysis of football clubs and leagues

E2. *"There is an ongoing crisis in football, we all know it, you hear about it when you talk to football clubs and leagues, you can read about it in the press and media both traditional and social. Fans consistently shout about it from the terraces and social media platforms, but the TV revenues pour oil on troubled waters"*

Informant E: Former executive at national football organisation (FA)

F. Football clubs do not go out of business; clubs regenerate

F1. *"On one level, there is no crisis in football because no large club, i.e., a Big Six club, has gone out of business and when smaller clubs go into administration, they can regenerate at a lower league"*

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

F2. *"Football clubs regenerate like a 'phoenix from the ashes' [...they] generally don't go out of business but they slip down the leagues. There is no pure capitalism at work here, no Darwinian exercise of the strong surviving and the weak going out of business [...] everyone survives"*

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

IV. Second-order theme: The cycle of regulation.

G. Crisis causes regulation; types of issues change; therefore, regulatory framework playing 'catch-up'

G1. *"The catalyst for change was a specific crisis that prompted a review of that specific activity or sector. Thus, when the issue of third-party ownership became an issue, we [the EPL] moved quickly to deal with it"*

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

G2. *"We have a major crisis and that is why we have the regulation [FFP] we do. Portsmouth F.C. was a very, very big crisis"*

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

H. Evolutionary process: developments in regulatory space follow a 'sigmoid' pattern.

H1. *"[Regulation] change happens slowly at first, then fast, then more slowly again, sometimes even reversing [...] but not back to the beginning. It is an incremental process"*

Informant T: Sports lawyer, clients include football clubs international and national football organisations

H2. *"I think it is very difficult to see regulation as a static event or even purely a reactive, i.e., one that follows solely a crisis, but rather a continuous, developing state or process. All organisations are engaged in a permanent state of skirmishing over a variety of issues"*

Informant O: Financial adviser to EPL club

3. Dimension: The impact of culture

V. *Second-order theme: Motivation and attitude to regulation.*

I. Diversity of owners; influx of foreign owners; heterogeneity; different culture, business acumen, attitudes and objectives.

I1. *"[...] the owners of football clubs now have mostly come into the [football] industry in the last ten-fifteen years and have no affinity, local connection or empathy with the stakeholders"*

Informant A: Senior executive at fan-centric organisation (FSA)

I2. *"It is important to recognise nuances in the current ownership models [in the EPL]. There are quasi-state, private equity, rich billionaires, local wealthy businessmen, leveraged buyouts and, further down the leagues, supporter-owned. Each model has its own pros and cons, but financial regulation affects them very differently and the attitude to regulation is also different".*

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

J. Weak governance; 'friends and family'; difficult to appoint truly independent directors; are they all fans? Rule-based behaviour or ethics

J1. *"Internal board governance is weak at football clubs. Owners are all-powerful, Boards are just 'rubber stamps' by and large populated by friends and family"*

Informant S: Journalist and author on the football industry and consultant to football clubs and national football organisation (EPL) on business strategy

J2. *"Ultimately, rules or regulations only go so far. It is the cultural attitude of organisations that determine the shape and extent of the regulation you need [...] and the compliance to that regulation"*

Informant R: Minority shareholder at EPL club

VI. *Second-order theme: The exercise of power*

K. Economic power: ability of Big Six to generate revenues; lack of statutory power.

K1. *"The EPL have so much more money than the FA. The lack of economic power drives the FA either to the boundaries of the regulatory space or the need for statutory powers to regain lost ground"*

Informant E: Former executive at national football organisation (FA).

K2. *"You can underestimate the global reach of the Big Six. We played Liverpool F.C. in the Far East on a pre-season summer tour, and they sold the stadium out. Everybody was wearing a Liverpool F.C. shirt. It was a sea of red [...] They will always be economically stronger than us and have a bigger influence on the league"*

Informant L: NED and former majority shareholder at EPL club

L. Negotiations between organisations; power struggle; control over competitions and revenues

L1. *"There are, unsurprisingly, tensions and a power struggle among clubs, either individually or as a collective [i.e., the EPL], and the national governing body, the FA. It's a classic club versus country situation..."*

Informant M: NED at national football organisation (FA) and former NED at EPL club

L2. *"There is a strong argument that clubs should have a bigger say in the running of UEFA and particularly its prestigious club competition, the Champions League, and the clubs are continually pressing for this..."*

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

4. **Dimension: The relevance of actors in the regulatory space**

VII. *Second-order theme: Perceived lack of individual power*

M. Atmosphere is part of the product; impact on the field and off the field; cannot ignore fan, supporters or consumers

M1. *"Fans and the board do not always see as one. There can be an unrealistic expectation amongst fans and the solution in their minds is to throw money at the problem: buy a new player, get a new manager, be bought by a wealthier owner [...] there can be a lot of pressure put on owners by fans. A good example is the experience of Ellis Short [at Sunderland]. He has spent a lot of money, it hasn't worked out and now the fans are against him; whatever he does, however much money he spends, he'll never be trusted [...] but he hasn't done anything in his ownership of Sunderland than can be considered stupid - unlucky, perhaps, but it is an unforgiving business and fans can be very unforgiving"*

Informant L: NED and former majority shareholder at EPL club

M2. *"The Glazers faced a revolt organised by the supporters' trust. Fans were wearing only green and gold, the original colours of Newton Heath before it became Manchester United, and not renewing their season tickets [...] but they [the Glazers] were able to weather the storm, a few wins and the revolt ebbed away, and the crisis disappeared"*

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

N. Organisation of fans; use of social media and other media outlets to voice views; heterogeneous groups; motivation or interest about balance sheet or on winning games?

N1. *"There have been notable occasions of small groups of fans campaigning against unsuitable owners, mostly on an objection to the owners' human rights record, but sometimes over financial mismanagement, but most fans take a 'three wise monkeys approach' to owners and only complain when an on-field lack of success can be attributed to a lack of investment"*

Informant I: CEO of EPL club and former CEO of EPL and EFL clubs

N2. *"Fans as stakeholders need to get organised if they are going to exert real influence. With social media etc., there is no reason why they can't be organised and find a voice to influence"*

Informant A: Senior executive at fan-centric organisation (FSA).

VIII. *Second-order theme: The 'absent' large organisation.*

O. Lack of political objectives for sport; no consistent national policy

O1. *"[...] there is no political will to introduce legislation. There is little interest or understanding of the game and the issues at stake within*

with regard to sport and governance of sport; lack of qualified individuals

Parliament. There is more will in the Labour Party, but other issues always get more attention. Government's view is tainted by the 'propaganda' of the EPL: its success as a brand and its success as a regulator to produce this economic success. Football is seen as a leading export and, therefore, the government are reluctant to intervene on policy issues that the EPL say will damage the economic success"

Informant P: Consultant on board governance and culture in sports organisations and former NED of a non-departmental government body responsible for national sports governance (Sport England)

O2. *"Football and sport are a low priority for government. At the same time, football is happy with the status quo so the pressure for reform is limited to fans and some commentators kept to the margin of the debate and with little power"*

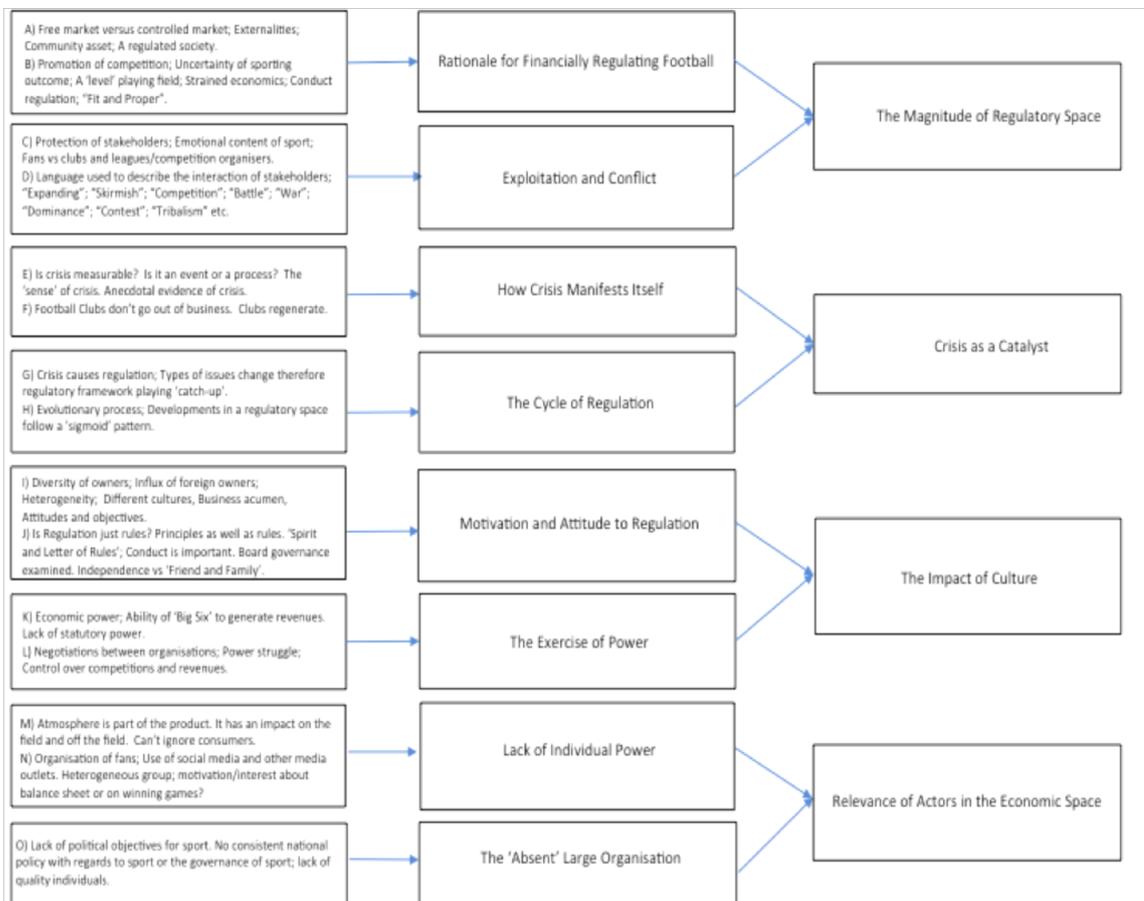
Informant V: Management consultant and financial adviser to EPL and EFL clubs

O3. *"It is clear that in football, the regulator (the FA) is relatively weak and that the power lies with the clubs and the EPL. I think the FA could only regain power within a legislative framework and a more active role of government. However, turnover at the DCMS (Department of Culture, Media and Sport) is very high and often not the most effective ministers. Civil servant highfliers don't go to the DCMS, and ambitious politicians see it merely as a stepping-stone to something better and don't want to be radical or controversial. Hence there is a lack of focus on reforming football."*

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

As implied above, the process of gathering information and analysing the subsequent data are an interlinked activity. The responses in an interview will (or should) spark follow-up questions where the interviewer, using his existing knowledge or the data gathered, can implement a feedback loop to elicit further in-depth, intimate information. Thus, interviewing and analysis proceeds together (Langley, 1999; Lincoln & Guba, 1985). However, alongside the primary data gathered via the interview process, the researcher was able to draw on a wide variety of secondary sources to provide further data points and provide further opportunities for triangulation of the data.

TABLE 5: Dimensions, Themes and Categories



4.6: Conclusions

This PhD research is based on a two-stage multi-method approach. Data collection involved both the use of primary sources via a representative sample and collected through semi-structured interviews, together with access to a wide variety of secondary sources to buttress and add corroboration to the primary data collected.

As identified by Langley & Abdallah (2011), the 'Gioia' method also employs certain rhetoric for writing the 'story'. First, as noted, the contribution is more often, although not exclusively, concerned with filling in the gaps in understanding rather than contradicting previous studies. Furthermore, the processes of distilling data, from first-order concepts into second-order themes, that in turn, are further concentrated into 'aggregate dimensions', produces a concentrated, concise message. This concentration of terminology, the essence of the research, provides the research's central message. The content of the work then elaborates on these central themes. First, each theme is elaborated upon as part of the narrative account in the principal body of the work, with multiple references to specific incidents or meanings and supported with quotations from informants and documents. Additional quotations supporting these themes are evidenced in the accompanying tables to provide strong credibility to the emerging narrative story. Pratt (2009) goes further to suggest the most striking, apposite quotes ('sound bites' or 'power quotes') are used in the narrative text to be corroborated with additional 'proof quotes' in tables to solidify the argument. Although attractive in prospect, overall, the research tended to use 'extended' quotes across the narrative and within tables to capture the depth of meaning and thick detail respondents were able to provide on the scope of economic regulatory space in the football industry.

Chapter 5 provides a detailed description of the development of the economic and financial regulatory framework for the English football industry. It takes the form of a study of the changes in the regulatory framework over time (1992-2019), supported by secondary sources of evidence. It provides the historical setting for the subsequent chapters (6 to 9), where primary data was gathered from sources to reflect their views on the changes seen in the economic regulatory framework and, specifically, probed to establish whether the factors identified by Hancher & Moran (1989) were present in the English football industry. These sources provided a detailed, descriptive 'story' of the development of the economic regulatory spaces. These chapters also provide an analysis of the primary data in relation to the organisation of regulatory space through the lens provided by Hancher & Moran (1989). Chapter 10 provides a conclusion to the research, offering solutions to the development of other regulatory regimes and areas of potential further research.

Part 3. The evolution of the economic regulatory space in the English professional football industry during the post-modern era

The creation of the EPL provides a convenient historical bookend for an examination of the economic regulatory space of English football, signifying, as it does, the alteration to the previous configuration. In this sense, it can “[...] pinpoint when modern football began [...it was] 1992, the year the Premiership broke away from the English Football League and UEFA re-formatted and re-launched the European Cup as the Champions League, both igniting the vertiginous rise in the value of football’s TV rights” (Goldblatt, 2019: 299). Part 3 of this thesis provides a historical review of the development of this economic regulatory space from 1992 to 2019. Chapter 5 relies on a variety of secondary sources to provide evidence of the development of this space over the period and, in doing so, sets the context for the primary investigation, in Chapters 6 through 9, and an examination of English football economic regulatory space through the lens of the Hancher & Moran (1989) theory on the organisation of regulatory space.

Chapter 5. A historical review of the organisation of economic regulatory space within the English professional football 1992-2019

5.1: The economic organisation of English professional football 1990-1992

While the creation of the EPL changed the alignment of regulatory space for English football, the tensions that lay behind its creation stem from a decade of internecine conflict over the economic space of football between the divisions i.e. the first division and the other three divisions as was, and the clubs, in particular, the ‘Big Five’ against the rest of the ‘old’ first division. (Although never formally defined, the dominant clubs, both in terms of economics and on-field success, in any era have been traditionally grouped together in an informal designation, the ‘Big [TBD]’ and has ebbed and flowed over the period between the ‘Big Three’ to the Big Six). At the creation of the EPL, the Big Five comprised Manchester United; Liverpool; Tottenham Hotspur (Spurs); Everton and Arsenal).

The 1980s had seen a recovery in football, in terms of attendance and revenues, from the dark days of the 1970s, when the game in England was blighted by poor facilities and hooliganism (King, 1997a; 2002; Cox et al.; 2002; Taylor, 2013). An increase in broadcasting revenues and the emergence of more commercially-orientated owners, such as Ken Bates (Chelsea), Martin Edwards (Manchester United) Irving Scholar (Spurs)

and David Dein (Arsenal) (Tongue, 2016; Lipton, 2017), saw a more commercial agenda emerge, and a desire to control the economic space of football (King, 1997a). At the same time, as with the wider economy, there was a move to de-regulate the industry and rely on market forces to manage the economic space. In this context, ownership of football clubs departed from being a “[...] philanthropic hobby [...which was] part of a city’s public amenities and a source of kudos [...as it was] probably between the 1920s and 1970s (King, 1997a: 228). This change in the motivation of club owners occurred alongside the removal of football financial regulation. Restrictive practices brought in to stem the advance of commercialisation during the twentieth century were removed in line with the prevailing economic logic and ideology of the Thatcher government (King, 1997a; Millward, 2013). The maximum wage for footballers had been abolished in 1961, but the pace of financial deregulation in football accelerated in the 1980s. FA Rule 34 that had restricted dividends and salaries to directors was abolished in 1983 and, increasingly, the regulations that supported the redistribution of income and that emphasised the solidarity between the whole of the industry, the footballing pyramid, were altered to favour the bigger clubs at the expense of the lower leagues (Walvin, 2000; Conn, 2005; Russell, 2007).

The 1980s were punctuated with various attempts by the clubs, but particularly by the Big Five, to wrest economic control away from the EFL and FA. In 1986, they were able to renegotiate the split of broadcasting revenues between the clubs and the EFL, securing a 50 per cent share, dealing a further blow to revenue distribution across the leagues. The clubs, however, continued to press for more control of the economics, recognising the value of the broadcasting rights had considerable potential to grow given the deregulation of the broadcasting industry. The 1986-88 package for broadcasting rights had been sold for £6.3m; in 1988, ITV was prepared to bid £44m for the package (Taylor, 2013).

Thus the 1980s were characterised by competition for control of the economic regulatory space marked by disputes between the EFL, the FA and the emerging force of the clubs distinct from the EFL. This power struggle culminated in the publication of various strategy documents aimed at reforming the governance and economic regulation of the industry. The EFL published its strategic vision One Team, One Game, One Voice in 1990. The FA responded with its Blueprint for Football. This fratricidal conflict for power and control of the game weakened both combatants and allowed for the emergence of a third force in the form of the leading clubs organised as the EPL, in 1992 (Michie et al., 2005). In the Blueprint for Football, the FA had presaged the establishment of the EPL, but as a counterweight to the rising economic strength of the EFL. By separating the

financially strongest clubs from the EFL, the FA had hoped to weaken its economic power, but retain control over the entire footballing pyramid: a divide and conquer strategy. In reality, the establishment of the EPL created a third organisation that would compete for and occupy the financial regulatory space in the years ahead (King, 2002; Michie et al., 2005; Taylor, 2013).

While the 1980s had seen significant growth in revenues for English football clubs, primarily due to the increase in the broadcasting rights but supported by increasing attendance, higher sponsorship deals and merchandising revenue, it was not without crises. The tragedy at the Heysel stadium in 1985 resulted in English clubs being banned from European football for five years, and the Hillsborough disaster in 1989 brought to the attention of football authorities the need for further investment in football stadia, as recommended by the Taylor Report (1990). In the light of the need for significant investment to improve the facilities but also exploit emerging commercial opportunities, the leading clubs again agitated for change in the economic regulatory system by proposing a breakaway 'super league' of ten clubs (Taylor, 2013). While initially rejected, it paved the way for the eventual breakaway of the first division to form the EPL.

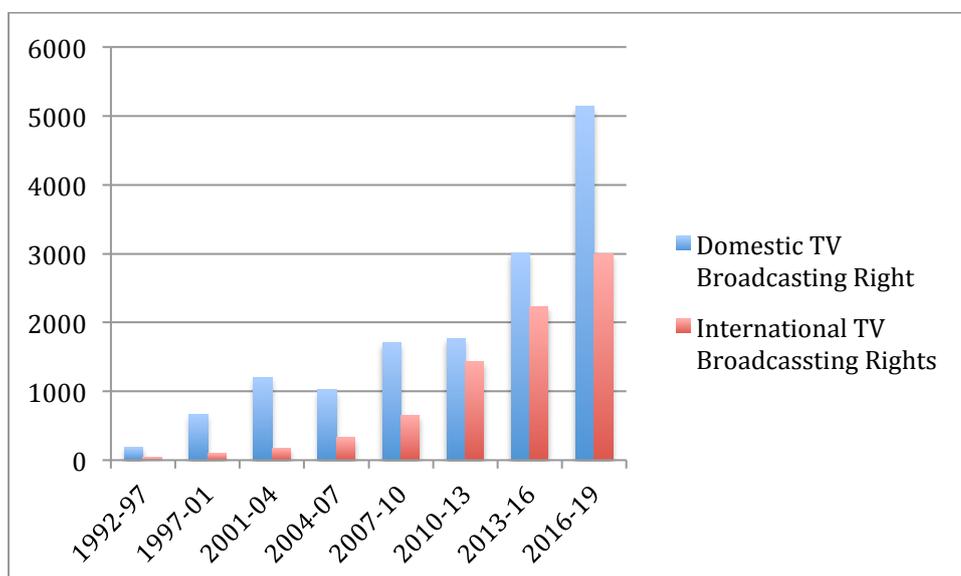
Thus, from 1992, the configuration of economic regulatory space would be fundamentally changed. As Goldblatt (2019: 337) notes: "Timing is everything and the Premier League's was perfect", reflecting the economic deregulation in both the football and broadcasting industries, bolstered by a prevailing neo-liberal vision of economic globalisation that created a perfect storm for a dramatic increase in revenues and investment in the industry. In creating the EPL, the financial regulatory space of English football would be occupied by a triumvirate of large competing, organisations with different agendas: the FA, purportedly represented the entire football family from the grassroots and amateurs to the elite clubs; the EPL, acting for the leading clubs (initially twenty-two but from 1996-97 reduced to twenty), and the EFL, representing the remaining (72) professional clubs. In addition, from 1992 onwards, international regulators, in the form of UEFA, took an increasingly proactive response to issues of financial stability and governance. Progressively, there was a conflict between commercial ambitions and recognition of the societal value that the entire football pyramid generated (Walvin, 2000; Russell, 2007; Mellor, 2008; Szymanski, 2012; Goldblatt, 2014). Like other industries, the changing dynamics of the business, the overall growth of the industry, together with the influx of competing regulatory organisations, meant that the industry displayed a high degree of, and increasing complexity in, its financial regulatory architecture and governance network (Farquhar et al., 2005).

5.2: Conflict between the FA and the EPL

While the EPL was created under the auspices of the FA, from the outset it was an independent body. The way in which the EPL was governed, by a board of directors that included representatives from all the clubs and where a two-thirds majority was required to enact change, meant that the EPL clubs effectively retained control of their own destiny. Combined with financial resources available to the clubs, the oversight initially sought by the FA could not be put in place. Indeed, the FA committee designated to oversee the actions of the EPL was never actually formed. The EFL also has its own regulations and governance policies, crucial amongst them being that a majority of members of the EFL had to approve any changes to EFL regulations. The era from 1992 onwards continued to be defined by both the EPL and the EFL seeking more control over the economic value of the industry (Banks, 2002; Boon, 2002).

In the case of the EPL, the increase in revenues from broadcasting deals (see Table 6) has significantly changed the economic agenda for EPL clubs. Morrow (2003: 4) describes the commercial development of English football in the 1990s as “[...] more swift, wide-ranging and dramatic than hitherto”. As can be seen, there has been an exponential increase in revenues from both the sale of domestic and international broadcasting rights. While the latest sale of the domestic rights for the period 2019-22 ‘only’ generated revenues of £5 billion and may signify a reduced long-term expected revenue generation (Conn, 2018), the expectation is that new innovative methods of distribution, including live streaming, may continue the exponential increase in revenues from the sale of international broadcasting rights (Ingle, 2020).

Table 6: The rising value of domestic and international EPL TV broadcasting rights (£ millions)



Source: Sbibarcelona.com: “TV Rights in Football – Premier League Analysis”.

The consequence of this rapid growth in revenues has, it has been suggested, affected the competitive balance of leagues, impacting the uncertainty of the outcome of individual games and the leagues as a whole, and resulted in concentrating sporting success among a few teams (Michie & Oughton, 2004; Michie & Oughton, 2005a, and below for more detail on the issue of ‘competitive balance’). The increased focus on financial success, the aggressive commercialisation of the industry, leading to sporting success has also challenged the social and cultural role that football traditionally occupied (Conn, 2005; Goldblatt, 2014; Calvin, 2019). That, in turn, has raised issues of the role of the FA as the chief proponent of these values.

There is recognition that football clubs have a societal as well as an economic value and that they have social and cultural importance (Szymanski, 2011; Szymanski, 2012). In this regard, it is highly desirable that they survive (Buraimo et al., 2006; Beech et al., 2008). Financial instability threatens the long-term operation of football clubs although, unlike most forms of corporate activity, they rarely go out of business (Szymanski, 2010). Rather, when in a financial crisis, they go into administration, a legal arrangement designed to help the club regain financial stability (Beech et al., 2008; Szymanski, 2010), albeit with potential relegation to a lower league.

The dramatic increase in revenues for both the EPL and the EFL put additional strain on the relationship between these organisations and the FA. The structure of the FA, its broad mandate to govern the football industry from amateur to professional ranks, has rendered it open to criticism from various sections and stakeholders of the football community. The FA Council, the body that is responsible for policy decisions, continues to comprise a cross-section of the FA. Comprising 92 elected members from various sections across the football community, including the EPL and EFL as well as county associations (the amateur constituency, including representatives from the army, Cambridge University and independent schools), it is unwieldy, unresponsive and ineffective. Furthermore, the cross representation of commercial and social interest on the Council means that it is difficult for it to produce a coherent, consensual approach. (For an extended critique of the FA Council, see HoC CMS, 2011; Michie & Oughton, 2005b).

The establishment of an FA Main Board, aside from the Council, was expected to address some of these issues and in, particular, focus on the commercial and financial aspects of the industry. Alongside the Chairman of the FA Council and the FA chief executive, there are representatives from the professional game (four from the EPL and two from the EFL) together with six individuals representing the broader interests of the national

game, including, now, independent non-executive directors (NEDs). This composition reflects the commercial power of the professional, particularly the EPL, game and represents a shift of power away from the interests of the broader football family that dominated the governance and policy determination pre-1992. While this historical constituency is embodied in the composition of the FA Council, recognition of the financial power professional football now wields is implicit in the make-up of the FA Main Board.

The delegation of powers over commercial and financial interests to the FA Main Board has reduced the power of the Council and further eroded the authority of the FA. In scoping out and occupying the economic space, the principal commercial bodies, the EPL and the EFL, have continually pressed for further derogation of powers and the increased formal separation of commercial and financial control to a further, separate sub-committee, the Professional Game Board (PGB). The commercial interests of the game believed this was necessary to enable the commercial opportunities to be better exploited, hastening the shift of balance towards commercialism and away from societal values while emphasising the weakened FA's economic regulatory control. It reinforced the rising influence of the professional, commercial game at the expense of other footballing communities. The mounting power of the EPL and its ability to control the economic regulatory agenda can be seen in the power struggle between the then CEO of the FA, Adam Crozier and the EPL (see Robinson & Clegg, 2019). They describe how the continued opposition by Crozier to the expansion of power by commercial interests frustrated the EPL and EFL and various individuals. This conflict ultimately resulted in Crozier resigning in 2002.

With the resignation of Crozier, the professional game was able to expand its control over the commercial and financial aspects of football. Following a review of the governance by Lord Burns in 2005, the FA instituted changes to the Main Board, the most significant of which was the appointment of two NEDs, which finally occurred in 2012. The delay in the implementation of these governance changes again showed the institutional reluctance and the extent to which 'blocking' forces could influence and impede the reform process (Conn, 2003; Michie et al., 2005; HoC CMS, 2011). Furthermore, the operation of the PGB undermined the reform of the FA Main Board. The activity of the PGB showed the extent that the professional, commercial game had claimed the economic regulatory space and, in effect, had pushed the FA Main Board to the periphery. In doing so, it showed how an organisation could exert influence and sculpt the regulatory architecture in its favour while overwhelming less well-organised stakeholders.

5.3: The commercial growth of the English football industry

As suggested, from 1992 onwards, the commercial opportunities around football in the UK were growing. In addition to increased broadcast revenues, attendance, merchandising and sponsorship, the best clubs had access to European club competitions (UCL and UEL) that offered further revenue generation opportunities. The transmutation of the European Cup into the UCL in 1992-93 further amplified the potential revenues that teams could generate from European competitions, both from the increase in the number of games and, hence, match-day revenue as well as, more significantly, in the increased value of the broadcasting rights (Curran et al., 2009; Lee & Fort, 2012; Szymanski, 2014). The development of the global brand of the EPL from 1992 onwards, produced further significant international commercial possibilities from sponsorship, overseas tours and, very significantly, the sale of broadcasting rights to overseas markets (See Table 6; Robinson & Clegg, 2019).

However, while a plethora of commentators have agreed that English football has become big business (Morrow, 2003; Robinson & Clegg 2019), Kuper & Szymanski (2010) have questioned this conclusion. They highlight the relatively small economic value of football clubs by comparing the turnover of a club to that of a single Tesco supermarket store or a company in the FTSE 250 and concluded that, on this measure, football cannot be considered big business. Kuper & Szymanski's (2010: 112) conclusion was that because the economics of individual football clubs were so small, the negative externalities of an individual financial failure were minimal, and the need for economic regulation was also reduced: "Football clubs need to know what they are. They shouldn't kid themselves that they are BAA, rather they are like the British Museum: Public-spirited organisations that aim to serve the community while remaining reasonable solvent". Kuper & Szymanski (2010: 112) do recognise that notwithstanding this, the growth in revenues does require some financial management and control: "The weight of money that washes through football demands a more business-like approach to managing cash..." although, reprising their earlier point, "[...] it resembles a charitable trust rather than a business".

However, the alternative view focuses on the collective nature of the EPL revenues. That the EPL is a collective operation of twenty clubs is most obviously demonstrated by the collective negotiation undertaken on the sale of broadcasting rights, in direct contrast to some other European football leagues. In this context, the league is the economic entity and its collective revenues evidence of its substance. The increasingly global nature of the EPL has acted as a catalyst for overseas investment and a growth in revenues. For example, in 2015, Deloitte reported that the overseas TV rights for the EPL were sold to

212 countries and broadcast to 645 million homes. Players from 50 different countries graced the EPL. The majority of EPL clubs now have foreign ownership both at the Big Six level as well as below it: Manchester United, Liverpool and Arsenal have foreign owners, as do, for example, Southampton, Fulham and Leeds. This influx of foreign capital means “[...] most remarkable of all and in advance of any other big European league, the ownership of England’s leading clubs has gone overseas” (Goldblatt, 2019: 339). Alongside foreign ownership, foreign sponsorship is widespread. Revenues for the EPL have consistently grown, widening the gap with its nearest rival, the German Bundesliga, to over £1bn (Deloitte, 2015). Football clubs have continued to increase their revenues: for example, Manchester United revenues grew from EUR 396m in 2012 to EUR 689m by 2016 (Deloitte, 2017).

However, while revenues have been increasing, profitability has not: football leagues across Europe have failed to produce profits in an environment of raising revenues (Franck, 2014; Andrew & Harrington, 2016). In 2013-14, for the first time, the EPL posted a collective profit, with all but one club registering an operating profit. For most of the existence of the EPL, revenues have been increasing but profitability has not. A factor for the lack of stability of earnings and financial security has been the lack of governance and financial regulation. The Labour Party identified the issues surrounding the lack of corporate governance and financial controls in 1996. In opposition, it published a Charter for Football that sought to address both the social issues (racism) and economic issues that blighted football. In government, it created the Football Task Force (FTF) to drive reform of the football industry. Alongside policy reports that addressed the issues of racism, disability and football in the community, the FTF also tackled the issue of financial governance and regulation. It recommended the creation of a Football Audit Commission (FAC) together with a Financial Compliance Unit (FCU) and a code of conduct focused on financial probity. This package was designed to assist governance at clubs (including a fit and proper test for owners), help create an economic and commercial environment that ensured long-term financial viability, and more effective economic and financial regulation. The ambition was that “[...] clubs are properly financially structured, and all transactions are executed without deception or fraud” (Football Task Force, 1999b). Many of the recommendations in the report echoed those made in the 1997 report on governance by Sir John Smith, commissioned by the FA, which also highlighted the need to raise the standard of financial regulation in the face of increasing commercialisation. It also recommended the need to create compliance and monitoring units, significantly with statutory powers to monitor, investigate and sanction clubs (Hudson, 2001; Michie, 2002).

Despite the recommendations of their own commissioned report and those of the FTF, the FA did not immediately engage in wholesale financial reform. Likewise, the EPL and EFL did not institute any reform: A fit and proper person test was suggested, for example, which would deter both domestic and foreign investment (Football Task Force, 1999c). Indeed, the triumvirate's response was the publication of a minority report advocating light-touch regulation. This preference was in tune with the wider context of economic regulation of other industries at the time (Football Task Force, 1997c; Gardiner et al., 2012).

This initial skirmish over financial regulation in the regulatory space highlights how power and influence among participants in the regulatory arena were unevenly divided. Notwithstanding their mutual distrust and the competition for regulatory space between themselves, the football regulatory triumvirate was able to effectively block externally proposed financial reform. As major actors on the regulatory field, supported by significant resources as well as history and culture (in the UK, the government had traditionally taken a non-statutory approach to football economic regulation), they were able to resist change. While government had identified significant failures of governance and financial control in the industry and had consulted a range of stakeholders, including fans, it lacked the political will to enforce regulatory change (HoC CMS, 2011, HoC CMS 2013).

5.4: The requirement for financial regulation emerges

As outlined above, the growth in revenues was founded on a symbiotic relationship between football and television (Morrow, 2003). The deregulation of the broadcasting industry across Europe in the 1980s and 1990s created a proliferation of broadcasting channels and a demand for products to fill schedules. The broadcasting rights to live football were, in particular, acquired by satellite channels to be used as “[...] a battering ram to get the channel into people's living rooms” (Goldblatt, 2019: 338). With demand outstripping supply, footballs broadcasting rights continued to increase in value. The catalyst for economic regulatory change was a shock to the financial stability of football clubs, specifically EFL clubs, produced by the collapse of ITV Digital in 2002, one year into a three-year contract. On entering administration, ITV Digital owed the EFL £178.5million. While BSkyB did subsequently agree to a four-year deal with the EFL to broadcast games, the value of the contract was significantly less than that initially paid by ITV Digital. Many clubs had pre-spent the anticipated revenues of the ITV deal, and the EFL was unable to reclaim compensation through the courts. As a result, a swathe of EFL clubs went into administration: ten in 2002 and a further six in 2003. The extent of the

financial crisis prompted by the collapse of ITV Digital and the impact it had on clubs was likened to ‘Armageddon’ (Jordan, 2013).

The financial condition of football clubs was exacerbated by the impact of the Bosman case. While the case was concluded in 1995, the financial consequences were to work through the football economic system over the next decade. Coinciding with the collapse of the financial package provided by ITV Digital, the conjunction of these events plunged football clubs into a financial crisis. By 2002, the European Court of Justice’s (ECJ) ruling that the player-transfer system violated European law was having a serious impact on the balance sheet of clubs. (For more detail on the implication on player mobility and compensation, see Dabscheck, 2006). The implication for the balance sheet of football clubs was that player asset value was seriously overvalued. Faced with falling revenues, impaired asset value and higher wage costs, many EFL football clubs faced financial meltdown.

The Bosman ruling gave considerably more power to players in contract negotiations and contributed to rising salaries. A scarcity of talent and the informational advantage accruing to players due to the use of agents inflated compensation packages (see Geey, 2019 for more detail on transfer fees and compensation arrangements). These factors created the conditions for the phenomenon of ‘supplier-skewed adversarial collaboration’ (Lonsdale, 2004) to emerge, whereby players were able to extract preferential terms. This further enhanced player power when negotiating contracts in an economic environment that already skewed the outcome, given wage inflation and the emergence of long-term contracts, as a result of the Bosman judgement (Dobson & Goddard, 2001).

It was a combination of factors resulting in financial crisis for some (EFL) clubs that produced the need for reformed financial regulatory space topography and a reordering of the landscape. The impact of the Bosman judgement and the collapse of ITV Digital served as a catalyst for regulatory change. The loss of power exemplified by the deteriorating financial condition of football clubs allowed the tentative reintroduction of financial regulation and allowed organisations that had campaigned for their introduction to regain ground within the economic regulatory space (Taylor, 2013).

5.5: The first forays into economic re-regulation

From the 1980s and into the early 1990s, there had been a long-term concern about the financial strength of football clubs and the viability of the business models clubs were employing (Conn, 1998). Perhaps surprisingly, given his comments on the longevity of football clubs, Szymanski, in evidence to the HoC CMS (2011), commented: “The scale of

the crisis in English football was continuing and persistent [for] over a quarter of a century". The collapse of TV revenues and the impact of the Bosman ruling brought into sharp focus the need for some form of financial and economic regulation, hitherto an area football regulatory authorities had avoided, despite the significant changes seen in the overall economics of the industry from the 1980s onwards.

In 2003, after the debacle of ITV Digital, the FA established the Football Advisory Committee (FAcT) to focus on promoting the long-term financial health and stability of football clubs. In its remit, the committee was also tasked with reviewing the corporate governance of clubs. Recognising that the issue of financial stability affected all levels of football, membership of the committee was drawn from across the footballing family: from the EPL and EFL as well as the semi-amateur ranks. In doing so, it was hoped to ensure that appropriate financial controls were imposed across the various leagues and throughout the football pyramid (Football Association, 2005).

As part of the financial control, clubs were now required to submit statutory financial information. Alongside this, the FAcT required directors of football clubs to submit a Director's Certificate on an annual basis. This stipulated that the directors of football clubs were committed to the long-term health and stability of the club in the community, including that they expected to be able to meet its football commitments for the coming season: to fulfil the club's fixture list and have security of tenure of its ground. In addition, the FAcT began the work of formulating corporate governance standards and best practices for football clubs. In 2007, however, the FAcT was disbanded and replaced by the Football Regulatory Authority (FRA) with a reduced mandate for economic regulation.

This tentative introduction of economic controls can be seen as a form of 'prudent' regulation. This was, potentially, recognition that football, and particularly the EPL, was becoming an increasingly significant economic sector for the UK. By 2016-17 it was estimated that the EPL contributed £7.6 billion to the UK economy (Ernst & Young, 2019), while the House of Lords Select Committee on Soft Power and the UK's Influence (2014) specifically cited the role of the EPL in promoting the UK's image and trade opportunities, a point reiterated in Grix & Houlihan (2012) and Robinson & Clegg (2019). In the context of the UK economy, individual football club failures, in so much as they damage the integrity of the league and the brand value of the export, have economic consequences. However, there is also recognition that the football industry itself needs some prudential regulation to protect its own systemic operation. Morrow (2004) identified such systemic risk in the Scottish Premier League (SPL). It was found that the league is economically damaged when individual football clubs are unable to complete

their fixtures, and that there is a significant interconnected economic system between clubs such that the financial failure of one club can significantly impact the financial strength of another. (The introduction of the Football Creditors Rule, in 2003, was designed precisely to arrest or minimise the potential for systemic contagion within the football club pyramid. See below).

Whereas the FAcT, albeit with a short life, is an example of the footballing regulatory authorities working together to formulate a coordinated approach to regulation, the introduction of a fit and proper person's test (for owners and directors of football clubs), showed the regulatory authorities working as separate organisations in the regulatory space. The FAcT was initially tasked with formulating the fit and proper test; however, although the FAcT worked collectively on creating the appropriate test, it culminated in the individual regulatory authorities introducing separate tests. In 2003, the EFL introduced its formula, followed by the EPL in 2004 and the FA was left with introducing regulations for clubs below the EFL.

The purpose of the fit and proper test is to prevent individuals with a criminal record from taking control of football clubs. While three versions of the test now operate in English football, they are broadly similar. They outline a number of criteria that prevent individuals becoming a director of a club: for example, if individuals are already disqualified from acting as a director of a UK-registered company. However, the range of criteria within the fit and proper test do not include subjective, independent assessments of an individual's honesty, integrity, business acumen or reputation. Furthermore, the scope of the test is limited: for example, when Portsmouth was in the throes of their financial meltdown, the club hired a short-term adviser who had been convicted of fraud but who was negotiating contracts on behalf of the club. However, as an adviser, he was outside the scope of the 'fit and proper test' (Conn, 2010). The test is not one of subjective judgement of character but an objective, narrow analysis of the conduct of a select number of individuals. In addition, there is a requirement to ensure that the owners are fit and proper using the same narrow, objective analysis. In the EPL a shareholder that holds a controlling stake, deemed to be thirty per cent of the outstanding shares, needs to pass the fit and proper test. However, the complex shareholder structures that some owners now employ, including offshore entities, can mask the true ownership structure of clubs (Conn, 2015).

5.6: Continued economic growth of English football attracts foreign investment

This first foray into re-regulation of English football did not deter investment in the industry and, significantly for the first time, foreign investment. Before 2003, investment in English football had been principally the preserve of local businessmen mostly investing in their local club, by and large, motivated by local civic pride rather than a return on investment (King, 1997a; Millward, 2013; Goldblatt, 2014). This does not mean to say that they were not prepared to invest large sums to achieve on-field success, perhaps epitomised by Sir Jack Walker who acquired Blackburn Rovers, his hometown, boyhood team, in 1991, taking them on to win the EPL in 1995, having invested millions in player talent, illustrated by the acquisition of Alan Shearer in 1992 for what was then an English transfer record-breaking amount of £3.6 million (Taylor, 2013).

However, it was the acquisition of Chelsea by a Russian oligarch, Roman Abramovich, in 2003 that changed the economic face of English football and heralded a sustained period of foreign investment in the English game. This was a 'game changer', a 'big bang' moment that changed the paradigm of English football finances (Rohde & Breuer, 2016b). Abramovich acquired the club for £140m (and £100m of debt) and delisted the shares from the Alternative Investment Market (AIM). Over the next six years, he was to invest a further £709m in the club via loans and debt, mostly on player talent, in a strategy that has delivered five EPL titles, five FA Cups, three EFL Cups, one UCL and one UEL (fifteen major trophies, compared to six in the previous 98 years), justifying the investment in playing talent (Wilson, 2013). The soft loans to the club were delivered by a complicated corporate structure that included several holding companies.

After Abramovich, the floodgates of foreign ownership of EPL clubs were opened: an American venture capitalist, Malcolm Glazer, bought Manchester United in 2005 and other American investors (Tom Hicks and George Gillett) acquired Liverpool in 2007. Both purchases were solely financed by debt. The clubs were subject to leverage buyouts, where the future earnings of the clubs could be used to pay the interest on the debt used to acquire them. In the case of Manchester United, this debt was held at the holding company level (Red Football Shareholder Ltd), but the revenues of the football club were used to pay the interest. Liverpool found itself in a similar situation when it was acquired by Hicks and Gillett and ended up with negative equity of £111m before being sold to another American consortium in 2010. (For more details on the acquisition of Liverpool, see Reade, 2011).

Alongside Russian oligarchs and American capitalists, a third significant type of investor entered the market for EPL clubs. In 2009, the Abu Dhabi United Group Investment and Development Company, a vehicle for the royal family of Abu Dhabi, bought Manchester City. Montague (2017) gives a detailed account of how Sheikh Mansour acquired Manchester City and juxtaposes the position of a quasi-state acquisition of a football club with the human rights record of Abu Dhabi. He also describes the influx of foreign investment into the EPL, by investors, in many cases, whose fortunes were built on private equity investments, property development and, latterly, the stream of investment from the Far East, including China, in a combination of invasive capitalism together with exercising soft power. King (1997a), Montague (2017) and Robinson & Clegg (2019) contrast this investment that comes from individuals that have acquired their wealth through overt or secret political connections or aggressive business strategies with the profile of the historic (pre-EPL) football club owner typified by the local businessman that acquired wealth over decades and, often, generations. Their conclusion was that aside from issues over the fit and proper test, these new owners are disconnected from the local communities and often have business strategies that are controversial in the context of the broader societal issues surrounding football. In this context, the motivation of some 'new' football club owners or 'new directors' "[...] have sought to generate capital – both directly and indirectly – through their associations with the EPL..." (Millward, 2013: 403) that contrasted significantly with the basis of ownership that epitomised many pre-EPL directors and business "[...] strategies that need to be explored in an era where many football clubs run up debts" (Millward, 2013: 401).

While these owners may have questionable provenance and uncertain long-term objectives for the clubs, they have been able to drive a commercial imperative across the clubs to increase revenues (Holt, 2007; Nauright & Lamfjord, 2010). For example, wealthy owners can exploit their business empires, relationships and contacts to generate sponsorship deals for the football club they own: Manchester City benefits from a sponsorship deal from Etihad Airways. The United Arab Emirates (UAE) government owns Etihad Airways and Sheikh Mansour, the ultimate owner via a holding company, is a Deputy Prime Minister in the government: a potential conflict of interest. In total, the UAE government, via Etihad Airways, Abu Dhabi Tourism Authority, Etisalat and Aabar, own four of Manchester City's eight principal sponsors. As Millward (2013: 406) outlines, the 'new' directors of football clubs are unabashed at exploiting the EPL brand to promote their own businesses: "Using a football club as a vessel to promote its owners' other commercial enterprises is not a new phenomenon. [...but] the huge global market that the EPL is broadcast to opens up further opportunities for high-profile advertising and player endorsement of products".

In addition to being a sponsor, Etihad Airways also purchased the naming rights for the ground, renaming it the Etihad Stadium in 2011. The deal was worth around £340-350 million to the football club over a ten-year period and was considerably more than Emirates Airline had paid Arsenal for the fifteen-year stadium naming rights, together with a shirt sponsorship deal in 2004 (around £100 million, see Gibson, 2004). The issues surrounding the exploitation of sponsorship rights in relation to financial regulation and, in particular, UEFA's FFP rules is further explored below. Suffice to say that the additional revenue generated by these commercial arrangements further widens the financial gap between clubs in the EPL. This period can be characterised as an era of vastly increasing revenues but with clubs failing to break even (Storm & Nielsen, 2012) or registering profits (Franck, 2014), consistent with expenditure greater than revenue generation in the pursuit of sporting success. Given the amount the Abu Dhabi royal family have invested in Manchester City, it seems unlikely they will recoup a return on their investment purely by revenues generated by the football club but rather via exploitation of other commercial ventures, for example, the broadcasting of TV rights to the Middle East (as was achieved by the purchase of these rights by the Abu Dhabi Media Company, also owned by the Abu Dhabi royal family) or other commercial opportunities (Millward, 2011; 2013).

Szymanski & Kuper (2000) explored this link between expenditure and sporting success concluding that there is a high correlation between spending on talent and on-field success (see also Franck, 2010; Madsen et al., 2018). Franck (2010) likened this spending to 'a military arms race' with clubs having little option but to spend on player talent to remain competitive. Promotion and relegation exacerbate the pressure to compete, and the concept that sporting leagues are not a 'zero-sum game' generates an incentive to outspend their nearest rivals, whether chasing a league title or avoiding relegation (Dobson & Goddard, 2001). As Morrow (2003: 20) confirms: "Thus the top-heavy financial reward mechanisms prevalent [in the EPL] inevitably put pressure on clubs to survive", but "[...] does not justify apparent financial mismanagement by so many football directors...", an observation supported by Wilson et al. (2003).

The willingness to invest either considerable personal wealth or borrow significant amounts to acquire playing talent to secure on-field sporting success is a notable feature of European football leagues and is contrary to the behaviour of owners in other jurisdictions, most notably the US (Szymanski, 2009; Franck, 2014). In this, European football club owners can be characterised as 'win' or 'sporting success maximisers' rather than 'profit maximisers' (Garcia-del-Barrio & Szymanski, 2006; Kesenne, 2006; Solberg & Hagen, 2010). The implication of this is that owners potentially could employ highly

aggressive or risky financial strategies in the pursuit of sporting success but at the expense of long-term stability for the club (Storm & Nielsen, 2012; Wilson et al., 2013). Several clubs have given priority to sporting success over financial stability (Stone, 1980), resulting in different outcomes (Morrow, 2003; Buraimo et al., 2006), and some notable failures, such as Leeds and Portsmouth.

5.7: The increasing use of debt and innovative financing solutions to fund football clubs' sporting ambitions

New owners were increasingly using debt to finance both the acquisition of the club and player talent. Significantly, this led other clubs to take on more debt to buy talent and compete. The tale of woe that accompanies excessive debt describes the rise and then substantial fall of a number of clubs, from Leeds to Portsmouth (Morrow, 2003; Grundy, 2004; Conn, 2010), involving stories of excessive debt, mismanagement and relegation.

Even where excessive debt has not pushed a club into administration, it does put considerable strain on clubs' financial situations. The level of interest payments forces them to aggressively increase revenue generation. Certainly, the supporter groups of both Liverpool and Manchester United (The Spirit of Shankly and M.U.S.T, respectively) have argued that the level of debt and interest costs have been a factor in the rise in ticket prices (Conn, 2008a; Hunter, 2016). Fans have become increasingly vocal and an emerging force in the economic regulatory space in football. In the case of Manchester United, some of the debt raised to acquire the football club was re-financed in 2010 in the institutional bond markets, loans provided by hedge funds and additional complicated, structured notes, including payment-in-kind (PIK) notes. Controversially, the eventual owners of these high coupon PIK notes were the Glazer family via other commercial businesses they owned. It became a way the owners could extract considerable value out of the revenues of the club (interest payments on the PIK notes accrued at 16.25%) on preferential terms to those of other bond investors (Geey, 2011).

In addition to bank debt, clubs have also been able to raise funding via the securitisation market (Brinkworth, 2002). Securitisation is a financial funding technique where the owner of an asset can use specific cash flows generated by that asset to raise finance. The strength and stability of the asset-backed securitisation market (ABS) has allowed football clubs to access the market from 1999 onwards. Between 1999 and 2004, there were nine football securitisation transactions. The main attraction of the ABS market was that it offered access to long-maturity debt at often better levels than bank finance due to the security offered (Henderson & Scott, 1988; Benjamin, 2000).

Confidence in the ABS market diminished in the early 2000s, but the market was temporarily revived with Arsenal completing a £260m transaction in 2006. The ABS and bond markets, in general, introduced a new set of participants to the financial regulatory space of football. Institutional debt investors (insurance companies and pension funds), together with the listing of debt instruments on a stock exchange, require more detailed transparency and disclosure. The structuring of transactions can include financial covenants that limit the ability of a football club to raise additional funding or raise wages. The use of financial structured products brings football clubs an additional layer of financial regulation and different participants in the regulatory space. The success of these deals, by generating funds to buy playing talent to achieve sporting victory, has been mixed and, in many cases, has left football clubs with significant debt on the balance sheet (Burns, 2007). It also brings about a potential conflict between commercial and sporting goals. Whereas financial investors would like football clubs to operate as other commercial enterprises, focusing on cost control and generating profits, the clubs often have their own sporting priorities and, in some situations, give priority to achieving sporting success over financial stability offering further verification of the phenomena of 'win-maximisation' in football.

An alternative to debt finance, but still using the financial markets, has been the listing of football clubs on a stock exchange. Between June 1996 and August 1997, eleven British football clubs floated on either the London Stock Exchange's (LSE) or the smaller AIM, ranging from Manchester United to Sheffield United. Historically, equity investment in football clubs had been subject to restrictive regulations (Rule 34) that prohibited directors from being paid, limited the amount that could be paid out on dividends, and prevented an owner from winding up the club and profiting from the sale of the ground (Conn, 1997). However, when Spurs was listed on the LSE in 1981, it was able to sidestep Rule 34 by listing a holding company on the LSE whose assets were the football club. Rule 34 did not apply to the holding company, and an age of innovative corporate structuring was introduced into football. As a result, the FA removed Rule 34 from its statutes in 1998. While football clubs raised equity to enable themselves to re-develop facilities, stadia or to acquire player talent (Morrow, 2003; Buraimo et al., 2006), it also had the effect of making the directors of the clubs considerable richer. The £600,000 investment made by Martin Edwards in Manchester United in 1978 was worth £64m by 1997 (Conn, 1997). The gains made by some directors seem at odds with the notions of community, tradition, social solidarity and 'fan equity' (Morrow, 2000) but remains an attractive strategy for new owners to extract value from their investment (Millward, 2013).

Like the debt markets, however, there is a regulatory cost to listing on the stock exchange, and investors became a new entrant into the regulatory space requiring football clubs to balance commercial objectives with sporting goals. For most football clubs, this was an uneasy relationship and over the next twenty years, most football clubs have delisted (Morrow, 2000). It is, therefore, interesting that Manchester United chose to re-list in 2012, albeit this time on the New York Stock Exchange, to capitalise on its increased international profile, having initially looked at listing on the Singapore Stock Exchange to monetise the value of the brand in Asia (Millward, 2013). Although a return to listing football clubs on stock exchanges also raises the possibility of the current cohort of owners being able to realise capital gains from selling their shares but, “This strategy of twenty-first century new directors’ profit extraction from football is, therefore, premised on a long-standing idea that capital gains can be made of football clubs that have generally appreciated in value since the launch of the FA Premiership” (Millward, 2013: 408). That, in turn, is based on the expectation that revenues (particularly from the sale of broadcasting rights) continue to appreciate, a notion that may, particularly in the current economic circumstances, not be a foregone conclusion.

5.8: High wages, transfer fees and debt repayment costs foster financial instability

There has been a long-standing recognition of the detrimental effect that player salary costs have on the financial strength and stability of football clubs: the often-repeated ‘prune-juice’ economics of football (Alan Sugar, quoted in Guardian, 2015). The presence of sporting success maximisers driving the strategy of football clubs and the link between spending on talent with on-field success as outlined raises the cost of player talent and encourages some clubs to take significant financial risks. The EFL partially attempted to address this issue in 2003 when a Salary Cost Management Protocol was introduced into League Two. The protocol was designed to control wage expenditure and improve financial stability by limiting the players’ wage bills to 60 per cent of turnover. In addition, a total aggregate wage cap for clubs was introduced limiting the total salary costs to 75 per cent of turnover. Analysis of these regulations and the subsequent amendments, however, has shown that while the protocol initially held costs down, long-term, it has not improved profitability or solvency (Evans et al., 2019). The penalty for breaching the protocol was a transfer ban. Initially introduced as a trial, League Two formally adopted it in 2004-05 and in 2011-12 the turnover ratio was reduced from 60 to 55 per cent (see EFL Regulations for current FFP rules for EFL clubs).

League One clubs initially voted to implement the protocol voluntarily, supplying financial data to the EFL but with the inability of the EFL to impose sanctions in the event

of a breach. However, by the 2011-12 season, League One clubs had also decided to formally implement the protocol, although within an initial turnover ratio cap of 75 per cent, reducing over consecutive seasons to 65 per cent and then 60 per cent (Guardian, 2011). The Championship clubs resisted the implementation of any salary cap. In a league where the average wage-to-turnover ratio was 90 per cent (Deloitte, 2012), and with the lucrative potential opportunities presented by promotion to the EPL, Championship club owners were reluctant to accept wage control, and EPL clubs expressed a similar reticence (Robinson & Clegg, 2019).

The pressure for financial reforms was, however, growing and in 2012 the Championship bowed to the inevitable and voted for the introduction of FFP rules. (Interestingly, the 24 clubs were split 21-3 in favour. Those against were clubs that had been recently relegated, had existing high wage bills, and had plans to bounce back immediately). The implications of 'parachute' payments and the creation of 'yo-yo' clubs benefitting from a financial 'trampoline' are explored in Morrow (2003) and Gibson (2013); however, the fundamental issue remains clear that the financial rewards of the EPL, together with the option to raise debt, when combined with the parachute payments from relegation, provide even those teams that get relegated from the EPL a significant financial advantage over their rivals in the EFL (Conn, 2014a; 2014b). The FFP rules introduced for the Championship differed from the salary protocol by focusing on a 'break-even' model that restricted the level of losses. Again, the sanction for breaching the regulations was a transfer embargo. In 2014, the rules were modified again, but parachute payments that significantly distort the calculations while potentially promoting a lack of competitive balance and foster a culture of aggressive financial strategies for those clubs without the payments were, once again, excluded (BBC News, 2014).

The focus on financial regulation has magnified over recent seasons. While domestic authorities have addressed the chronic financial instability driven by over-spending via their own FFP rules, in addition, supra-national regulators (UEFA) have also sought to tackle the issue. While UEFA can only regulate its own competitions, such is the revenue that these competitions generate, particularly the UCL, those clubs that potentially could be involved in these competitions have to abide by the UEFA's FFPs.

5.9: Introduction of international financial regulation

As early as 1999, UEFA had been concerned about financial strategies affecting the outcome of leagues and the possible implications for football clubs and fans if these strategies failed. It recognised that there needed to be a balance struck between commercialisation and traditional values: regulation was needed to "[...] temper its

commercial priorities [...] by some measure of social-democratic redistribution” (Goldblatt, 2019: 236). Economic regulation was considered to: “[...] improve the economic and financial capability of the clubs, increasing their transparency and credibility; to place the necessary importance on the protection of creditors and to ensure that clubs settle their liabilities with employees, social/tax authorities and other clubs punctually; to introduce more discipline and rationality in club football finances; to encourage clubs to operate based on their revenues; to encourage responsible spending for the long-term benefit of football; to protect the long-term viability and sustainability of European club football” (UEFA.com: Financial Fair Play).

The prevalence of ‘financial doping’ referring to the situation where the owner of a football club invests personal wealth (or borrows heavily) to secure playing talent to improve the probability of winning rather than relying on revenues generated by the club, was also of considerable concern to UEFA (Muller et al., 2012; Iorwerth, 2018). This artificial manipulation of the economics of the game, the investment of external capital into football clubs to produce on-field success without control, threatened the economic stability of the entire football pyramid (Schubert & Konecke, 2012; Gibson, 2013). Millward (2013) highlights how a potential way for new directors to realise returns on their investment is to invest in lower league clubs and achieve promotion to the EPL. The use of debt to finance their initial acquisition merely allows them to leverage up their returns but, in doing so, it increases the level of financial risk through the football pyramid. Recognising the poor financial situation of football clubs across Europe, UEFA proposed a club licensing system, finally introduced in 2005, which sought to address a variety of financial issues: improve transparency and the standards of corporate governance and required clubs to comply with a variety of protocols (sporting, legal, infrastructure, administrative and financial) to qualify for UEFA competitions.

Financial regulation was extended with the introduction of FFP rules in 2009. Critically, UEFA was concerned over “[...] the growing inflation of wages and transfers, the large numbers of clubs facing an unsustainable debt burden and the fact that several clubs were going into administration” (William Gaillard, Adviser to the President UEFA: HoC CMS, 2011) and that reforms would introduce an element of “[...] order and more rationality”. The process of introducing these reforms provides an insight into the competing elements in the regulatory space of football. As early as 2002, some form of FFP had been suggested as part of UEFA’s club licensing system. Negotiations between the competing stakeholders and organisations in the financial regulatory space - football clubs represented by the European Club Association (ECA), national associations and the organisers of leagues - meant that FFP regulations were only formally approved and

introduced in 2010, becoming part of UEFA's Club Licensing and FFP regulations. Even then, competing entities in the regulatory space were able to argue for a relatively long transition period: the FFP rules only became fully applicable and clubs were open to sanction if they breached the rules in 2013-14 (For the latest iteration, see UEFA Regulation, FFP).

UEFA's FFP rules focus on three main requirements. First and crucially, clubs have to demonstrate that they can break even and that their costs do not exceed their revenues within limits over a given period. Owners are not allowed to provide equity investments to cover losses, which is an attempt to prevent financial doping, although there are exceptions. Owners can provide investment on certain projects outside the FFP regulations, for example, infrastructure, community activities and youth development. Clubs also must demonstrate that during the season they do not have outstanding debt to other football clubs, employees or the tax authorities. Finally, clubs must provide evidence that they can meet future liabilities, an ongoing concern test. In this way, UEFA developed "[...] systems of economic redistribution and economic surveillance and control [...an] increasingly rigorous club licensing system introduced a hitherto unknown level of transparency into European football finance [...] while FFP regulations gave UEFA the power to investigate and punish spendthrifts, debtors, soft-loan and over-generous sponsorship deals by companies linked to club owners" (Goldblatt, 2019: 236).

UEFA had long been concerned over the financial crisis affecting European football clubs, although Lagos et al. (2006) cautioned about the use of the description 'crisis' while acknowledging the financial issues that surround football. In contrast, Morrow (2004) describes the financial situation in Scottish football as a 'crisis', while Frick (2010) and Dietl & Franck (2014) used the term in reference to European football. What was clear was that the business models many of the largest clubs in Europe were operating consistently generated losses rather than operating profits (see UEFA Report: The European Club Footballing Landscape: Club Licensing Benchmark Report Financial Year, 2008 for an example of the losses). In particular, UEFA identified that despite growing revenues from TV deals, the football labour market had led to huge economic rent accruing to players and that this was exacerbated by high transfer fees which had become a feature following the Bosman ruling. Similar conclusions were reached by the HoC CMS (2011) report on football governance: "Club owners are generally over-optimistic about their management abilities and vision for the club. With ample evidence, there is a clear correlation between squad wages and points won – something which is obvious to owners – and there is a natural tendency to borrow in the pursuit of success, although not all teams can be successful. There are many examples of clubs where the

directors have 'chased the dream' gambling on short-term investment (or borrowing) in the hope of long-term success. Excessive ambition, a form of irrational exuberance, together with ineffective regulation is a 'lethal cocktail' as described by Mark Ansoll, who was a former finance director at Aston Villa when a financial crisis engulfed the club: "[...we've] gone to the casino, rolled the dice and it hasn't worked" (BBC News, 2019d; BBC News, 2018b). Furthermore, the pressure on the directors to invest, to sign a star player "[...] is often immense from ordinary supporters" (HoC CMS, 2011) fuelling the potential for excessive ambition. It also raises the issue that some (very wealthy) club owners seem to have no regard for losses (Beech et al., 2008; Lang et al., 2011).

Lagos et al. (2006) suggested that there were two alternative regulatory responses to address the chronic financial instability that beset European football: a European solution that respected the pyramid system of promotion and relegation but introduced some overarching financial regulation to promote competitive balance and integrity of the leagues while respecting EU articles, or a radical US-style overhaul of football introducing closed leagues, salary and payment caps, alongside a more equal distribution of talent. (A third solution suggested by Dejonge & Van Opstal, 2010 proposed an amalgamation of peripheral, small national football leagues to compete against the big five European leagues (England, Spain, Italy, Germany and France).

Several economists have supported the idea of implementing a US-style reform to European football (Hoehn et al., 1999; Vrooman, 2007). However, although UEFA was prepared to introduce some level of financial reform and control, they were not prepared to abandon the European model of pyramid leagues, promotion and relegation, an attachment to grassroots football and solidarity between the lowest and highest leagues. In this context, the FFP rules and the introduction of additional FFP rules into national leagues can be seen as an attempt to maintain the traditional European model of football organisation and structure while promoting financial stability.

5.10: Criticism of Financial Fair Play (FFP)

While FFP regulation has succeeded in curbing the use of debt to finance clubs' growth plans and talent acquisition, it has, for some, had the unintended consequence of reducing the competitive balance among the leagues. The introduction of FFP has, by and large, reduced the ability of clubs to raise external finance other than through large equity injections from wealthy owners (Maguire, 2020). In doing so, it has become a powerful factor in maintaining the current competitive status quo. However, this reduction of competitive balance, the lack of a 'level playing field', has had significant

implications for the long-run economic outlook for the industry and the popularity of football (BBC News, 2018a).

At the crux of the issue is the 'peculiar economics' of sport that highlight the interdependence of participants to produce an exciting product that has economic value (Rottenberg, 1956). The need for competitive balance and the uncertainty-of-outcome principal are bound together, encompassing a well-documented phenomenon, to produce an economically valuable sporting event (Neale, 1964; Sloane, 1971; Szymanski & Kuper, 2000; Dobson & Goddard, 2001; Humphreys, 2002; Kesenne, 2007). The situation is summarised by Morrow (2003: 5): "In simple terms, clubs require someone to play against, while a strong league, attractive to spectators (and by extension broadcasters), demands that the likely outcome of a match or league is not virtually certain in advance".

While there is evidence that supports the contention that market forces can produce this 'level playing field', where resources, for example, playing talent, are equally distributed to produce competitive balance, based on principles elucidated by Coase, (1960) (See Dobson & Goddard, 2001; Szymanski, 2007 and Evans, 2014 for a comprehensive review of the statistical methods used in empirical studies to demonstrate the level of competitive balance in various football competitions), there is also a body of evidence that suggests that in many football leagues this playing field does not exist. Morrow (2003) uses the example of the duopoly in the SPL and the dominance of the 'Old Firm' (Glasgow Rangers and Celtic) as evidence of the negative impact of an 'uneven playing field' in terms of falling attendances across the league and reduced revenue from broadcasting rights. Goldblatt (2019: 273) provides a similar explanation for the crisis in the Portuguese Primeira Liga: "Alongside unusually high ticket prices and the draw of foreign and televised football, this kind of competitive imbalance [dominance by a triumvirate of Sporting Lisbon, Benfica and Porto] is the main reason why Portuguese football cannot fill its stadiums". This lack of competitive balance has also been a concern in the EPL: "The unregulated, free-market commercially-driven philosophy adopted by the EPL has resulted in unacceptable differences in wealth between clubs to the point where the game is no longer competitive" (HoC CMS, 2011). Furthermore: "Despite its [UEFA's] regulatory efforts [...] not closed the financial chasm between winners and losers in football nor halted tax evasion, rule-bending and corruption of the powerful" (Goldblatt, 2019: 31).

Supporters of the current economic structure of English football would highlight that there is little evidence of a lack of competitive balance affecting the economic value of football. Attendance at EPL grounds remain at nearly full capacity, despite year-on-year above-inflation increases in ticket prices and the value of the EPL broadcasting rights

continuing to increase, fortified by new broadcasters entering the market. BT, Amazon and Google have expressed interest in football, and sport in general, as a product to broadcast (Deloitte, 2010-2019; HoC CMS, 2011; Szymanski, 2015). Notwithstanding this, there is an equally large body of evidence that suggests that European leagues suffer from a lack of competitive balance (Downward & Dawson, 2000; Moorhouse, 2002; Bougheas & Downward, 2003; Dejoughe & Van Opstal, 2010), and the issue remains highly contested.

5.11: Regulators demand increased balance sheet transparency

Alongside financial institutions requiring greater disclosure, either as a process of due diligence before providing loans, the monitoring of financial performance to ensure clubs do not breach financial covenants or the financial disclosure which comes with listing equity or debt on a stock exchange, football regulators have also required greater financial transparency. The development of the FFP rules has put a greater emphasis on clubs needing to be transparent about the financial situation at football clubs (Morrow, 2003).

In addition to the disclosure requirements regarding various FFP rules, football regulators have been keen to ensure further transparency. As part of this, in 2004, the EFL introduced regulation that required clubs to disclose the total value paid to agents. These included the costs surrounding the registration of players, transfer fees, updated or cancelled contracts and loan transfers. The regulation was designed to improve transparency and increase public confidence in an area shrouded in suspicion. (Following a series of tabloid exposures concerning football club managers, including George Graham and Brian Clough taking 'bungs', it became apparent that the role of agents in transfers was open to question and even corruption: see Bower, 2007 for a detailed review of corruption in British football).

In 2009, the EPL followed the lead of the EFL and introduced similar regulation, but with additional measures to further develop and improve the level of transparency at the largest clubs (Geey, 2019). EPL clubs were required to submit accounts annually, provide half-yearly interim accounts and, like other businesses, provide some forward-looking financial statements. In 2010, the EPL also introduced regulation to require clubs to disclose ownership and, in particular, substantial details of any new owners. Alongside the EPL, the EFL introduced similar regulation and again tightened up the disclosure around transfer fees, compensation fees and the salaries of key employees of the club, together with tax arrangements and payments. The introduction of both FFP and transparency regulation was a response to the financial crisis at Portsmouth, which

became the first EPL club to suffer the ignominy of administration (Callow, 2010; Conn, 2010; Robinson & Clegg, 2019).

Increasingly, from 2000 onwards, it was apparent that the tax arrangements employed by football clubs, both with respect to players and, as organisations, was questionable. Her Majesty's Revenue and Customs (HMRC) started to probe in more detail the tax situation in clubs. The FA had identified that the failure to pay tax was often the key event that placed a club into administration, albeit often only one symptom of an underlying financial crisis at the club. The EFL followed in 2009 but with additional and more comprehensive reporting and monitoring requirements. Thus, all EFL clubs must file monthly reports confirming that PAYE and National Insurance payments are up to date. Non-compliance allowed the EFL to impose a transfer embargo. Notwithstanding these economic regulations, EFL clubs' liabilities to HMRC remained significant: £25 million in 2010 (Gibson, 2010).

The size of football clubs' liabilities to HMRC is bound up with the establishment of alternative rules in the event of insolvency. The 'football creditors' rule gives priority to football creditors ahead of other creditors in the event of a winding-up of the football club. Significantly, many creditors get preferential treatment, including players, club staff and other football clubs. This is recognition of the interconnected financial system that football clubs practise. The effect of the football creditors rule is significant: the outcome of Plymouth Argyle going into administration in March 2011 was that the football creditors were paid out in full but other unsecured creditors received only 0.77p in the pound. While the HMRC has challenged this rule in court, the EFL's successful defence was that: "Had this principle [preferential treatment for football creditors] been ruled illegal, the most likely consequence would be insolvent clubs being expelled from the league [...] This would have devastating consequences for the clubs concerned, their supporters and the people living in the community" (Scott, 2011) and reprises the view that financial failure has a cost to owners but also, significantly, to creditors, as well as the social and economic cost to local communities and society (Conn, 1997).

The role of HMRC in the football regulatory space also extends to the payment of players. A recent report by the Public Accounts Committee (PAC, 2017) highlighted the level of tax evasion in the industry and the misuse of image rights to reduce tax liabilities. The PAC criticised the system of self-regulation operated by the football industry and its failure to abide by the voluntary agreement struck between the EPL and HMRC over the provision of data. Alongside the issue of image rights, HMRC has also been concerned with the use of aggressive structure compensation schemes grouped under the generic title employee benefit trusts (EBT) as a way of avoiding National Insurance

contributions, thereby saving both the employee and employer considerable amounts of tax. While the use of EBTs can be legal, the HMRC have examined a number of schemes in football clubs and have ruled that some are outside the scope of the legislation. The egregious use of EBT arrangements to evade tax was one of the issues that forced Glasgow Rangers into administration and eventual relegation to the third division of Scottish football (for more detail on the full turmoil concerning the financial crisis and the role of EBTs at Glasgow Rangers, see Smith, 2012).

5.12: The role of the fans and supporters in economic regulatory space

There is a rich, detailed body of literature that describes the relationship between fans and their clubs, recognising that this relationship is special or unique. The relationship between a football club and its supporters is generally different from other commercial relationships. Wrapped up in this relationship are concepts such as community, tradition, social solidarity and local and national distinctions (Sugden, 2002). Other commercial activities generally fail to elicit these types of emotional responses from their customers, although brands such as Virgin, Nike and Apple do get close (Olins, 2003; Gobe, 2010).

This relatively unique level of emotional commitment that sports clubs and, in particular, football clubs generate has been termed “fan equity” (Salomon Brothers, 1997) and this term captures “[...] the relentless emotional and physical investment certain fans make in their teams” (Gormon & Calhoun, 1994: 237). This emotional commitment was a central theme in Hornby’s (1992) recollection of supporting Arsenal: a ‘love affair’ that encapsulated pain, hope, adoration, blind loyalty and, sometimes, deep disappointment. Indeed, the emotional commitment, the importance and significance to an individual in supporting a football club, has been likened to the birth of a child (Knausgaard & Ekelund, 2017). They recount how the loss by Brazil to Germany in the 2014 World Cup affected the country socially and emotionally. It impacted the very psyche of the nation and constituted a blow to Brazilian nationalism. On a similar theme, Conn (2013) equated his following of Manchester City with his religious faith, recognising the deeply woven cultural dimension that football can provide for some. Football can be said to generate a very strong ‘brand loyalty’ or ‘irrational passion’ and can be exploited by clubs since fans cannot easily switch brands by supporting another football club. Some fans demonstrate a relative price inelastic response to the rising costs of tickets, merchandising and inured to falling standards in terms of either poor facilities or poor quality of the on-field product provided (Fort, 2004). Others are simply priced out of the market. Rising ticket prices have had a significant impact on the demographics of attendance at football matches: “[...] since 1992 [rising ticket prices in the EPL] have driven out the young and poor [...] while the average age of the crowd has risen from

around twenty-six in 1992 to over forty-eight in the 2010s and is heading for fifty” (Goldblatt, 2019). Furthermore, many fans do not see themselves as customers and reject that definition, preferring to consider themselves as special members of their club (Stevens, 2016).

However, the universe of fandom is more complex than merely those committed fans that attend matches. Hirschmann (1970) provided valuable insight into how this type of consumer relationship develops. If, as suggested with the concept of ‘fan equity’, supporters find the emotional ties to a club difficult to cut, indeed the work of Brown and Walsh (1999) suggest that once a football fan has chosen a club to support then they remain a fan of that club for life, irrespective of the performance on the pitch, then fans are left with little option but to endure. There is, however, an extensive body of literature that concludes that fans cannot be treated as a homogeneous group and that while committed fans make up an important element of the fan base, other types of supporters can be identified (Giulianotti, 2002; Tapp & Clowes, 2002; Tapp, 2004). Martin (2007: 639) identified that following the 1990 Italian World Cup, “[...] the nature of football fandom and supporters’ orientation both to the game and their clubs has become more diverse and complex”. Football fandom remains “a complex, living protean creature” (Goldblatt, 2019: 340).

The conflict between the owner and the fan base has been played out at several clubs. In proposing to change the club’s name from Hull City to Hull Tigers, Assem Allam unleashed a torrent of emotional outpouring from fans (Hunter, 2015). In mocking the fans who expressed their loyalty to the club, Allam failed to comprehend the reasons why fans supported the club and that their identification with the club was more important than success: in his fulsome description of supporting Hull City, Greg Whitaker (2019) recognises that no one supports Hull for the glory or on-field success (founded in 1904 they have spent only two and a half seasons in the top flight and never won a major trophy). Following the club is a labour of love, an assertion of (northern) culture to such an extent that it was an addiction and the feeling of not going to games, because of the actions of the owners, synonymous with ‘withdrawal’. The emotional response by fans was replicated when Vincent Tan at Cardiff City, proposed changing the shirt colour from blue to red (BBC News, 2012), reprising an earlier conflict between the then owner, Sam Hamman, and fans over the identical issue (Goldblatt, 2019). The hostility demonstrated by fans reflects the distrust supporters have in owners that do not empathise with the history and culture of specific football clubs. The potential for fans to mistrust new owners and new cultures was also explored in Garcia & Amara (2013). It is likely in the current social and economic environment, the cultural identity that individuals have with

their football clubs may grow stronger as national and cultural identity in other parts of society are challenged. It can be argued that football clubs are community assets and need cultural and historical protection akin to that provided to historical buildings. Historical or 'listed' buildings can be sold but owners cannot make substantive changes without review and scrutiny (HoC CMS, 2011).

The increasing commercialisation of football threatens the link between fans and the club and erodes the important social role clubs fill in the lives of fans (Hamil et al., 2000). Conn (1997, 1998 and 2005) have regularly noted the failure in regulation and governance has allowed fans to be exploited, particularly with the increase in ticket prices. Fans continue to be concerned with the health of the game at all levels and recognise the issues around governance and regulation in the game (Welford et al., 2015). As indicated above, fans do not see themselves as individual customers but more of a collective group, and attempts to adopt specialised, individualised customer-orientated marketing or sales approaches to them fails to recognise the emotional, collective nature of 'fandom' (Brown et al., 2006).

To allow fans to reconnect with their football clubs, some commentators have suggested that supporters need to become stake owners in the club (Michie & Ramalingham, 1999). In this way, it would be possible for them to more efficiently articulate their concerns. Such proposals question the corporate organisation of football clubs and recognise that a more mutual form of corporate structure could be more appropriate (Michie, 1999; Letza et al., 2004). Such a structure would acknowledge the various competing objectives for football clubs and allow a balance between the societal role of clubs with the more traditional corporate priorities of revenue growth and profitability (Jackson & Maltby, 2003). Indeed, there is a significant body of literature that suggests corporate governance more in tune with stakeholder rather than shareholder theory would be more appropriate for sport and football clubs (Walters & Chadwick 2009; Walters & Tacon, 2010).

The suggestion of supporter-led governance resurfaced in the All-Party Parliamentary Football Group's (APPPFG) report on English football and its governance in 2009. The APPFG identified that supporters were systemically under-represented, citing that "[...] the people who pay for it (football) are excluded from the decision-making within clubs, leagues and governing bodies..." (2009: 14). The report identified the disconnect between fans, owners and players, reasoning that transparency was necessary and that it provided a level of accountability to the supporters, who ultimately footed the bill. It concluded that supporter representation on football club boards would help focus on long-term financial stability. In addition, by having supporters' representatives on the

board, it would potentially encourage clubs to address the issue of sections of the community being priced out of football by the high cost of tickets.

While fans have been most vocal when complaining about the economic cost of football and the issue of ticket prices, they have also increasingly been more articulate about the governance of clubs and the operation of the fit and proper test. This has emerged at both an individual club level and in terms of concern over a systemic failure of governance. Fan-centric pressure or lobby groups have emerged designed to campaign for a broader re-evaluation of the role of fans in the governance of football clubs. An example of this is Supporters Direct, established in 2000 to help supporters to gain influence, with the aim of eventual ownership of football clubs. Supporters Direct has helped fans establish supporters' trusts to enable the purchase and development of community-owned clubs. The organisation, however, has a secondary aim which is to improve the overall governance in football and campaign for more open, honest and transparent governance of all football clubs.

In support of its ambition to extend the number of community-owned football clubs, Supporters Direct and its successor, the Football Supporters Association (FSA), have published a number of briefing papers encouraging supporter ownership and highlighting the failures of corporate governance in football (Brown et al., 2011). This has translated into several clubs being taken under fan ownership or even new clubs being established, for example, AFC Wimbledon or FC United of Manchester (Brown, 2007; 2008). Part of the process that established fan ownership was the collective action of fans as a protest group (Millward, 2012). While the phenomenon of fan ownership is concentrated at lower leagues because of the high cost of acquiring a large club, it does not mean that collective action by fans cannot influence the owners, as described by Millward (2012) and the action of Liverpool supporters against the Hicks and Gillett regime. Underlying the drive to mutual or fan ownerships of the clubs was the view that the existing system of regulation was not fit for purpose – 52 clubs that were in the top 92 clubs in the English league system have, since 1992, suffered some form of financial failure, involving either administration or insolvency. The critique is that the current system is weak since it tends to punish insolvency rather than prevent insolvency in the first place (Martin, 2007; Kennedy, 2012).

Alongside the football creditors rule, the use of debt, including soft loans by directors, creates a dependency on debt financing, which would not be acceptable in other business sectors. Acknowledging that the existing regulatory framework is ownership neutral, this leads to private owners being able to over-leverage football clubs (Brown et al., 2011). They also conclude that mutual ownership and greater supporter representation on the

board would lead to increased transparency, accountability and a more long-term perspective, thereby aligning the interests of clubs with their supporters (Brown et al., 2011; Hutton, 2007). As part of this fundamental structural reform, Supporters Direct have campaigned for a more enhanced fit and proper test to prevent owners with dishonest, unethical or ill-advised motives from acquiring football clubs.

This broader fit and proper test would be part of a wider financial health check incorporated into a club's licensing system that challenges clubs to introduce sustainable business plans to ensure financial stability and protect the integrity of the leagues. Such a system would promote financial and social responsibility and require boards to balance the sporting, commercial and social objectives of the football club. In this respect, Supporters Direct leant heavily on the 2006 Companies Act, which required boards to take account of stakeholders' legitimate interests and ensure that clubs were managed to ensure long-term survival and that their existence was not threatened by short-term activities. Recognising the reluctance of the self-regulating football authorities to implement such a change, Supporters Direct proposed a Football Regulatory Bill that would provide a statutory framework to implement these reforms.

5.13: Government intervention in economic regulatory space

While the state acted in response to the stadium disasters of Bradford (1985) and Hillsborough (1989), imposing all-seat stadia requirements, governments of all hues have resisted imposing statutory economic regulation. The failure to impose financial regulation reflects a historical view that sport was not an area of social life that governments needed to economically regulate; indeed, there was a general view that sport was beyond government intervention. Consistently sport has not been seen as an area of society or economic activity that the government wanted or needed to intervene in. The ideological preference during the 1980s was for deregulation, as was seen in the broadcasting industry and which had a significant impact on the economics of football. While peripheral actors advocated an independent or government-created regulator to oversee financial reform (Michie, 2000), the zeitgeist was for deregulation or light-touch regulation.

Appeals for financial regulation could therefore be ignored, avoided and appeased in different degrees by the governing organisations. Thus, while the FA did create a Financial Advisory Unit (FAU) in 1999 to oversee financial awareness, improve competency and repair governance, as a response to government pressure, it was under-resourced and purely an advisory body with no authority to enforce change or sanction clubs. Its ability to shape the financial regulatory space was further undermined by the

refusal by the EPL to allow the FAU to review the finances of EPL clubs. In the contest for power with the football regulators, the EPL was, given its financial resources and power, able to rebuff the financial regulatory advances from the FA.

Similarly, external, independent quasi-regulators have fared no better. The creation of the Independent Football Commission (IPC) could have provided the foundation for an independent regulator; however, it lacked statutory authority to impose financial regulation. As a quasi-regulator, it could advise and recommend but not enforce or sanction football clubs for failure to comply. Inevitably, it was seen as toothless and ineffective (Bower, 2003). Consistently undermined, it was renamed the Independent Football Ombudsman, with a remit to focus on supporters' complaints and not financial issues. It was thus consigned to the margins of the economic regulatory space as a minor, inadequately resourced participant whose principal issue remained ticket prices, which was merely a reflection of the underlying financial issues that faced football.

While the triumvirate of footballing regulatory authorities was able to repulse the initial approaches to financial regulation, from 2000 onwards they were faced with repeated calls from various stakeholders to implement some form of financial regulation (BBC News, 2016). In 2003, the IPC reiterated the need for a fit and proper person's test, together with improved governance and training for directors of football clubs. In 2004 and again in 2009, the APPFG re-examined the football industry given the concerns that stakeholders had expressed over player costs, debt levels and the potential volatility of clubs' revenues, particularly TV revenues. Evidence gathered showed continuing issues over governance and renewed calls for an independent regulatory body with statutory powers (All-Party Parliamentary Group, 2004; 2009).

None of these reports altered the approach of the principal football financial regulatory bodies. The proponents for change in the financial regulatory regime did not coordinate their approaches, were relatively poorly organised and lacked power, particularly the financial strength, to bring about change. Governments could have taken a more direct role, but they lacked the motivation and, to some extent, the will or ability to impose financial penalties or to withhold finance to compel the football authorities to instigate change (HoC CMS 2011).

Historically, in the UK, central government has not been an active participant in the economic regulation of football. In general, sporting governing bodies, including the FA, have been left to devise their own economic regulation with limited intervention from government. While UK governments have generally avoided direct intervention in the financial regulation of the industry, some government intervention has had the

unintended consequences of fundamentally changing its economic outlook. Following the Taylor Report (1990) on the Hillsborough stadium disaster, the government reduced taxation on the football pools industry and redirected £200m to the Football Trust, which was then distributed to football clubs to facilitate the modernisation and improvement of football stadia (Conn, 1997). As described above, the redevelopment of the stadia was a contributory factor in the regeneration of the economics of English football.

Governments have been willing to impose statutory regulation when the issue of safety (or disorder) has arisen (see the Harrington Report (1968), the Lang Report (1969), and the Wheatly Report (1972), which prompted The Safety of Sports Grounds Act 1975 and the Popplewell Report (1986) which led to The Fire and Safety of Sports Grounds Act (1987)). The Taylor Report generated The Football Offences Act (1991) and, subsequently, the Football (Offences and Disorder) Act (1999) and the Football (Disorder) Act 2000, which was marked by the introduction of football banning orders, and, finally, the Violent Crime Reduction Act (2006), which included further legislation for the prevention of hooliganism. The government did intervene in a direct economic context in 1998 by referring the proposed BSkyB bid for Manchester United to the Monopolies and Mergers Commission (MMC). The MMC did block the transaction on the grounds that the ownership of the largest football club in England by a media group could have an undue influence and be a conflict of interest in the sale of broadcasting rights.

Given the lack of appetite for statutory reforms, parliamentary committees and other bodies have focused on providing recommendations and commentary on the economic regulation of the industry. The principal organisations involved in this process have been the Football Task Force (FTF), created in 1997, the HoC CMS and the APPFG. The inspiration for the creation of the FTF was the publication of the Labour Party's Charter for Football in 1995, while in opposition. However, throughout the 1990s, there was a growing recognition of the social impact football had and how the impact of increased commercialism could affect the football industry (Hudson, 2001). The remit of the FTF, which embraced a wide range of issues as well as examining the social and economic position of football, published two critical reports: *Investing in the Community*' (1999a) and *Football: Commercial Issues* (1999b). Significantly, the latter report included the recommendation of the creation of a statutory regulator. This conclusion was, however, contested by the various football organisations on the committee that issued a dissenting minority report, continuing to argue for self-regulation (Football Task Force, 1999c).

In the regulatory space of football, the FTF was quite effectively side-lined by the more powerful, coordinated and coherent actions of the various football regulators. As Brown

(1999) highlights, the FTF was ineffective for a variety of reasons. It was preoccupied with the media's priorities and a need for consensus that allowed for powerful factions in the FTF to dominate. While it was committed to consultation and canvassing the broad range of stakeholders in football, as evidenced by the number of different organisations represented, including the FA, the PFA and the League Managers Association (LMA), this made it unwieldy and ineffectual, reluctant to formulate controversial policies but motivated by a desire to 'do something for the people' without the necessary political backing to enforce change.

The APPFG has also made a number of recommendations to improve the governance of the football industry. In 2003, it reported on the finances of English football, recognising the financial strength of teams based in large conurbations was likely to sway the competitive balance to these teams and away from smaller clubs. In 2009, the APPFG instigated another report at the behest of a range of stakeholders, focused on the financial crisis at clubs. Against the backdrop of the global financial crisis, the group again raised concerns over the level of debt clubs incurred and the general approach to corporate governance in the game. It also proposed that supporters be included on the board of clubs, alongside suggesting that fans needed better representation at the FA. The APPFG reports recognised that many of the problems in English football were rooted in the continuing conflict between the FA and the EPL, as well as the structure of the FA itself. Regarding the inter-relationships between the FA, EPL and the EFL, it concluded that football needed a single governing body and that this should be the FA. The EPL and the EFL should restrict their activities to organising their respective leagues, while the FA should regain its role as the single economic regulator. While the APPFG backed the FA as the single regulator, it did not absolve it from needing to undertake substantial internal reform of its own governance protocols.

Alongside representation of supporters on the FA Council, mirroring the proposals of the Burns Report, the APPFG proposed other stakeholders should be given representation on the governing body. To this end, it was suggested independent directors be appointed to the FA Board. In addition, it proposed reducing the number of professional game representatives (from five to three), and similarly, to reduce national game representatives, while adding democratically elected supporters' representatives. The unwieldiness of decision-making at the FA Council level suggested to the APPFG that the FA Committees reported to the FA Board rather than the FA Council to improve decision-making and accountability. Finally, recognising the importance of economic regulation, it called for the reconstitution of the FRA and for this semi-autonomous body to be recalibrated with less influence from both the professional and commercial delegates and

an increased presence of independent representatives able to institute long-term financial regulation for the benefit of the whole game. However, like so much of the proposed reform of football, the existing dominant participants in the regulatory space chose to ignore the recommendations.

With regard to the ability of football clubs to raise debt, the APPFG raised concerns over the use of leverage (debt) by owners. This occurred through two main sources: owners were either using leveraged buyouts to finance the acquisitions or operating losses were financed by debt. It was concluded that the eventual burden of paying off the debt fell on supporters, translating into higher ticket prices and threatening the long-term stability of clubs. This 'financial doping' was unfair to other clubs that lived within their means. Some form of leverage test needed to be included in the fit and proper test compelling the regulator to examine not only the probity of the potential new owners but also the 'fitness' of their business plans and, where such a plan was considered against the long-term interest of the club, have the power to reject it. Within such a leverage test, it also suggested that directors' loans and soft loans provided by owners be included. It concluded that such loans could only be a short-term liquidity solution, that long-term equity was a preferred funding model: directors' loans should "[...] be discouraged where the loan is unnecessary and only focused on short-term gains" (APPFG, 2009: 7).

In terms of improving the financial stability of football clubs, the APPFG placed considerable weight on the fit and proper person's test. In addition to wanting the test to include some control over the use of debt and judgement over the business plans concerning prospective owners, the APPFG also wanted the regulator to assess the suitability of the potential owner. In doing so, it considered the subjectivity of such a test but emphasised the importance of new owners recognising and understanding the history, culture and values of football, together with the role clubs played in local communities and society in general. Recognising the issues surrounding the implementation of such subjective criteria and the potential legal challenges this could create for the regulatory body, it suggested the DCMS work with the FA to formulate a legislative solution viable under UK law. It concluded that: "[...] our football clubs are national assets that must be protected to ensure their long-term success and survival" (APPFG, 2009: 2). Neither the football regulators nor government departments took up the various proposals suggested.

While central government may be indifferent to the fate of football clubs, local authorities do recognise that football clubs can be a source of employment and income for the local residents. In this context, Swansea City's first season in the EPL was estimated to generate £58m for the Welsh economy and over 300 jobs in Swansea (BBC News, 2013).

Connections and support from local government provide “[...] for major ‘global’ clubs, [...] a means of anchoring themselves to their immediate community as they seek to expand their support in overseas markets, while for smaller professional clubs, whose survival is, at best, uncertain, effective local partnerships will contribute to ensuring their day-to-day existence” (Perkins, 2000: 111).

While sport was not specifically mentioned in the original 1957 Treaty of Rome, which formed the European Union (EU), given the commitment to free trade and free movement of labour, it was always possible that it would be drawn into the regulatory architecture of the EU given the increasing scope of commercialism and economic activity that sport represents (Parrish, 2002). Indeed Parrish (2002:187) describes ‘juridification’ as a “[...] process through which the general legal principles in the EU, such as the right to free movement and the maintenance of free and open competition, become applied to the sports sector”.

Thus, EU regulation had a significant impact on the economic regulatory space of football in the first instance, ensuring compliance with EU principles and then, latterly, that the implementation of these principles did not threaten the financial stability of the industry. The high-profile nature of football, its European-wide popularity, together with increasing commercialism and size of the industry, meant it was inevitable that it would attract EU focus (Morrow, 2003). As highlighted earlier, the Bosman case ushered in an era of free labour mobility for footballers. However, in addition to the free movement of labour, the operation of the football industry in Europe is likely to conflict with other EU principles. Parrish (2002) identifies several ways how the football industry may fall foul of EU competition laws, including the international transfer system, the organisation of European football, including the regulation of competitions by football authorities, club ownership, the prevention of clubs relocating in Europe, the exclusive sale of broadcasting rights, and restrictive practices regarding ticket sales.

It should be noted that the application of the judicial principles to the football industry is not without its critics: Van der Burg highlights how the application of the EU legal framework overlooks the social and cultural role football plays in European society and that, in addition, “[...] football has specific problems, including that of competitive balance, and legislation that is sensible elsewhere may not be so for football” (2000: 245). Indeed, the concern that the European sports industry (led by football authorities) had over the encroachment of EU regulation encouraged it to seek exemption for sport from EU rules. As a consequence of this concern, attached to the 1997 Treaty of Amsterdam was a non-legally binding Declaration of Sport, which recognised the social significance of sport. This was further bolstered by the Helsinki Report (1999) and

subsequent reports which have pressed for the need to create a stable legal environment for sport and prevent further changes to the European sporting framework by the application of more European legislation (Independent European Sports Review, 2006). The upshot was that in 2000, the European Council in the Nice Declaration recognised the 'specificity of sport' and its importance socially, culturally and educationally. While it recognised the right of sports associations and federations to act with a degree of independence and autonomy, it did not legally commit to separating sport from other commercial activities and exempting the industry from EU principles. This failure meant that the sports industry has continued to lobby for exemption from principle. The Independent European Sports Review was launched with the objective to "[...] support and give practical effect to the principles set out in the Nice Declaration [...] to implement the declaration in sport and, more particularly, in the specific case of football" (Independent European Sports Review, 2006: 15).

5.14: The influence of the media in the economic regulatory space

As alluded to above, the period of general economic deregulation initiated in the 1980s also impacted the European broadcasting industry. The introduction of cable and satellite broadcasting into the terrestrial mix changed the dynamics of the industry. "While in the past, programme content had to compete for scarce transmission outlets [...] now large numbers of channels compete for (relatively) scarce content" (Morrow, 1999: 5). The beneficiary of this reversal of the supply and demand dynamics was football, which became a much sought-after television content. Prior to the deregulation of the broadcasting industry, between 1965 and 1995 the price for televising football in the UK was kept low by the cartel-like collusion between the two principal broadcasters, the ITV and BBC (Holt, 2006). However, since then, increased competition for broadcasting rights from satellite channels driven by a need for content has created a symbiotic relationship between broadcasting and football. As highlighted above (see Table 6), this has led to an exponential increase in the value of the TV rights.

The role that satellite broadcasting has played in the transformation of the economics of English football cannot be underestimated. In doing so, it has created a product of significant cultural importance and a valuable export. It has also introduced a powerful force into the economic regulatory space that exercises its power and influence in the development of this space in favour of its own ability to exploit the economic potential of football. The criticism of the influence of media and, particularly, satellite broadcasters is that the traditional fan base is increasingly priced out of the marketplace as ticket prices and the cost of satellite TV, including the access to multiple providers of the product, increases (Gibson, 2016; Conn; 2011). It should be noted, however, that threats do exist

for the current TV broadcasting arrangements. Goldblatt (2019) highlights the embryonic change in consumption of 'broadcasting' content evident in millennials: the use of streaming or even pirating of football content on the internet via mobile phones and laptops represents a potential threat to the current economic football model.

As described above, the distribution of broadcasting revenues has potentially altered the competitive balance in leagues. The current allocation in the EPL allows for fifty per cent of the revenues to be split between the twenty clubs, twenty-five per cent is allocated on merit according to the final positions in the league and the remaining twenty-five per cent is a facility fee for those matches broadcast live. Inevitably, the largest and most popular clubs are televised most and, therefore, the distribution of the revenues is skewed to these clubs. Revenue distortion in the EPL is further exacerbated by the distribution of the UCL broadcasting revenues both by the fact it is the larger clubs that regularly qualify for the competition but also because UEFA distribute the revenues not on merit or success in the competition but rather on the basis of the size and value of television markets. This favours the five big leagues (England, France, Germany, Spain and Italy) over smaller countries and helps maintain the status quo. Since the rebranding of the European Cup into the UCL in 1992, only two clubs (Ajax and Porto) outside the big five leagues have won the competition (Morrow, 2003).

5.15: Conclusion

The historical review of the English professional football industry from 1992 onwards, highlights several themes contributing to the development of an economic regulatory framework. First, as described, this was a period of rapid, perhaps unprecedented, commercialisation. This growth of 'shareholder capitalism' in the football industry provides a key factor in the nascent development of the economic regulatory system in the latter part of this post-modern era. Alongside the amplification of commercial opportunities in the industry, the narrative provides examples of a changing culture that favours unfettered capitalism at the expense of economic regulation. The period is characterised by a broad change in the ownership of elite clubs from local businessmen to a more national and international ownership, represented by a wide swathe of different types of owners: from Russian oligarchs to Thai businessmen, from Middle Eastern sovereign wealth funds to American private equity investors. The diversification of owners, both by geography and business orientation, has introduced a variety of cultural approaches to the business of football in England, and an assortment of motives for owning football clubs. As a response to the increase in commercialism and the changing culture of the industry, football authorities have sought to introduce more intrusive economic regulation.

The narrative, however, also underlines the contribution of 'crisis' in the development of an economic regulatory structure. First, the collapse of ITV Digital and then of Portsmouth were both pivotal events that prompted the introduction of domestic economic regulation. It was, however, the broader 'sense of crisis' in European football, rather than a specific event, that proved the catalyst for the introduction of international economic regulation in the form of UEFA FFP rules. The sketch of post-modern football is also illuminating because economic regulation has remained the domain of the football authorities: the state and other key stakeholders, particularly fans, have remained on the margins of the process for much of the era. Part 4 of the thesis provides primary evidence to support the portrayal of the economic developments in English professional football from 1992 in the context of an economic regulatory space. It generates corroborative evidence of the broad themes identified in the chronicle of the English football industry: the advance of commercialism and capitalism; the impact of 'crisis' in regulatory developments; the consequence of cultural change in the industry, and the relative lack of other stakeholder involvement in the process that, taken together, shape the resulting economic regulatory space. The evidence gathered also provides a more complete understanding of how these factors influence regulatory space by supplying a more detailed, nuanced picture of how these elements mould its configuration.

Part 4. An analysis of the development of economic regulatory space in English professional football

Chapter 5 provides the historical context for the evolution of economic regulatory space in the English professional football industry in the post-modern era. The following chapters (6 through 9) seek to provide evidence on the research questions identified. In summary, should football be economically regulated; How has crisis affected the development of regulatory space? What has been the impact of culture on this development and the influence of multiple actors on its organisation? These chapters use primary evidence, gathered from interviews, with reference to secondary sources and the narrative provided in Chapter 5 to provide contextual judgement and analysis regarding the issues and organisation of economic regulatory space for English professional football. Part 4 concludes with a summary of the research, conclusions and potential future areas of research.

Chapter 6. The magnitude of regulatory space

6.1: Introduction

Taking the two second-order themes together, as outlined in Chapter 4 - 'the rationale for financially regulating football' and 'exploitation and conflict' in the existing economic framework - the research has been able to map out and provide greater detail to the economic regulatory framework that Hancher & Moran (1989) described as 'regulatory space'.

The exploration of the rationale for financially regulating football gives some greater definition to the area of regulatory space; that is, the extent of the regulatory space and where its boundaries are, if any. Indeed, it provides clarity for whether there is a regulatory space at all: Is football 'regulatable' in an economic sense and, accepting that it is, where does this regulation curb activities? The rationale for financial regulation also explores the changing dynamic of the football industry. This change provides further definition to the regulatory space since the changing business profile of the football industry brings into focus, within the financial regulatory space, new issues.

As the changing business dynamic creates new issues that are drawn into the scope of the regulatory space, it also changes how stakeholders co-exist in it. Chapter 9 specifically focuses on the occupancy of space by fans and government; however, in this dimension, the data is concerned with how stakeholders help define the proportions of regulatory space.

6.2: The rationale for financially regulating football

As described in Chapter 5, English football has, between 1992-2019, seen an increasing level of financial regulation, culminating in some form of FFP regulation being introduced between 2011 and 2013. In this context, ex-post, there was a general acceptance by the participants that football should be financially regulated. However, there was considerable disagreement as to the effectiveness of the existing regulation, both to prevent further financial crisis and the impact the regulations had on the competitive balance in the leagues.

The primary evidence gathered confirmed the three broad rationales for financial regulation presented in the narrative in Chapter 5. First, the interviewees considered the need for financial regulation for prudential reasons, both to protect the wider economy, albeit less than some industries, and to safeguard the contained industry's specific economic ecosystem, thereby preventing the damage to the football industry that financial failure of individual football clubs poses: systemic failure. Second respondents considered the need for financial regulation to improve the competitive balance in the football industry. Finally, there was a need for financial regulation to ensure that owners of clubs were fit and proper: conduct regulation. Notwithstanding the ex-post reality of financial regulation, there remained debate around the extent of such regulation. In essence, this reprised the dispute described in Chapter 5 between extensive economic regulation and light-touch self-regulation:

“Regulation of football is a contested area. [There is] conflict between those who continue to advocate minimal, or no, regulation (it’s a free market and clubs rarely fail) and those of a more socialist view who argue [...] it is a community asset and that you need to protect the ‘solidarity’ between clubs and leagues”.

Informant A: Senior executive at a fan-centric organisation (FSA)

6.2.1: Prudential regulation

Kuper & Szymanski (2010) make the point that football clubs are not big business and that the negative externalities of individual club financial failure are minimal. However, this stark analysis needs some examination. First, does the economic entity comprise individual clubs or the league as a whole? Morrow (2004) in his highlights the systemic financial crisis in Scottish football : the financial profile of all football clubs are so aligned that a financial crisis in one club or group of clubs threatens the financial stability of other clubs, and the league itself. Second, alongside the on-field business of football, a

plethora of industries use the product of football to generate revenues: for example, media, gambling, e-sports and hospitality.

"[...] the 'true' size of the contribution on football to the UK economy is not just the revenues generated by the EPL and clubs but also the contribution football makes to the local or regional economies of businesses supplying goods and services to the clubs, of course, the gambling industry, and there are new revenue streams being developed, for example, e-sports. Certainly, football and its contribution directly and indirectly to the economy is now big business and, therefore, needs some scrutiny..."

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

In conclusion, the broad consensus of the importance and size of the English football industry, as elucidated by the sources, can be summarised as:

"[...] football has become big business, not so critical to the wider economy as, for example, banking, of course, but still sufficiently large and international that the failure of the industry would be a significant blow to the economy and even more so to the prestige of the UK".

Informant B: Former NED at EPL and EFL club

In this context, some wider prudential financial regulation could be justified. The extent of the need to protect the wider economy from negative externalities was exhaustively debated by the interviewees. However, there was consensus that some element of financial regulation was needed, both for the leagues and clubs, to protect the long-term economic stability of the industry and because society, and particularly the fans, wanted the industry to be 'run better':

"Much of the economic regulation in sport and particularly football, is designed to provide a business framework that removes the heart and emotional decision-making, protecting owners from making financially disastrous decisions".

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

"We, as a society, accept and demand more regulation [...we] see it as part of the democratic process, how to control businesses or markets or whatever from doing things that [we] innately feel are unjust or are not right. In that respect, we, fans, want

the industry to be run for the benefit of the wider community not just the selfish interest of club owners”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

Notwithstanding this acceptance of a ‘regulatory society or state’, as described by Moran (2002) and Vibert (2014), as part of the democratic process, the case for imposing regulation to prevent negative externalities, the basis for most economic regulation, was highly contested. While there was support for the view that football was so significantly important to society as to justify economic regulation and potential government involvement, the alternative view, the lack of significant externalities, also had its adherents.

“Society wants business to be run in a responsible, society-friendly way but that does not mean that it always has to be by specific statutory industry legislation. In some industries, the huge negative externalities will require government legislation to curb behaviour and prevent society having to bear these costs [...] this is not the case with football, where there is a much stronger case for football regulating itself”.

Informant O: Financial adviser to EPL club.

The evidence suggested, however, that overall, while it was good that some market principles held sway, fundamentally, because of the nature of sport and football, a more nuanced approach to the structure of the industry was needed. In this regard, it can be said that the stakeholder concept of corporate governance has greater relevance for football clubs than conventional shareholder-driven practice because of the distinctive features of certain football club stakeholders (Morrow, 2000). As described below, the primary evidence has suggested that governance and ownership structures were partly to blame for the financial instability of football clubs and that transparency, improved governance and alternative ownership structures could improve the financial stability of clubs, echoing data gathered from secondary sources (Hassan & Hamil, 2010; Rees, 2000). Although within the data there was contested evidence of the scale of negative externalities, it was established that financial regulation was needed to prevent a club from going into administration mid-season. In this sense, prudential financial regulation was needed to protect the integrity of the league and secure the specific financial and economic business environment for football:

“If Oxford United were, for example, to fail this would have little impact on the economic system of the football industry. However, if a really large club [...] were to go out of business, this would have an impact on the value of the EPL brand, [it would]

compromise the integrity of the league by not being able to complete the league and would have an impact on the revenues that the EPL could generate that would ripple through the whole of the football pyramid”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

(In his interview, Informant C, a former investment banker, repeatedly described some football clubs, specifically the Big Six as being ‘too big to fail’, much as some banks had been described during the financial crisis of 2008-09. In doing so, he replayed the description of football in Preuss et al. (2014), while intimating that such clubs were shielded from potential financial failure (Franck, 2014). He specifically alluded to the saga at Liverpool (2007-10), implying that the EPL had been prepared to allow the club to trade while insolvent while solutions were investigated and that such leeway would not have been afforded to a smaller EPL club).

The conclusion was that clubs going into administration mid-season detracted from the integrity of the league competition and, ultimately, threatened the economic viability of the leagues themselves. However, while the contributors acknowledged a lack of negative externalities to justify prudential regulation in a neo-liberal economic context, sources did identify the existence of positive externalities that could further support the cause for prudential financial regulation:

“Football plays a significant role in the community. Communities are often defined by their allegiances to a particular club [...] people can gather together, socialise, feeling proud of when a team does well, which also engenders a feeling of civic pride [...] a city can feel immense pride when the team does well [...] the city is excited and energised [...] on that basis there is an externality in that football can create community”.

Informant B: Former NED at EPL and EFL club

“If you think of Liverpool, in decreasing significance, it is a symbol of the city, the region, the country so its performance, both on the field and off it, has an impact on the economy across these sectors to a greater or lesser degree [...] in the economic dark days of the 1970s and 1980s, it was the success of Liverpool on the field that kept us [Liverpudlians] going...”

Informant M: NED at national football organisation (FA) and former NED at EPL club

There was a consensus view that the loss of an individual football club did come at significant cost to the local community and beyond, again reprising the observations of

Conn (1997). There was a significant potential for the loss of a positive externality, in the sense of civic and societal well-being, if a football club went out of business. In emphasising the quality of football clubs as community assets, these primary sources were restating the characteristics of football clubs described by Brown (2000a) and Parrish (2002), and the desirability of clubs to survive and prosper (Buraimo et al., 2006). This potential loss, for some informants, provided a rationale for a level of financial regulation to prevent football clubs from going out of business and the resultant negative impact on the community.

"[...] while the failure of a football club does not have a [massive] macro-economic impact, it does affect the integrity of the league and its economic system; it affects the social fabric of the local community, local business, and it affects the fans social well-being, that sense of, for a brief period of time on a Saturday afternoon, they can remove themselves from the reality of their own lives and live the dream and euphoria of sport".

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues.

The primary sources also pointed to the local council involvement in the redevelopment of brownfield sites for the location of new football stadia as evidence of the potential community value football clubs could bring, observing:

"Countless clubs have had their stadiums subsidised [by the local councils] by taking advantage of 'relaxed' planning restrictions or direct investment. In Sunderland's case, it [the new stadium] was built on a brownfield site of an old colliery. The site was a symbol of the town dying and failing and the new stadium evidence of the regeneration and a better future for Sunderland".

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

As described in Chapter 5, there is a strong body of secondary source evidence that places football clubs at the heart of communities (Hague & Mercer, 1998; Calvin, 2019). Increasingly, with the intensity of commercialisation in the industry, there has been a clash between the new commercial perspectives and old traditional values of community and philanthropy. This conflict is captured by Szymanski's (2009: 25) observation: "As new generations of owners and managers enter the field, attracted by the commercial possibilities of popular sports, there is pressure for reform in the direction of a more

commercial outlook. In many cases, these pressures have given rise to a heated debate over the ‘soul’ of sport, and its proper place in the modern world”, that, in turn, supports the contention in Millward (2013) that new directors of football clubs specifically sought commercial opportunities to garner conditions to generate capital returns. In conclusion, however, most sources supported the contention that football was more than just an economic activity and was worthy of external scrutiny and control:

“The need to preserve clubs because of their enduring social value, the social capital contained within clubs, is a compelling reason for statutory protection and regulation”.

Informant P: Consultant on board governance and culture within sports organisations and former NED at a non-departmental government body with responsibility for national sports governance (Sport England)

6.2.2: ‘A level playing field’: financial regulation to produce competitive balance

In addition to providing a financial framework to prevent clubs from going out of business mid-season, FFP was also supposed to implement financial rules that allowed for a more ‘level playing field’ to emerge. Indeed, every source expounded the need for a sporting contest to keep football interesting and decried, in the EPL, the domination of the Big Six, even those with affiliations to the Big Six. The concept of a select group of clubs dominating the league was anathema to the sources, even those connected to the (current) Big Six. It was interesting to note, however, while contributors, consistently used the term Big Six, the clubs that comprised the Big Six varied subtly over time and between contributors. Consensus from the interviews emerged around a group of clubs that, in the late post-modern era from 2010-2019, comprised of a solid top four of Liverpool, Manchester City, Manchester United and Chelsea, with some debate about the inclusion of Arsenal and Spurs. The latter debate over their inclusion was a reflection not of their economic strength but rather of their weak on-field performance over the nine years. This contrasts with the view expressed by interviewees that, before 2010, it was consistent to think of a Big Four of Arsenal, Manchester United, Liverpool and Chelsea. Over this period, the Big Four consistently, 87.5% of the time, took the top four positions in the EPL, thereby qualifying for the lucrative UCL, to such an extent that in ten years only four other teams (Leeds United 1999-2000; Newcastle United 2001-2002 and 2002-2003; Everton 2004-2005 and Spurs 2009-2010) qualified for the UCL.

Kupers & Szymanski (2010: 187) also highlight the appeal of competitive balance, quoting Kevin Keegan: “This league (the EPL) is in danger of becoming the most boring, but the greatest league, in the world. The top four next year [2008] will be the same as

this year". (He was right: the top four in both years were Arsenal, Manchester United, Chelsea and Liverpool!) In addition, emphasising the issue of a lack of competitive balance: "[The] EPL [...is] the most successful domestic sporting competition [but] it risked becoming predictable [...] in the US, the greatest free-market country, they understand that equal distribution of money creates genuine competition" (Andy Burnham, Administrator for the Football Task Force, 1998 and Secretary of State for Culture, Media and Sport 2008-10, quoted in Kupers & Szymanski, 2010: 191).

The 'need' for competitive balance to maintain interest in a sporting competition contains the presumptions that first, fans do want to see 'even' competitions; that left to its own devices, the market will produce uneven distribution of resources to prevent an equal competition emerging, and that monopoly, while a legitimate aim for the majority of businesses, is valueless in sport because of the need for balanced competition to make sport interesting. Szymanski (2009: 47) neatly condenses this into the uncertainty-of-outcome hypothesis. While fans' motivations are also explored in later themes and dimensions, evidence was gathered to support the contention that competitive balance is desirable and that financial regulation has the potential to engineer this. As later evidence shows, the motivation of fans is a complex subject but, among the many competing motivations, there is some empirical evidence to suggest that for some, specifically, the neutral TV audience, competitive balance is very important (Forrest & Simmons, 2002). However, there is conflicting evidence (Wills et al., 2020) that suggests the need for competitive balance is not the prime consideration for TV audiences. The primary evidence collated was, however, highly supportive of the contention that competitive balance was significant in the on-going attractiveness of any league:

"[...] football clubs need a wide competitor base, to create a league and some degree of competitive balance to make the outcome of any single game, to some extent, uncertain."

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

This is recognition that competition is vital to sport and that monopoly in sport makes no sense for without competition between clubs and within leagues, there is no game or business. There was a general acceptance that the theoretical framework provided by Neale (1964), Sloane (1971) and Dobson & Goddard (2001) holds, that sport displays 'peculiar economics': while organisations may be sporting competitors, it is unnecessary, and even undesirable, for them to be economic competitors. In further clarification, albeit explaining the financial regulation of baseball in the US, Smith (2009: 82) comments: "[...]

the owners [of US baseball clubs] justified their point with the principle of competitive balance. A one-sided league, where the best players gravitated to the highest bidders, made for one-sided matches. One-sided contests were bad for business for players, and the free market, they were arguing, is bad for competitive balance and bad for sport”.

“Therefore, the hurdle to regulatory intervention on competitive grounds is much lower in football [sport] than other industries because a) you need some competitive balance to make the individual games interesting, and b) enough competitive clubs to make the league interesting.”

Informant B: Former NED at EPL and EFL club

However, while sources supported the principle of competitive balance, there was widespread concern at the design of FFP at all levels (UEFA, EPL and EFL). Contributors felt that the existing financial regulation, far from creating a level playing field, maintained the uneven financial ground. Far from levelling up, it was felt by interviewees that FFP regulation was a significant contributor to the growing gap between the Big Six, and the rest of the league.

This financial disparity has been evidenced by secondary data from various Deloitte Money League reports (2016-18): In 2016–17, all of the Big Six had revenues greater than £350 million, with Manchester United had the largest at £676.3 million. Leicester City was the closest club to the Big Six, recording a figure of £271.1 million for that season (helped by participation in the UCL). The eighth-largest was West Ham, who did not enter any European competitions and had revenues of £213.3 million, nearly half of the club with the fifth-largest revenue, Liverpool (£424.2 million). Between 2017 and 2019, the gap continued to grow: in Deloitte's report (Football Money League, 2019), all of the Big Six were in the top ten of the world's richest clubs. The conclusion from primary sources was that FFP allowed the rich to get richer and prevented other clubs from competing. The widening economic gap across European football was encapsulated by Goldblatt (2019: 240): “At every level already, significant economic inequalities are widening and sharpening: between the biggest clubs in Europe and those in the second and third ranks; between the big countries and the increasingly marginalised medium-sized and small football nations; between the professional game and the grassroots”.

“[...] there is nothing ‘fair’ in the UEFA Regulation [FFP]. It is the only form of economic activity where the firm (club) is forced to break even. It goes against the fundamental principle of capitalism and prevents ‘outsiders’ from breaking into the status quo”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

“FFP is probably a price worth paying to stop the financial madness that was engulfing the top level of football. The trade-off is that we have less competition in that it is now much harder for say, in the EPL, a team outside the top six to win the league.”

Informant V: Management consultant and financial adviser to EPL and EFL clubs

This assessment of FFP chimes with some of the criticism expressed by Dimitipoulos & Tsangkanos (2012), Vorpel (2013) and Franck (2014). Perhaps inevitably, given that FFP regulation has been a relatively new control on the finances of football clubs, it is only now, after six to seven years of operation, are we seeing the consequences of such regulation emerging. Only when contrasting the economic and financial position of the EPL with other European leagues did a view emerge from the sources that, on a relative basis, the EPL has better competitive balance. While it was felt that the EPL did have some competitive balance (and significantly more than any other European league), it was felt that it could go further. However, at the heart of this debate was the issue that FFP was needed to reform the economics of football and that the regulations in current operation probably restricted competition and prevented movement towards a better competitive balance.

“Revenue is incredibly equitably split and it sets the EPL apart from other leagues. [We] benefit because the EPL revenues are greater because the EPL is a better brand: it is able to generate greater revenues from TV audiences, both at home and abroad. It's not totally altruistic from the big clubs; this competitiveness is what makes the EPL special and that's what creates value”.

Informant L: NED and former majority owner at EPL club

“[I] accept that football has some form of financial regulation, but the current regulations ossify the current position: the current winners remain the winners and it is very hard, almost impossible, to break this oligopoly (in the UK); duopoly in Spain and arguably monopoly in German. Leicester City winning the EPL was a black swan event”.

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

The sources however, did not present a halcyon view of the pre-EPL era. They recognised that football before the EPL and FFP was also not a level playing field:

“Apologists would perhaps argue that the level playing field of the 1960s to the 1980s was never that level. If you look back, the old first division was still dominated by a small number of clubs. There was still a Big Six. They dominated because they were the wealthiest by dint of the good fortune of being based in London or the industrial north-west, the richest parts of the country then”.

Informant C: Member of the ‘Red Knights’ consortium that tried to buy Manchester United

This resonates with the comments of Kupers & Szymanski (2010: 188): “[There were] always the strong and the weak teams but for decades the difference was not financial. Football was not a free market; the ‘pay and retain’ contract saw that you couldn’t buy talent”. When this contract was deemed illegal in 1961 it did allow the economically wealthier clubs to buy ability and dominate. As noted by Kupers & Szymanski (2010: 189) the Bosman ruling accelerated the process and enabled the richer clubs to access the best talent across Europe: “In 1995, the Bosman ruling became football’s ‘Big Bang’: Suddenly a European player could join any club in the European Union once his contract had ended. Rich clubs started to gain a monopoly on good players”. Again, however, the concern was that FFP, alongside the free movement of players, actually created an economic system that favoured the current status quo.

“[...] but what we have seen is that the economically strong clubs when regulation (FFP) was introduced, had a lock on their position. Those ‘old’ clubs based on the industrial strength of the city, for example, Liverpool and Manchester United, have remained strong after FFP because it effectively stops clubs entering this elite inner circle of clubs. ‘New’ clubs like Manchester City were able to compete because they got their capital injection before the drawbridge was raised”.

Informant H: Financial adviser and member of supporters’ trust at EFL club

6.2.3: Fit and proper: conduct regulation

A third strand to the justification of football financial regulation that emerged during the interviews was a need for some form of conduct regulation to ensure that those involved in football, both at governing body level and, specifically, at club level, were fit and proper. There has been plenty of evidence collated that shows a level of corruption and fraud at international levels, most notably documented by Andrew Jennings (2007), and in the domestic context by Tom Bowyers (2007). However, while the sources alluded to this more blatant, potentially criminal aspect of the football industry, and have added issues of tax evasion and money laundering as potential areas of criminal activity in the

football industry (Buschmann & Wulzinger, 2018), the interviewees were also concerned about the culture and attitude of the business of football and, specifically, club owners. In this sense, sources were aligned with the view that some clubs culturally sought to evade economic regulation, evidenced by Goldblatt (2019: 373): “The systematic undermining of UEFA’s Financial Fair Play rules by Manchester City and PSG with the connivance of senior UEFA officials”.

The sources were concerned about whether the football industry was organised for the benefit of all its stakeholders or just a narrow section of the football community, in particular, the shareholders (owners). This sense of wanting football to be run ‘right’ harks back to the data gathered on the acceptance and desire of society to see the industry run for its benefit and approval. However, it also exposed a specific concern around the probity of owners of football clubs and their motivations for owning such a societally important asset. This aspect of owner motivation and cultural impact is also addressed in Chapter 8 , however, the respondents were clear that the regulatory space had to be organised such that inappropriate conduct could be addressed.

“People are increasingly more, naturally, suspicious of large organisations and their ethics. Seen in this light, after the financial crisis, bankers are not to be trusted and nor are football owners”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

The sources, while interested in the general probity of football clubs, were particularly concerned about the operation of the fit and proper test and the introduction of regulation that addressed the character of owners. This expressed desire to address both illegal activities together with the culture and motivation of owners exposes the failings of the fit and proper test and a general misunderstanding of its purpose: “The fit and proper test is designed to smoke out financial irregularities, not moral bankruptcy” (Robinson & Clegg, 2019: 126). The criticism and failure to appreciate the limited, framed nature of the fit and proper test was also reviewed by Holt (2003). The sources, however, were keen to apply a moral code to the ownership of football clubs because of the cultural and societal position it was felt they had and advocated a reframing of the test:

“It is disturbing when a community asset is bought and sold between rich individuals with very little external examination of where the money comes from, and the ethical status of the individuals involved”.

Informant B: Former NED at EPL and EFL club

Sources recognised that to some extent the issue of moral bankruptcy and financial mismanagement were, to a degree, inter-related. It was felt by the interviewees that those owners with questionable backgrounds were also likely to sail close to the wind on financial matters. Again, as highlighted by Robinson & Clegg (2019), even on a narrow interpretation of fit and proper, this has not prevented a number of EPL clubs from getting into financial difficulty. They highlight the issues at Liverpool, Arsenal, and West Ham (twice), Fulham, Chelsea and Manchester United as examples of owner-determined financial mismanagement. In addition, the sources provided other evidence of financial mismanagement based on identifiable owner failings:

“Subsequent financial difficulties [at Leeds United and Portsmouth United] probably rest more with the inadequacies of the fit and proper test rather than the simple issue of financial mismanagement”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

However, the sources repeatedly returned to the issue that conduct regulation should include an element of moral judgement as well as a framework to ensure that football clubs were run in a prudent, fiscally responsible manner.

“The failing of football financial regulation is the fit and proper test. It is not stringent enough [...] In banking, we have the concept of politically exposed persons which brings in a raft of regulation that restricts the type of business a bank can do: if there was a revolution in Qatar you don't think that would have significant financial implications for Manchester City?”

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

The EPL does have some powers to vet potential owners: new owners must submit a business plan that the EPL will review to ensure it is sustainable. Checks are undertaken on the origins of the money. However, it cannot stop a takeover; although, if it was unhappy with the business plan, it could impose budgetary conditions, including controls on the player transfers and wages. The current regulations do not require an annual fit and proper test; it is a one-off test at the point of acquisition of the club. Owners must submit an annual declaration of means to ensure they are solvent for the coming season and are not subject to any sporting bans on ownership; however, this is a self-certified qualification. It could be that such regulations do discourage poor owners.

“[EPL regulations] have by their presence deterred more suspect owners from even trying to take over an EPL club [...] Although nobody has been banned under these rules, it doesn’t mean that the rules are not effective or working. It means that the deterrent is working.”

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

However, most of the sources felt that the overall framework for applying the fit and proper test was relatively weak and that often the priority for the governing authorities in response to a mid-season financial crisis was to bail out the club first and ask questions about the owner later. “Football clubs are monopolists. The combination of guaranteed cash flows, strong emotions and instantaneous celebrity status is irresistible to tycoons. Moreover, the extremely lax regulations, the buying and selling of private companies here [in the UK] makes entry into the business far less complicated than in other countries” (Honigstein, 2009: 179). As the interviewees highlighted, the need for a solution to a club in financial difficulty often became a priority over the application of a fit and proper test:

“[...] when football clubs get into trouble and need rescue at the last minute, the regulators find it all too easy to close their eyes and look the other way and avoid asking awkward questions as to the origin of the money or the issue of whether the potential owners are actually fit and proper.”

Informant P: Consultant to sports organisations on board governance and former NED at a non-departmental government body with responsibility for national sports governance (Sport England)

“[The] fit and proper test is relatively toothless in a crisis where a football club is teetering on the brink.”

Informant E: Former executive at national football organisation (FA)

Of course, much of the new money coming into the EPL is now sourced globally from billionaires (or states) in America, China, Russian, and the Far and Middle East. This is a significant difference to how football was financed in the 1970s and 1980s. These new owners have changed the economic landscape of football. As outlined in Chapter 5 and by Montague (2017), there has been a shift in ownership from old style local businessmen to the new style Russian oligarchs, American tycoons or private equity investments, and the

involvement of the Far and Middle East, either as a state or quasi-state involvement, private industrialists and entrepreneurs.

These new owners bring a different cultural approach to football club ownership (which is further addressed in Chapter 8); however, the sources recognised that these new owners have also changed the mechanics and operational nature of the football industry. Some of the new owners appear almost indifferent to losses and focus purely on ego, power and prestige. In this, the sources mirrored the conclusions drawn in Beech et al. (2008) and Lang et al. (2011). In many cases, however, the new owners have also been the drivers of change in the football industry and have been innovators in the development and expansion of revenues streams. With innovation, however, the sources noted that the need for financial regulation has increased both because of the complexity of football club ownership, revenue generation and the potential issues this raises.

"[...] we have seen leagues try to innovate to find new audiences: Spain now allows late kick-offs to appeal to audiences abroad, i.e., the US and the growing appeal of football there and the Hispanic population, or the EPL's (now aborted) idea of a thirty-ninth game overseas. However, these innovations can come at a cost to the old, traditional supporter".

Informant E: Former executive at national football organisation (FA)

The sources also noted some suggested innovations, for example, the inclusion of EPL 'B' teams in the lower leagues, might also threaten the long-term viability of the extended football pyramid. For some, this was seen as further evidence of the EPL trying to control more of the resources of football at the expense of smaller clubs (Conway, 2018). Alongside the rapid growth in the revenues driven by the value of broadcasting rights, clubs have also been able to innovate in growing their revenues. The growth and innovation of the industry is evidenced by the size of revenues the EPL earn as a collective (see Deloitte, 2010-2019) as well as how some clubs operate in a completely different and global dimension. Just two examples of the type of diversification now seen in the industry, highlighted by the sources, were the corporate strategies of some clubs and the extension of a global rather than local fan base. For example, Manchester City have established a network of seven clubs and twelve offices in key markets that transport the club from Greater Manchester to across the globe. From this portfolio, Manchester City has created a global scouting operation and inter-club framework in which players can progress, as well as a network, to exploit commercial opportunities.

Alongside corporate structural innovation, there has also been consumer innovation. For example, the development of the concept of 'football tourism', unheard of in the 1970s

and 1980', has become a phenomenon that generated, in 2016-17, £555m for the EPL clubs as 686,000 football tourists were recorded attending games (Ernst & Young, 2019). This is a function of the accessibility of international travel. EPL clubs have reciprocated with annual tours to the new markets of the Far East and the US, aimed at extending the global reach of the club. New fans, merchandising opportunities, the development of the EPL brand and the potential to increase revenues from the distribution of overseas broadcasting rights have provided a compelling economic rationale. (Although, as explored later, there may be other ulterior motives behind the organisation of these summer tours and competitions). Innovation has a consequent impact on the regulatory space:

"There is, therefore, an ever-expanding need for regulation as more institutions and more issues come within the scope of the regulator. The process of innovation, together with the growth of an industry, drives the regulator to intervene..."

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

"The [football] business has changed, the profile of the business within society has changed: it is much more high-profile, it fills the back pages of the newspapers, and sometimes the front pages; it's a mainstay to the product offering of Sky and BT; there are countless radio phone-ins and programmes: 606 on Radio 5 Live. Its big business, if not in purely economic terms, then in profile and national consciousness, here and abroad, and, as such, the need for regulation is greater."

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

The expansion and globalisation of the football industry has not only raised the profile of the industry, bringing the need for regulation more to the public consciousness, it has also meant a plethora of new issues have become part of the scope for the regulator.

"The economic areas we are now required to examine grow all the time. New issues emerge, sometimes from left field, things we never had to consider and, of course, we are constantly reviewing existing practices to make sure clubs haven't used innovative management techniques to circumvent the regulations".

Informant E: Former executive at national football organisation (FA)

'Innovative management techniques' is coded language for clubs seeking to circumvent the current economic regulatory framework: bending the rules (Hytner, 2011).

"In some respects, it was like 'whack-a-mole [...] always the next issue seemed unexpected, and we were having to react to something we had not planned for..."

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

Source F was referring to the issue of third-party ownership of players and the resulting crisis that emerged concerning the ownership of Carlos Tevez: his on-field influence was crucial in the survival of West Ham and the relegation of Sheffield United. The source also highlighted the ongoing issues the EPL and EFL had with clubs seeking to circumvent the FFP regulations with regard to sponsorship deals and the financing of football club stadia as an area of economic football regulation where the regulator had not anticipated the range of potential issues that have emerged. In highlighting these developments, the sources were referring to the level of financial innovation that football clubs had undertaken over the period (Maguire, 2020; Robinson & Clegg, 2019) and, as outlined in Chapter 5, with the increased use of debt and securitisation deals to finance football clubs. The extent of the financial innovation and, hence, the need for further financial regulation, was explored by Smith (2012), together with a comprehensive study of the financial arrangements of Glasgow Rangers that included EBT schemes and season ticket securitisations. Simon Jordan (2013) also recounts, in his experience of owning Crystal Palace, the ability to raise finance from a wide range of financial institutions than had previously been available to clubs.

"What we have seen is an explosion in the ability of football clubs to access finance or debt. Ticket securitisation is common; a wide variety of institutions will provide debt secured on the stadium [...] financial innovation is widespread in the game and, therefore, the need for further financial regulation is there, as new financing techniques circumvent the existing financial regulations".

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

In conclusion, the sources summarised the current financial regulatory framework as thus:

"Football may not be systemically important, for example, like banking, but we have already stepped over the line [the implementation of economic regulation] with

FFP, which looks like regulation for both prudential and competitive reasons. Alongside that, you have a fit and proper test that, to a degree, encapsulates conduct regulation”.

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

6.3: Exploitation and conflict

Football tourism is just one example of the changing face of the fan base for football clubs. But, while the sources acknowledged that there were a variety of reasons that fans might support a football team, they were very concerned about the die-hard fan:

“Fans need protection from themselves. They just want on-field success and are prepared to see the club gamble on promotion, but do not like the consequences when that strategy fails”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

“While loyal fans stay and suffer the poor football at lower leagues - [Glasgow] Rangers got 40,000 supporters in the Scottish third division, Leeds and Sunderland still pull huge crowds when they are in the EFL leagues - there is strong evidence that less loyal fans drift away and, dangerously, if the quality of the whole league drops, they start to watch foreign football (and increase the revenues of those leagues to the detriment of their own domestic league). Just look at what is happening in Scotland, Norway or the Netherlands [...] they all buy the EPL ‘cause their domestic league is poor quality”.

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

This complex and, to some degree, conflicted emotional response that fans have to their football club was alluded to earlier in the need for competitive balance and uncertainty of outcome in football matches:

“Fans want monopoly: they want their club to win every game, but they also want competitive monopoly. A procession to the league title is no fun, and a procession to the title year after year is worse. They want to win every game, win the league repetitively, but they also want to be thrilled by the potential loss but, perversely, for it to never occur”.

Informant O: Financial adviser to EPL club

Furthermore, because of the emotional investment that fans make in their football club, it is hard for them to not support their club. For some, the emotional investment in their club is such that they cannot switch allegiance. For this type of fan, supporting a particular football club was a non-substitutable good, as expressed eloquently by fans on a Saturday afternoon at matches up and down the country:

'I'm [insert any club name] till I die!

I'm sure I am!

I hope I am!

I'm [club name] till I die!"

In song, these fans represent the die-hard constituency of fans in Giulianotti's (2002) segmentation of the fan base.

"The deep emotion that fans have for their club was shown by the attempt to transplant a club from South London to Milton Keynes: for many Wimbledon fans, M. K. Dons was anathema, it couldn't be their club [...] they felt is so strongly that they resurrected Wimbledon as A.F.C. Wimbledon [...] they didn't like it in 2001 and they don't like it in 2019 [...] the dislike, even hatred, still exists".

Informant A: Senior executive at a fan-centric organisation (FSA)

In highlighting this case, it confirms the evidence that Morrow (2003), White (2003) and Bell et al. (2003) collected regarding this club's re-location (and the birth of a new club). What is interesting is that this hostility between the MK Dons and AFC Wimbledon is continuing and current, and is evident at many clubs (see Brown, 2007; 2008). In this context, the 'emotional' content that fans ascribe to a particular club is still very much part of the context of fandom. These fans are locked into supporting a particular football club:

"Fans are a captive consumer and can be exploited financially and emotionally. Hence, the increase in season tickets, the cost of a beer and a pie, the never-ending changing of shirts compounded by the introduction of a variety of shirts: home and away, yes, but third shirts? Why? Money! UCL and FA cup shirts? It's never-ending and a shameless money exercise".

Informant G: Member of supporters' trust at EFL club

"[...] but there is something about football insolvency and fan alienation. Can football clubs ever recover from the trauma of insolvency...?"

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

The potential for a fan to be a 'captive consumer' resonates with the emphasis that Lonsdale (2004: 385) places on the fan-to-club relationship: "[...a relationship] based not per se on live football but live football played by a *certain* team [my italics]". The specificity of support leads to the conclusion that "[...] because of the customers' emotional attachment [to an individual club], it is able to provide standardised goods at a premium price" (Lonsdale, 204: 387). Essentially, clubs are in an economic position where they can exploit pricing mechanisms because of fans' sentimental attachment and inability to substitute a product.

Several contributors spoke about the experience of Glasgow Rangers. Despite being relegated three leagues following a points deduction after entering administration, they were still drawing 30,000-40,000 fans to home games. For those fans, it was inconceivable that they would support another team, particularly given the sectarian divide in the city (Goldblatt, 2019), and they needed to demonstrate their emotional tie to their local club. However, sources were keen to distinguish between the natural highs and lows that sport can provide because of promotion and relegation and the unnatural highs lows brought about by relegation due to financial mismanagement and administration.

"[...] fans should be exposed to the sporting lows, for example, relegation, via poor performance on the sporting field not poor performance in the boardroom, relegation by points deducted for financial mismanagement".

Informant P: Consultant to sports organisations on board governance and culture and former NED at a non-departmental government body with responsibility for national sports governance (Sport England)

"[...] there is a subtle difference between the failure and relegation of a club due to sporting results and relegation due to administration and points deduction due to poor decision making at board level".

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

In this sense, by accepting the need for regulation, there was no desire among the contributors to move to a more 'closed' football system or shift towards the US model for sports leagues. There was no support among the primary sources for the models to reform European football proposed in Hoehn & Szymanski (1999), Szymanski (2006) or Vrooman (2007).

"[...] while regulation is needed it must not take away the opportunity or potential to move up, and, therefore, also down the football pyramid: regulation should not mean no relegation".

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

Much was also made of the other aspects of US sports organisation, particularly the draft system and salary caps. These aspects of US sports regulation were adopted at the very establishment of the leagues to introduce the competitive balance that the organisers sought to produce to maintain the variability of outcome. While it was recognised that the adoption, in principle, of this type of regulation would help restore competitive balance to European leagues, there were also a myriad of objections to the practical implementation of such regulations, highlighted by the global nature of player recruitment that would make a draft system logistically difficult to implement.

While there was scope for financial exploitation via ticket prices and merchandise, a number of sources evaluated this exploitation as minimal, noting that:

"I do know some fans that can change allegiance and others who have had to change their method of consumption of the product because of the cost by listening to football on the radio rather than buying the subscription to both Sky and BT [...] but there are others that can't make this switch".

Informant A: Senior executive at a fan-centric organisation (FSA)

As described above, however, for some fans, there is no potential move away from the one club they have supported:

"[...] football is tribalism. You can't switch allegiance to another club. The visceral dislike or even hatred (think of the taunting about the Munich air crash disaster or the racial slurs chanted at games) between clubs is endemic: Liverpool vs. Manchester United; Arsenal vs. Spurs; Aston Villa vs. Birmingham but it's not just local derbies, think of Brighton vs. Crystal Palace!"

Informant E: Former executive at national football organisation (FA)

"[...] tribalism is why pay-per-view on football did not really work. Fans are only really interested when their team plays. This applies to the league: for one-off cup games, the FA Cup or the Champions League final, you can attract the neutral fan".

Informant M: NED at national football organisation (FA) and former NED at EPL club

What was interesting was that the nomenclature used by primary sources tended to concentrate on the segment of most committed fans: in the typology used by Giulianotti (2002), those fans who displayed traditional qualities. While the sources acknowledged the existence of other motivations for fans, consistently, throughout the evidence, the primary sources return to the issue of the emotional investment that some fans and supporters have and the potential for their exploitation. In this, there was some support for the conclusions drawn in Horton (1997).

There was also concern expressed around the motivation of owners and, perhaps, the potential for some owners not to recognise the emotional content of fans' allegiance to a club. Indeed, several interviewees cited the events at clubs like Cardiff City and Hull City as examples of how new owners had failed to appreciate the history or culture of the club and had alienated the fans. This type of owner put at risk the long-term future of the community asset that the sources believed football clubs to be, as well as inflicting a cost on fans.

"Regulation can be justified for the protection of the fans. Football has singly failed to regulate itself [...]. There has been an increase in absent owners and owners that frankly don't care about the fans..."

Informant A: Senior executive at a fan-centric organisation (FSA)

"There is a need to remove bad owners, look at Blackpool and Coventry, and in doing so protect the football economic system and important cultural and social institutions".

Informant O: Financial adviser to EPL club

A number of sources also referred to the former owners of Blackpool, the Oyston family, as archetypal bad domestic owners and that football clubs were community assets, supported by evidence from Stone (2019). It must be said that not all owners can be categorised as such, and a former owner of an EPL club provided a powerful testimony:

“We [speaking about a consortium that bought an EFL club about to go into administration] did it totally from the heart [...] I went to every game [prior to becoming an owner] with my kids, two of whom are grown up and don’t live at home. So, this is where I socialise with my sons: it’s very important to me. It’s what I do on a Saturday, and the idea of losing that was terrible”.

Informant L: NED and former majority owner at EPL club

Later in the interview, the participant added:

“Owning a football club is odd. It’s not like the other business I own where profit and loss is king. At a football club, there are other considerations. I certainly saw myself as a custodian of history. I knew the club’s history, I’d been on the terraces as a small boy, seen some highs, experienced a few lows but loved the club and I wanted the club to be there for my children, my grandchildren and my great-grandchildren. In that sense, in every decision we [the board] made, I was conscious that I wanted the club to exist another hundred years”.

Informant L: NED and former majority owner at EPL club

The participants had observed different types of owners, reinforcing the view that football clubs are a different economic proposition from most other businesses, partly because of the emotional investment of many of the stakeholders have in the club as well as this sense of continuity and need to preserve it for the future. In this respect, the sources found it very difficult to think of other examples in other industries where current owners and consumers needed to preserve an organisation for the benefit of future consumers and where the emotional content of the consumer was so much a factor in the consumption of the product:

“Owners are guardians of the history of the club but also future generations. Football clubs that go into administration often don’t affect the owners that much, partly because they are multi-millionaires that can afford to lose £50-100m but also a lot of that money is often borrowed and secured on the club itself. The losers are the current and future fans”.

Informant B: Former NED at EPL and EFL club

In this sense, some owners seem inured from losses (Lang et al., 2011). Returning to a former owner of an EPL club, he was clear when it came to selling the club to an American consortium that the character and motivation of the acquiring party was important to him:

“I would never have agreed to sell to these Americans if I had not been sure and shown that they were good people. I didn’t rescue the club only to see it plunge back into financial crisis. But I also know one day that the Americans would sell and I can only hope they exercise the same judgement [...] I can’t know if they will, but I really hope so...”

Informant L: NED and former majority owner at EPL club

Clearly, this transfer of ownership is of critical importance and, at the moment, is only controlled by the fit and proper test applied at the point of acquisition. As was commented upon in previous primary and secondary evidence, part of the weakness of the current regulatory system is that it is self-regulated by the football clubs and leagues and that the integrity of the league is a larger priority for the regulator than the probity of a new potential owner.

Thus, the regulatory framework that has emerged for football has been one designed and implemented by the industry: self-regulation rather than external regulation or legislation. At the heart of the economic regulatory space are the clubs and leagues: in England, the two are synonymous since the board of the EPL is the clubs themselves. While there has been some concern regarding the financing of football expressed in the media and at government levels, the driver of regulation has been the industry itself.

“FFP, as a form of regulation, emerged out of the industry. It’s not society or government prompting regulation but rather the industry itself saying we are not prepared to go all the way to the American model, but we cannot continue a free-for-all because of the financial implications this will have”.

Informant B: Former NED at EPL and EFL club

The issue with self-regulation is that there is a legitimate concern that some key stakeholders are excluded from the discussions and that powerful, organised and large organisations control the regulatory space. Thus, issues that are significant to some stakeholders are pushed to the margins of the regulatory discussion, reiterating the concerns that Morrow (2003) highlighted that stakeholder governance is a more appropriate system for football clubs than a narrow shareholder-driven interpretation of governance:

“[...] just look at how long it has taken the authorities to even consider safe standing; something fans want but the footballing authorities just don’t listen...”

Informant A: Senior executive at fan-centric organisation (FSA)

The conflicts of interest inherent in a system of self-regulation also raised concerns for many of the interviewees. The obvious conflict of interest for an organisation that ran competitions and wanted the best teams to compete in them and applying and enforcing sanctions against teams that breached the regulations seemed at the heart of the issue for many:

“All football regulators are incentivised by the success of their own competitions (FIFA World Cup, UCL, the EPL and the FA Cup) and, perhaps, on a wider level by the success of football competitions in general because these support their own brand and competition. There is no incentive to undermine competitions by enforcing financial regulations”.

Informant E: Former executive at national football organisation (FA)

This is particularly true at the level of UEFA who, on the one hand, are trying to implement FFP but, on the other, grow the UCL. Their struggle to combine these two objectives was encapsulated in observations of events at Paris St Germain (PSG):

“PSG is hugely important [to UEFA and the UCL] because of the emblematic nature of PSG, as it represents French football more than any other club in France, and it ensures all the major European economic markets (UK, France, Germany, Italy and Spain) are represented in the competition and this is important to sponsors. When you invest the organisation of competitions in the same institution responsible for enforcing the financial regulation, it is very difficult to manage and [...] perhaps unsurprisingly, the boundaries get blurred”.

Informant E: Former executive at national football organisation (FA)

However, it would be misleading to suggest that leagues and clubs have a homogeneous view of the regulatory process. Their remains a power struggle between clubs and between leagues as to which of the leading organisations is responsible for regulation.

“Sports regulation and, in particular, football is a patchwork of rival organisations and regulators vying for supremacy”.

Informant P: Consultant to sports organisations on board governance and culture and former NED at a non-departmental government body with responsibility for national sports governance (Sport England)

“Clubs and competition organisers are [...] locked into this struggle as the two groups try and expand their areas of power, revenues and influence”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

In the UK, at the very top of football, the league and clubs have been effectively combined for regulatory purposes, by the formation of the EPL, with all twenty clubs sitting on the board. In doing so, of course, the EPL took power away from the existing regulator of English football, namely the FA.

“[English] Football is not so different from other sports, tennis or rugby, where the historic old organiser of the competition, the FA with the FA Cup, has been supplanted by newer more commercially-orientated organisations, namely UEFA with the UCL and, of course, the EPL”.

Informant E: Former executive at national football organisation (FA)

“The EPL is a newer, more modern commercially savvy organisation that probably reflects modern football and modern society better than the FA”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

The interviewees also described the continuing friction between UEFA and the clubs, as the latter seeks to assert more control over the club game throughout Europe. Thus, the disputes between the FA and the clubs that produced the EPL are also played out at a pan-European level. The voice of the clubs had been the G14, a group consisting of the largest, most successful clubs at the national and pan-national level (although this lobby group of leading European clubs has, over time, been expanded into the ECA, representing over 100 clubs), who continue to exert pressure on UEFA to distribute more revenues to them. This conflict is just one example of a governing body and organiser of a competition versus the clubs. There are numerous rivalries and an internecine conflict between rival organisers of competitions, be that on an international versus national level or the conflict between the organisers of the competitions and the clubs that produce the product.

“[...] the establishment of a more formal, summer tour competition for the major European clubs, outside the existing regulatory and competition regime, is a shot across the bows for UEFA”.

Informant E: Former executive at national football organisation (FA)

“The danger is that the best clubs leave their domestic leagues and form a pan-European league [...] and UEFA’s product of the UCL is also threatened by the promotion of FIFA’s Club Championship”.

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a ratings agency specialising in the analysis of football clubs and leagues

There exists a continuing campaign between the clubs and UEFA where the former seeks to increase their control over the competition and, hence, the revenues of the European club game. This conflict, as noted by the informants, is not new: in 1955, the EFL advised the then champions of the old first division, Chelsea, not to enter the European Cup (the forerunner of the UCL). A similar, albeit domestic, dynamic exists between the EPL, the FA and EFL. The danger for organisers and their competitions was highlighted with Liverpool’s choice to prioritise FIFA’s Club Championship over the FA Cup by fielding effectively an U23 team in the fourth round of the FA Cup because it clashed with the FIFA tournament.

“[...] because the revenues in the EFL Cup or the FA Cup are less than other competitions, you regularly see the top clubs treating both competitions with disdain and fielding weakened sides in them”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

We have, therefore, an environment where there is a constant challenge to the authority of the rival organisations in the regulatory space. There is no peaceful co-existence, but rather a continual struggle to expand revenues at the expense of other institutions.

“[...] it’s natural, therefore, that this [football regulatory space] is a battleground where regulator and regulated fight for control”.

Informant E: Former executive at national football organisation (FA)

The transfer of power, described by interviewees, from the FA to the EPL marks a shift to a more self-regulatory framework. In that respect, it marks an interesting divergence from what the commentators described as the natural development of the regulatory space in that as the economic value of an industry grew, the likelihood of state intervention and regulation was greater (see Chapter 7).

Although the commentators were united in the view that power had transferred from the FA to the EPL, there were several divergent views about the future direction of all the

English football regulators and, specifically, the FA. Several sources commented that the strength of the FA is that it provides a wider forum for a variety of stakeholders and that somehow, in a reformed version, it could be the saviour of football because of its diversity and ability to represent the range of stakeholders, while offering independence from the clubs. The alternative view was that it was a lost cause and that a new football regulatory body would have to be created to regain control of football for the benefit of all stakeholders. The significance of the views expressed by the primary sources was that they reprised those expressed by commentators (see Chapter 5): while some limited progress in regulatory reform had been witnessed, overall, the view from the primary sources was that the issues that blighted football governance remained:

“However, the governance of the FA itself does not lend itself to [...] change. While the board of the FA runs the business of football in England as a national game, it must consult and acknowledge the FA Council. The Council is an unwieldy body. It consists of around 150 members and reflects the historic roots of the game in England, both professional and amateur [...it’s] difficult to institute reform given the governance structure is rooted in the nineteenth century”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

Table 7: Supporting evidence on the failure of the FA and the power struggle between the FA and the EPL.

Informant	Exemplar Data
Informant E: Former executive at national football organisation (FA)	<i>“Even with their new slimmed down and improved governance structure within the FA, there remain antiquated discussion forums e.g., the FA Council, that stymie reform”.</i>
Informant M: NED at national football organisation (FA) and former NED at EPL club	<i>“The FA is itself now better organised from a governance perspective with the appointment of independent directors, but there still exists a power struggle and tensions between the various stakeholders - e.g., the national game vs. the professional game vs. the community game - that independent directors cannot totally resolve”.</i>
Informant J: Academic with research focus on sports governance and	<i>“We have seen over the past five years a significant change in the governance of the FA. It has improved and slimmed and rationalised its decision-making process; however, is it too little too late?”</i>

regulation, consultant to European football organisation (UEFA) and various European football clubs	
Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a ratings agency specialising in the analysis of football clubs and leagues	<i>"[...] there is a suspicion that the FA is no longer fit for purpose. For the FA, what is its fundamental purpose? It has lost, to some extent, its purpose, particularly with the establishment of the EPL".</i>
Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club.	<i>"The FA has totally failed in its remit: it is not fit for purpose. It shouldn't be disbanded but reconfigured and reorganised, i.e., brought into the twenty-first century".</i>
Informant L: NED and former majority owner at EPL club	<i>"For us, undoubtedly, it was the EPL that mattered. They were the primary source of regulation for us. Yes, the FA had some peripheral responsibility, but most of the day-to-day regulation involving running a club came, not surprisingly, from the EPL".</i>
Informant E: Former executive at national football organisation (FA)	<i>"The success of the EPL in regulation is that it is able to respond quickly because of the ownership by the football clubs and that there are only twenty shareholders of the EPL. This isn't the case in national and international organisers and regulators, where the multitude of stakeholders prevents quick resolution of issues".</i>

As has been highlighted, the operational ability to economically regulate football in England varies between organisations, particularly the EPL and the FA. It would be right to describe the regulation of English football as a patchwork quilt of rival organisations in which:

“No overall, overarching control exists; no holistic and consolidated regulatory framework and nothing is underpinned by a legal framework”.

Informant S: Journalist and author on the football industry and consultant to football clubs and national football league organisation (EPL) on business strategy

“[...] it would be logical to have one regulator for the whole of English football...”

Informant R: Minority shareholder at EPL club

As the traditional head of football (HoC CMS, 2011), it has been suggested by some that a reformed FA could provide this overarching, holistic framework, and start the process of reorganising the economic regulatory space to give better representation to various stakeholders marginalised by the current set-up. Indeed, a number of interviewees commented that the FA had made some progress in this direction. But there remained a number that felt the failures of the past would weigh heavily on a reformed FA and that it would be better to recast the whole space by creating a new regulatory body. This body of opinion saw the need for the whole of the existing regulatory space to be reformed. It cast doubt on whether the system could reform itself and that, even if it did, the necessary compromises and loss of power for some organisations, would undermine any reconstituted body. Thus, the divisions that currently undermine economic football regulation would only be papered over by a reformed FA, and the cracks would continue to undermine any reform process:

“In the UK, none of the current regulators are fit for purpose: the EPL is self-regulating and regulates for the interest of a narrow group of stakeholders (the clubs). The FA is outdated and trying to impose nineteenth-century governance and philosophy on a twenty-first-century business [...], and the EFL is trying to regulate a broad spectrum of clubs with vastly different resources and ambitions”.

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

“[...] self-regulation is incapable of radical reform: turkeys don't vote for Christmas”.

Informant W: Editor and contributor to football website

All, however, agreed that for either a new regulatory body or a revamped FA to assume the lead in the regulatory process, this would mean a loss of power for the EPL and the clubs. In this scenario, with the EPL and the constituent clubs having control of the revenues, it was felt that the only way that power could be transferred was the creation

of a statutory framework. If legislation placed a reformed FA or some equivalent body at the heart of the regulatory space and legally provided a framework that placed the EPL and the clubs subservient to this body, then this might have the potential to implement the reforms necessary.

“It is here that, maybe, statutory legislation would have the most impact. Rather like banks, it would give football regulators a clear mandate to clean up the game, take steps to improve competitive balance and institute a process to enforce a comprehensive fit and proper test, and, providing they had followed the legislation, protection from subsequent legal action”.

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a ratings agency specialising in the analysis of football clubs and leagues

“The FA has lost the power struggle: the family silver is gone. The only way for the FA to regain power would be as a statutory authority”.

Informant L: NED and former majority owner of EPL club

While it was acknowledged at the moment there appeared little appetite for statutory intervention, most felt this was due to a current lack of ambition in politicians rather than the impossibility of implementing such a framework. Indeed, sources pointed to some countries having put in place some, albeit weak, legislative framework (France) which could provide a template for future statutory legislation for England.

In the absence of any statutory legislation, the primary sources were concerned with the increasing ‘juridification’ of sport (Foster, 2011). They highlighted how, in the absence of a legislative framework, governing bodies were increasingly being taken to court to have decisions judicially reviewed, either by The Court for Arbitration in Sport (CAS) or civil courts. This, in the sources’ opinion, further eroded the position of the governing bodies to establish effective financial regulation:

“Increasingly, we are seeing governing bodies taken to court. Because sport, and particularly football, have significant amounts of money at stake, this is, perhaps, inevitable, but on the one hand, to have self-regulating, to some extent amateur governing bodies and on the other, commercially-orientated clubs [...] in this scenario, perhaps, it is inevitable that there can be only one winner...”

Informant T: Sports lawyer, clients include and football clubs, international and national football organisations

However, the continued sense that the FA, in particular, was not fit for purpose raised an existential issue for some respondents. Repetitive failure to successfully reform both itself and football raised the issue of whether it ever could or would. Past failure blighted future attempts at regulation and the history of failure was cited as a reason why new organisations were created for the financial services to re-populate the regulatory space with improved objectives and purpose:

“Financial regulation post-crisis is embedded in new bodies: for example, the Prudential Regulatory Authority (PRA), forged by specific legislation. It [the PRA] is not weighed down with the baggage of past regulatory failures or the ongoing conflict and disputes with other regulators. It is new, clean and emboldened to regulate the industry. A reformed institution might never capture this purpose and drive”.

Informant B: Former NED at EPL and EFL club

6.4: Analysis

6.4.1: The football industry can and should be regulated

In some respects, as an ex-post observation, football in England has been economically regulated for some time. The need for various economic regulations imposed on clubs and leagues by national and supra-national regulators have been discussed from the 1990s onwards, and formally implemented from the late 2000s. In that sense, the football industry conforms to Hancher & Moran’s assertion that there are ‘[...] no obvious limits to regulation [...] Notions of what can be regulated are plainly shaped by the experience of history, the filter of culture and the availability of economic resources’ (1989: 278). Sport and football in the UK throughout the modern era saw itself as different and beyond the scope of economic regulation; that is, the experience of culture and history had precluded significant economic regulation. The emerging reality in the post-modern era has, however, been one where increasingly the industry has sought and accepted economic regulation, albeit formulated and imposed by football organisations rather than the state, reflecting changes in the economic framework and culture of the industry.

The rebuttal to the classical, narrow interpretation for the need for economic regulation, and particularly prudential economic regulation, comes from a wide body of evidence gathered. First, while it was acknowledged that there were significantly fewer negative externalities connected with systemic failure in the football industry, it was not without some. Contributors alluded to both the impact on the local economy and the negative impact failure would mean to the export value of the EPL brand. While certainly not a

unique business in this sense, commentators also raised the notion that, as the economic value of the football increased then it, like any other business, might fall within the ambit of economic regulation. In essence, as its importance to the wider UK economy and GDP increased, it was, perhaps, inevitable that the searchlight of state-sponsored economic regulation would be, like any other large industry, directed its way. In this view of the direction of travel for regulation, i.e., the increasing demand by society for regulation, contributors saw a break with the didactic vision of laissez-faire capitalism that could characterise the period 1979 to 2008 and a societal preference for a regulated or contemporary capitalism. In this sense, they were acknowledging that we were part of a regulated society and that the regulation of industry was increasingly an expectation of society, particularly post the global financial crash that exposed the vulnerability of the economy to unregulated or, more accurately, unsuccessfully regulated industry, as part of the democratic process: “[...] regulation on this conception is a process by which the popular and public control is exercised over the workings of private power in the market place” (Hancher & Moran, 1989: 273).

What also emerged from the interviews was a recognition that football created positive externalities, most broadly seen at a local level, connected to the success of an individual club in domestic competitions, although it could be extended to some national value, in the case of success in European club competitions and, clearly, in the success of the national team; even glorious failure at the World Cup in 1990 and 2018 or the European Championships in 1996 generated civic and national pride and well-being (quite apart from an uptick in the national GDP. See Taylor & Gratton, 2000). The generation of local or national pride, the uplifting of local or national happiness, was seen as a positive addition to the value of football and, if the economic failure of clubs and, thence, leagues threatened this, then regulation could be justified.

Alongside this view of a societal desire for a large business to be regulated and an identified need to protect various elements of the wider economy, observers also perceived a need for economic regulation to protect the micro-economic ecosystem of the football industry itself. The inter-linkage and economic connectivity between clubs in a league and between leagues means that the economic failure of a club, particularly mid-season, has significant consequences for the other clubs in that league and for the entire pyramid of football. This has prompted support for prudential economic regulation to ensure that clubs were financially viable throughout a season and, preferably, for an economic framework that could ensure long-term stability for football clubs. While it was acknowledged that the current regulatory framework did provide some financial

assurance of solvency for a season, most interviewees felt that the framework could be more stringent and that it could encompass a long-term element.

In addition, the sources also identified the need for competitive balance and felt that economic regulation could play a role in producing this. The narrated history of the EPL, from creation in 1992 to the current day, revealed a chronic lack of competitive balance. The dominance of the Big Six and, perhaps more pertinently, the dominance of three clubs (Manchester United, Arsenal and Manchester City as multiple winners of the competition) due to the unequal distribution of economic resources, the commentators felt, was a failure of the economic framework. Dominance by the Big Six must be put into context in that, as noted by the sources, there is a greater competitive balance in the EPL than in other European leagues and that, prior to the EPL, the game had also been dominated by a Big Six. The evidence provided some corroboration to the idea that economic regulation had resulted in a permanently uneven economic playing field. Thus, the existing framework of FFP, the sources concluded, while providing an economic prudential safety net, actually prevented a levelling of the competitive balance playing field and preserved the status quo. Notwithstanding this, the data gathered suggested that economic regulation could produce a more competitive playing field but that radical solutions, such as a wealth or turnover tax, salary caps, restricted squad sizes to include those on loan, had been rejected by the leagues and clubs. Indeed, this was cited as a failure of the current self-regulatory space and as justification for external, statutory legislation.

The material also demonstrated a need for conduct regulation. Having identified football clubs with a level of positive externality and societal value, there was a consensus that these were community assets and, therefore, whoever owned them and how they operated the asset was of importance. Much was made of the owners' cultural attitude to regulation (see Chapter 8). However, regarding the occupation of regulatory space, the commentators were concerned about the type of owners involved in football clubs. In particular, it was felt that, because of their importance to the local community, any erosion of the link between the clubs and the local population would be detrimental to the long-term future of football clubs. Again, commentators highlighted that although the current regulatory regime included a fit and proper test, for a variety of reasons, these had not prevented ownership of football clubs from passing into the hands of less than suitable owners. A theme that emerged from the evidence was that the regulator consistently prioritised the financial rescue of football clubs, particularly those of economic significance to the league, those too big to fail, above the stringent examination of potential owners.

While the commentators questioned the motivation and aptness of some owners, they recognised that not all were actually dubious. Many such owners entered the industry in good faith and wanted to run the football club in a responsible manner for the benefit of all the stakeholders, with respect to the history of the club, and to ensure a long-term future for the club. However, the commentators all concluded that football was an extremely difficult business to operate within, where the emotional involvement of winning and losing on a Saturday often clouded the rational judgement of a businessman and created, sometimes, a febrile environment where emotion and pursuit of on-field success overwhelmed more considered business judgements. To some, this distilled into a need for economic regulation to protect owners from themselves. In this way, economic regulation could provide owners with a framework to operate within: to allow owners to chase the dream and remove the potential for catastrophic financial failure and long-term harm to the club and the league.

Alongside owners, it was identified that fans also needed to be protected. They too, often, in fact, more often than not, placed on-field success above financial prudence and were a force in creating the atmosphere where poor financial judgements were made. Fans, while potentially partly responsible for the results of financial mismanagement, were also victims. While it was acknowledged that the fans were not a homogeneous group and that the motivations for fans to support a club varied, it was concluded that a significant number of them did suffer a considerable emotional loss due to the decline of a club and relegation. While it was accepted that, given the promotion and relegation pyramid of English football, fans had consented to this if due to poor on-field performance, they had not if it was a result of poor financial management resulting in a points deduction. Furthermore, it was felt that for some fans, clubs occupied a monopoly position over them since for the most loyal, hard-core fans, supporting a particular football club was a non-substitutable good. In this context, there was the potential for exploitation of this section of the fan base.

In conclusion, the various strands of evidence support the idea of economic regulation in football, be it for prudential, competitive balance, or reasons of conduct or prevention of exploitation, and come together to present a compelling picture of an industry that is a) 'regulatable' and that b) regulation was both necessary and preferable to the alternative. The rationale for the economic regulation of football follows the description provided by Hancher & Moran (1989: 275): "Economic rule-based regulation is not a distinct activity; it is woven into a larger fabric of intervention". The contributors, however, did recognise the peculiar economics of sport, and that it did not conform to the economic norms in this: "[...] indeed the essence of regulatory politics is the pursuit of institutional

advantage: the pursuit of advantage in the marketplace, measured by indices like market share and profit..." (Hancher & Moran, 1989: 287) and in this respect, football did not observe these characteristics. Notwithstanding this, the commentary on the existing economic regulation and the composition of the regulatory space leads to the conclusion that reform of the regulatory framework is needed. This reframing of the objectives of regulation entails a continued emphasis placed upon the prevention of financial failure but also more weight being given to regulation to ensure appropriate conduct and business decision-making, including a re-examination of what a fit and proper owner of a football club entails.

6.4.2: The language used by respondents, provides further clarity, vision and understanding to the topography of regulatory space

One of the most powerful aspects of the Hancher & Moran (1989) theory to understanding the development and organisation of regulatory space was the visual imagery that the concept of 'space' provided. The essence of space is that it can be occupied and divided unequally, between major and minor actors or stakeholders. In addition, the vision of space can be applied both as a specific, industry-related concept and as a broader definition encompassing society as a whole. In that sense, the dimensions of space can be extremely flexible. Finally, the term 'space' can be augmented with other synonyms - 'domain', 'area' and 'arena' - that also bring additional colour to the description of space. For example, the use of 'arena' can conjure up the imagery of an almost gladiatorial contest over the occupation of regulatory space or conflict within a political 'arena', additionally described as a battlefield or battleground. These images are also intensified, in the theory, by descriptions of interactions between organisations using further suggestive language.

The use, for example, of 'occupation' can imply a forceful, aggressive acquisition of territory. Hancher & Moran (1989: 277, 277, 283, 278, 289 and 288) also describe the negotiations between rival organisations within regulatory space as "[...] furiously contested"; "[...] a ferocious struggle for advantage"; "[...] that involved] the invasion of regulatory space" where rival organisations "[...] defend their position" and are "[...] warring factions" in "[...] perpetual contests". This language was complemented and amplified in the descriptions by the sources of how, with the emphasis on a historical perspective, organisations operated within the football regulatory space: "[...] vying for supremacy"; "[...] locked into this struggle"; "[...] a fight for control"; "[...] tension and power struggle"; "[...] old-fashioned bully-boys"; "[...] the 'enemy'"; "[...] a battle"; "[...] an evasive relationship"; "[...] confrontational approach" culminated in organisations "[...] engaged permanently in a skirmish [that can produce...] all-out war [...] Armageddon".

However, another nascent theme emerged from the data. This was a recognition that this confrontational relationship that had characterised the activities of regulated space was slowly changing. A few commentators expressed the view that the chronic financial crisis within football had produced a fundamental change in the relationship between the regulators and regulated. In this new environment, the emergent type of contact between organisations was not one of conflict but collaboration. The sources gave a description of how this new style of interaction was slowly changing the occupation of regulatory space. They had witnessed a shift in attitude between organisations to this more collaborative approach:

“To change the relationship, we are now engaging much more frequently [...] we ask for advice, meetings.”

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

“The relationship between the clubs and the EPL is now much closer [post the Portsmouth crisis] and involves much more a two-way flow of information”.

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

It should be emphasised that while this was an emerging direction of travel in the regulatory space of football, the interviewees confirmed that the dominant form of contiguous relationship between organisations in the space remained one of struggle and mistrust:

“[...] even now there remains an underlying culture of them versus us”.

Informant E: Former executive at national football organisation (FA)

The language used by Hancher & Moran (1989: 277) also gives rise to the imagery of a bounded space. Specifically, the theory suggests that the regulatory space is delineated, “[...with] boundaries defined by issues” and concludes with the assertion that there is “[...] a demarcated regulatory space”. Furthermore, organisations in the regulatory space had the ability to include or exclude other organisations and that “[...] groups could be organised in and organised out of regulatory space” (Hancher & Moran, 1989: 278), although they too recognised that “[...] there are no obvious natural boundaries to regulation” (Hancher & Moran, 1989: 278). The interpretation from the evidence gathered favours this image of a more fluid, boundless regulatory space.

The commentators described a more chaotic, less ordered space: some issues would emerge and rapidly assume significance, thereby commanding considerable organisational resources. The sources described negotiations regarding third-party player ownership and the valuation of naming rights for stadia as issues that suddenly and unexpectedly became significant topics in the economic regulatory space (Conn, 2009; 2020c; Taylor & Gibson, 2011), while others would meander in the margins of organisational consciousness for considerable lengths of time, with little focus or resources devoted to them: for example, developments on corporate governance. This characterised a regulatory space where organisations and issues were not necessarily excluded from it but rather some were at the very centre of attention, commanded full consideration and, because of their significance, greater resources of the organisations, while others lay hidden in darkness on the outer edges. In this way, important critical issues closely orbited organisations, while those of less significance were on the outer reaches of the space, away from organisations and, sometimes, even beyond their awareness. Continuing the metaphor of space, as issues were resolved, they left their close orbit to reside at a distance from organisations that remained cognisant but allocated minimal resources to them

The interviewees described an economic system for football that was both increasing in size and complexity. Taking just one aspect of the economic system, sources cited the elaborate corporate ownership structures of some clubs as evidence of the increasingly complicated economic regulatory space for football. In portraying how organisations dealt with a myriad of other organisations and issues, the interviewees provided a picture in which the research could envisage regulatory space expanding, albeit at different paces over time, encompassing new organisations and shining a regulatory light on issues that had previously been on the fringes. While not experienced in a post-modern context, even periods of deregulation could be viewed as a turn when expansion was only negligible but that, within the space, the intensity of negotiations, even with deregulation, would increase. This perpetually expanding space, albeit uneven and moving at different paces, Hubbleian in construct, resonates with the view of both the primary and secondary sources that indicated an increasingly regulated society.

This developed description allows the observer of regulatory space to envisage a more nuanced landscape for a regulatory domain, one that is populated by several organisations and issues - some known, some unknown - whose importance waxes and wanes over time. Furthermore, the relative position and power of the organisations or the significance of different issues declines or rises in importance over time. Indeed, Hancher & Moran (1989) characterised the occupation of space by organisations as

complex and shifting over time and could be altered significantly by the emergence of new issues rapidly moving to the centre of the regulatory arena to claim the immediate focus and attention of organisations.

Finally, the description of how organisations dealt with issues allows for a developed interpretation of and more elaboration on the occupation and interaction of organisations with each other over specific issues in regulatory space. While Hancher & Moran (1989) provide a conceptual tool to imagine the occupation of this space, they do not provide further insight into how to visualise that occupation or how organisations deal with multiple issues, often simultaneously. The abstraction of a heat map provides this. Organisations at any one time can be dealing with numerous different issues with potentially different organisations. In conception, organisations that commanded most resources, wielded more power, would occupy a preponderance of space. A critical issue would enter the space and locate itself around the organisations it affected, would enjoin more resources from all the organisations involved in the negotiations concerning this topic and assume a brighter colour, the heat of debate, to represent the significance and intensity of the negotiations; less important issues would assume darker colours.

This visual representation of the occupation of space, encompassing location and colour, allows the observer to form a mental picture of the multiple organisations and various issues being dealt with. It attempts to capture the different levels of vigour around negotiations and provide observers clarity as to the most important issues and organisations in the regulatory space at any given moment in time. It would also indicate the shifting influence of organisations and issues: as organisations lost power, the area they occupied would decline. Similarly, as issues were resolved or became less important, they would fade in colour intensity and relocate away from organisations. This rhetorical device provides the observer of regulatory space the ability to conceptualise the topography within it and view the shifting patterns of negotiation and interdependence between organisations.

The language used to describe regulated space during interviews confirms the historical relevance of the Hancher & Moran (1989) theory. However, the detailed descriptions of the interactions of organisations and the emergence of regulatory issues allows for a more developed interpretation of both. The visual picture that Hancher & Moran (1989: 277) present of regulatory space is “an image being used to convey a concept, it can be augmented by similar images...”. This allows the picture to be extended by formulating a new image of an open, boundless space wherein the range of interactions of institutions can now be characterised on a colour spectrum reflecting confrontational or collaborative negotiations. The addition of a further visual rhetoric to the imagery allows

the observer to conceptually conceive the occupation of regulatory space. It suggests both the importance of an organisation in it (area) and the importance of the issues it engages with other organisations on and its approach, confrontational or collaborative, over a specific issue (brightness of colour). It provides some definition to the occupation of regulatory space and emphasises the key issue identified by Hancher & Moran (1989: 278): “The factors that determine the shape of space, and the relative position of its occupants, are many and complex. Here only a sketch of the main influences can be offered. But the gist of understanding lies in one simple observation: the most important relationships in economic regulation are the [various] relationships between organisations.”

Chapter 7. Crisis as a catalyst

7.1: Introduction

Crisis as a catalyst for the development of regulation and the reordering of regulatory space is a central tenet of the Hancher & Moran (1989) description of regulatory space. Szymanski (2010) provides empirical evidence that there is no crisis in English football because clubs do not go out of business, even when faced with a global financial crisis. In this view of events, the lack of a crisis would suggest that the existing configuration of regulatory space was sufficient to ensure the economic long-term stability of English football.

An alternative view would be that the empirical evidence that Szymanski used, the lack of football clubs going into administration, does not capture the whole story in the industry. In addition, assuming that a crisis did exist, following the introduction of some economic regulation (FFP), there have been no further significant moves for more. Does that mean the regulation introduced succeeded in stabilising the financial position of football clubs or have other factors meant that further regulation has not emerged? The data gathered related to the second-order theme, 'How crisis manifests itself', explores these issues.

Alongside the exploration of whether a crisis exists and how, or if, this has influenced the development of the regulatory space in English football, the data collected regarding the second-order theme, 'The cycle of regulation', provides insight into how regulation has occurred in the past. This historical perspective of the development of regulation is interesting since it provides illumination on how the regulatory space has evolved and the likely future direction of development. However, it also helps to examine, in this data, whether this is a stable relationship and if, with the evolution of a more mature regulatory space and with more sophisticated institutions occupying the space, a different pattern to the development of regulatory space emerges.

7.2: How crisis manifests itself

As described in Chapter 5, complemented by the evidence gathered in Chapter 6, the period under review has seen a considerable change in the revenue-generating ability of English football clubs, fuelled principally by the sale of broadcasting rights. At the same time, however, EPL clubs, over the period, have failed to consistently generate profits. Indeed, one of the principal motives behind the introduction of financial regulation across European leagues by UEFA and at national levels by the EPL and EFL was to address this chronic mismatch of increasing revenues but an inability to generate profits. The historic situation for football clubs was summed up as follows:

“Almost everyone who buys a Championship club is going to lose money. We said [when we bought a club in this league] that we would run it on a break-even basis, and we found out fairly quickly that this was impossible”.

Informant L: NED and former majority owner at EPL club

Mike Ashley has employed a similar strategy at Newcastle (running the club on a break-even basis) only to be vilified by fans (Gibson, 2014). Only one source presented a more sanguine outlook on the economics of football, in that, despite the perception of crisis, the reality, in terms of football clubs going out of business, was very different and, in this context, reprised the conclusions of Szymanski (2010):

“Football has stood the test of time. We still have four professional leagues, ninety-two, more than any other country. Yes, one or two have disappeared into non-league football or out of business totally but that is very, very rare. By and large it has been extremely successful and exponentially successful since the creation of the EPL. Contrast this with the dark days on the 1970s and, particularly, the 1980s”.

Informant F: Football industry lobbyist, former executive at national sports regulator (UK Sport), former executive at league organisation (EPL), former executive board member at EFL club

In their work, Hancher & Moran (1989) did not define ‘crisis’. Rather, they left it vague. Szymanski (2010) provided an empirical definition, focused on football clubs entering administration, as to what crisis was in football. Morrow (2004) used a similar metric in his analysis of the financial crisis in Scottish football and, given the prevalence of Scottish clubs in administration, reached the conclusion that Scottish football was in financial crisis. Szymanski (2010: 28) reached an alternative conclusion: “[...] there seems to be a public perception that sport in general and football, in particular, are inherently unstable from a business perspective but they [English football clubs] are some of the most stable businesses in the world”. However, almost a decade after the publication of this view, the data gathered from the interviews for this research continues to confirm that there is a perception that football clubs are economically unstable and are in an almost permanent financial crisis. Informant D, who had been the CEO at an EPL that had experienced significant financial difficulties, said this:

“[...] there is an ongoing crisis in football, not formalised by, purely, clubs going into administration...”

Informant D: Former executive at national football organisation (FA), former CEO at EPL club

This assertion goes to the heart of the issue of defining crisis. Throughout the interviews, the sources repeatedly outlined that the business of football was very different to other businesses and that using a traditional corporate metric of going into administration failed to identify the hidden crisis in football. Indeed, the fact that sport, and football, in particular, was different from other industries was inherent in the work of Neale (1964) and confirmed in Farquhar et al. (2005).

“Football clubs are a strange business because they get relegated, but they don’t really go out of business. They go into administration, then they come out of administration albeit in a lower league, but they get a new owner who comes in, invests money and resurrects a club. If things are really bad, or you are unlucky with the new owner, like Portsmouth, you might go down two leagues. But eventually, you find a floor and the club carries on playing football”.

Informant E: Former executive at national football organisation (FA)

“Clubs are like Doctor Who: they die and come back. They might look a little different, but they are the same. Celtic F.C. fans might not recognise the ‘new’ Glasgow Rangers or acknowledge their fifty league titles [Actually, fifty-four Scottish First Division and Premiership titles] but everyone else does...”

Informant S: Journalist and author on the football industry, consultant to football clubs and national football organisations on business strategy

Table 8: Further supporting evidence of ‘crisis’ in football and football clubs’ ability to regenerate.

Informant	Exemplar Data
Informant A: Senior executive at fan-centric organisation (FSA)	<i>“There is an ongoing crisis in football, we all know it, you hear about it when you talk to football clubs and leagues, you can read about it in the press and media. Fans constantly shout about it from the terraces and social media platforms, but the TV revenues pour oil on these troubled waters”.</i>
Informant I: Current CEO of EPL club, former CEO of EPL and EFL club	<i>“On one level there is no crisis in football because no large club i.e., a Big Six club, has gone bust [...] and when smaller clubs go into administration, they have the ability to</i>

	<i>regenerate at a lower league”.</i>
Informant M: NED at national football organisation (FA), former NED at EPL club	<i>“An example of the protection by the EPL of their brand was probably seen with the rescue of Liverpool by the Fenway Group prior to the EPL having to intervene”.</i>
Informant V: Management consultant and financial adviser to EPL and EFL clubs	<i>“The EPL would never let a big club go under: it would damage the brand too much and all the owners need a strong brand to bolster their own asset value, so the collective would seek a solution [...] in that sense the big clubs are a protected species”</i>
Informant R: Minority shareholder at EPL club	<i>“Football clubs regenerate like a phoenix from the ashes [...they] generally don’t go out of business but just slip down the leagues. There is no pure capitalism at work here, no Darwinian exercise of the strong surviving and the weak going out of business [...] everybody survives”.</i>

Reviewing Morrow (2004), where he identified a quarter of SPL clubs in administration in 2019, all had continued to play football in the Scottish professional football leagues. Perhaps the regeneration qualities of football clubs are most evident in the history of the Scottish football club Airdrieonians. Founded in 1874, the club went into administration in 2002. A new club was created in that year, Airdrie United, from the assets of the old Airdrieonians and another Scottish club that was also in administration, Clydebank. In 2013 the Scottish Football Association (SFA) allowed Airdrie United to change its name back to Airdrieonians (BBC News, 2002; BBC News, 2013b). Thus, while the reconfigured club is officially the legal continuance of Clydebank, it is accepted as a re-incarnation of Airdrieonians. In addition, sources identified another significant difference between football and other businesses that distorted the identification of financial failures. Whereas other industries regularly see mergers between organisations, this is almost unheard of in football, emphasising that even football clubs in financial difficulty rarely go out of business but, instead, descend the leagues:

“J.P. Morgan could merge with Morgan Stanley, reversing the action of a split nearly one hundred years ago, [but] you couldn’t see a similar reversal of history between

Liverpool and Everton. Clubs can't take out the opposition, rivals can't merge: Manchester City with Manchester United can't happen because of fan hostility and they can't take out weaker clubs like Oldham or Salford [...] Within the Greater Manchester area, there are seven clubs playing in the first four leagues of professional football, but none can merge or combine to grow their business that way because the fans and the leagues wouldn't allow it".

Informant C: Member of the Red Knights consortium that tried to buy Manchester United F.C.

Another significant aspect to football clubs is how they are structured and owned which, again, gives them the ability to continue to trade as a football club, even after effectively going bust:

"The business or legal entity that owns a football club, because many owners have set up a holding company structure, can go bust and out of business but the operational entity, the football club itself, players and often stadiums, rather than the holding vehicle, generally survives to carry on operating [...] at some level or league".

Informant V: Management consultant and financial adviser to EPL and EFL clubs

A final aspect to the view that football clubs were in crisis came from a source that identified crisis not based purely on the financial economics of the leagues and clubs but a crisis from a sporting viewpoint. Revisiting the issue of a lack of competitive balance, this was also crisis for football because it devalued many of the games in the leagues and ultimately reduced fans and spectators' interest:

"I would measure crisis in a different way. Some clubs in the EPL that are neither likely to win the league or be relegated and won't win a cup – but might have a good cup run, the middle ten, are in some respects in an existential crisis and are moribund in their current existence. These clubs might not be failing in a conventional sense, but they are still probably failing..."

Informant E: Former executive national football organisation (FA)

This point was echoed by another source:

"What does success look like for a team like Southampton? Tenth would be good, eighth very good and, as long as the club doesn't finish below fifteenth, it's an ok season. It's not about winning things; it's about not going down. It's not a particularly exciting prospect..."

Informant O: Financial adviser to EPL club

Returning to the specific issue of financial failure, for football clubs, it is not being bought by another club that might indicate some form of financial issue but being bought by another investor. While, of course, this might happen from the position of a club going into administration, the sources indicated that more often than not, it occurred before going into administration, often at the league's prompting, particularly for larger clubs.

"[...] part of the problem is that new money and investment only comes in when the crisis at a club is fully blown and the club in question, as well as other clubs in the league, as well as the league itself, are desperate for a solution [...] and it generally happens before the club goes into administration. The league, in particular, is keen for a club to avoid going into even administration because of the detrimental perception of this action on the integrity of the league and its brand".

Informant E: Former executive at national football organisation (FA)

There is a significant advantage for investors to act before a club goes into administration. By doing so, they avoid the automatic points deduction that leagues apply to clubs that go into administration mid-season and that, in most cases, condemns the club to relegation (which reduces the value of the club for any potential investor). There is, therefore, an incentive both for the regulator and the investor to act before the action of administration occurs and, in this sense, many of the financial failings of even the largest clubs are hidden.

"[...]is] insolvency or administration the sole indicator of financial failure for football clubs? Regulation has succeeded in reducing the number of clubs entering administration but if you look at a broader view, for example, forced sales of clubs, we have seen a rise in financial failure".

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

"Liverpool probably sailed close to the wind [of going into administration] under the ownership of Hicks and Gillette [...] but was rescued by the Fenway Group before it was perhaps formalised..."

Informant M: NED at national football organisation (FA), former NED at EPL club

What has helped football clubs engineer this type of rescue from financial disaster has been the fact that we have seen a period of rising revenues in football since 1992 that has supported asset values while operating profits have often been negligible or non-

existent. While not all acquisitions of football clubs occur when there is a financial crisis at a club, it is a common theme remarked upon by various sources and exemplified by the narrated potted history by one interviewee of his club, Aston Villa:

“Every owner, it seems, has eventually had to sell [...] In the case of Villa, we had a stable owner, Doug Ellis, for twenty-five years – he may not always have been popular, but it was stable, and we won the league, we won the European Cup. But then he sold out to an American billionaire [Randy Lerner]. He put a lot of money in between 2006-2014, but success was elusive and then Villa was faced with the prospect of not being able to pay their tax bill the next day and, therefore, needed an immediate cash injection. So, the club was rescued in 2016, at the eleventh hour by a Chinese company and a Chinese billionaire [Dr Tony Xia Jiantong]. And then, barely two years later, in 2018, another financial crisis, and it was sold again to an Egyptian businessman [Nassef Sawiris] and an American billionaire [Wes Edens]. Crisis after crisis...”

Informant B: Former NED at EPL and EFL club

As the observer summarised, there always seemed to be another billionaire in the wings, promising much, but delivering little on-field success. And that the attraction of owning a football club was power, prestige, glory but not profits! It should be noted that from 2006 to 2019, with three different owners and a constantly stretched balance sheet, lurching from crisis to crisis, Aston Villa avoided going into administration. Even sensible businessmen seemed intoxicated by the prospects of owning a football club and looked at the rising revenues rather than the profit when evaluating their investment.

“The difference between the football crisis and the financial crisis [in banks], for example, is that we have seen growing asset prices in football over the period [underpinned by rising revenues] and, hence, when a club gets into difficulty, it is an isolated event, and an investor comes in. In banking, the systemic crisis became apparent when all the asset prices fell, and all the banks had a problem. In that scenario, there weren't enough (or any) investors willing or able to re-capitalise the banks other than the state. If all football asset prices were to fall, then it could be a very different story”.

Informant R: Minority shareholder at EPL club

“If media revenues were to stall or fall there would have to be a significant and fundamental readjustment to the economics of football and, for some clubs, and particularly players since this is the major cost for clubs, this would be very painful”.

Informant I: Current CEO at EPL club and former CEO of EFL and EPL clubs

Given recent events (Covid-19), with the lockdown of UK sports and, particularly, the cash flow issues this has caused in football, with players taking salary cuts or deferring payments, the comment above looked prescient, as does the following, solicited pre-pandemic:

"[...] things can change very quickly in business: you look at the economy of the High Street and they are dying. Who foresaw that, ten-fifteen years ago? There are lots of positive reports written about the state of the football economy, but one shock could end it all as we know it..."

Informant S: Journalist and author on the football industry, consultant to EPL and EFL clubs and national football organisation (EPL) on business strategy

However, the rising asset values of football clubs have allowed them to become a much more bankable asset for banks for secured lending. Throughout the last thirty years, we have seen a rise in the number of clubs acquired via debt secured on the assets of the football club, typified by Manchester United under the Glazers, or the rise of securitisation (see Chapter 5). However, banks, while willing to lend on a secured basis prior to the financial crisis of 2008, found it hard to recall the debt when liquidity was stretched:

"The Royal Bank of Scotland and Halifax Bank of Scotland were both heavily involved in lending to football clubs both north and south of the border. When they wanted to recall these loans, however, they suddenly recognised that to do so would cause significant unpopularity, disapprobation and animus, and at a time when they were highly unpopular anyhow".

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

In these circumstances, banks found it better to extend the loans and look for a buyer to replace the bank debt rather than foreclose on the loan. In this way, again, the real financial crisis of football clubs was obscured from the public until another solution was found.

7.3: The cycle of regulation

Hancher & Moran (1989) described a 'flow' in the process of regulation as large organisations competed to dominate the regulatory space, and that the catalyst for

economic regulatory change was the emergence of a crisis, although, as outlined above, they were vague concerning a definition of crisis. It was, therefore, of interest if the participants had experienced or observed a similar evolution in the regulatory space. Simplistically, this was described by various primary sources as:

“The nature of the cycle of regulation, both statutory and private, is fairly well established: a crisis occurs and the level of regulation and intervention, either via self-regulation or the state, steps up”.

Informant J: Academic with a research focus on sports governance and regulation, consultant to European football organisation (UEFA) and various European football leagues and European football clubs

Other respondents, however, gave a more detailed, nuanced account of this cycle:

“There seems to be a natural time lag and cycle to regulation: crisis to emergency regulation; a review of this emergency regulation; new regulation in response to either the failings of the emergency regulation or because the review identified new issues and potential future crises, and then, finally, another (new) crisis from unidentified new issues or, after a period of deregulation, the re-emergence of old issues.”

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

While the details between the respondents varied regarding the length or stages of the regulatory cycle, the common component was that, at some stage, a crisis occurred. Again, consistent with other evidence, including the Hancher & Moran (1989) description of regulatory space, the vagueness of what crisis constituted was consistent, but the sources were clear: crisis was needed as a spur to regulation. In the EPL, it seems the crucial event or crisis was the collapse of Portsmouth in the season 2009-2010.

“The shock of Portsmouth going insolvent meant that the EPL had to introduce regulation to ensure that it couldn’t happen again”.

Informant D: Former executive at national football organisation (FA) and former CEO of EPL club

“Those of us that worked in the EPL were horrified at the collapse of Portsmouth and the damage it did to the EPL, its integrity and the brand. We had to introduce regulation to make sure it didn’t happen again”.

Informant F: Football sports lobbyist, former executive at national sports organisation (UK Sport), former executive at league organisation (EPL); former executive board member at EFL club

While the collapse of Portsmouth certainly spurred the EPL into financial regulation and the introduction of FFP, some commentators felt the limited approach of the EPL reflected the view that, although Portsmouth had been an EPL club, it was never one of the elite and that it could be passed off, by some, as a small club that had over-extended itself and had been unlucky in the succession of owners that had mismanaged the finances of the club, rather than any indication of a systemic financial problem within the EPL. The regulatory response from the EPL:

"[...] put a floor into the regulatory system, it has provided some financial stability but not addressed any of the issues that got football clubs into this perilous position and has not addressed the consequences of a lack of competitive balance created by years of financial inequality".

Informant O: Financial adviser to EPL club

The multitude of issues that Portsmouth encountered regarding financial mismanagement, often connected with the frequent change of ownership and the actions of the new management, in the years immediately prior to the 2009-2010 season and then after, as Portsmouth tumbled through the leagues, is concisely recounted in Conn (2010).

"What we need is a big club to get into trouble. I can't see one of the Big Six ever being allowed to get that close to administration but if a Newcastle or Everton were to catastrophically fail, this might shake the complacency of the regulators [...] and shock politicians and fans into doing something..."

Informant A: Senior executive at fan-centric organisation (FSA)

The status of the Big Six and the perceived reluctance of the regulator to allow such a club to go into administration raised serious issues for the EPL as a regulator. Critics, in the primary material information collected, observed a similarity with the financial system where:

"[...] small firms are allowed to exit from the [financial] markets one way or another since they are not systemically important. Likewise, small clubs are allowed to go into administration, or even exit the leagues, because they are not systemically important - think Crystal Palace, then in the Championship (2010), but, more

recently, Bolton Wanderers in 2019 - to the football brand and, particularly, the EPL brand, but with a Big Six club, this simply cannot be allowed to happen [...] they are too big to fail”.

Informant B: Former NED at EPL and EFL club

Again, this supports the evidence in Preuss et al. (2014). On the one hand, the lack of another EPL club going into administration following Portsmouth would suggest that the EPL financial regulation is effective. Alternatively, as outlined above, the lack of clubs going onto administration does not mean that they are not financially stressed, only that the league and clubs have been able to solve these issues before administration. If that ability to rescue clubs prior to administration was impaired, then, potentially, more and larger clubs might be in danger of administration and more robust regulation may be required.

“There exists, for the large clubs, a degree of moral hazard. Until a big club is relegated due to poor management, there is no imperative to reform or regulate more intensively. Until you have that cathartic moment – a change in the paradigm – that big clubs won’t be rescued, then it is easy to maintain the status quo...”

Informant V: Management consultant and financial adviser to EPL and EFL clubs

Much of the description of the process of regulation by the commentators involved the identification of the catalyst of an event, a crisis, to provide the stimulus to organisations to regulate. However, it became clear in the interviews that, increasingly, this description of how regulation occurs, while likely still to hold true in the future, missed another process that was occurring in the background. While a crisis was still likely to provide the major impetus to the regulator to act, it was acknowledged that this was primarily a backward looking exercise, a resolution of an identified problem.

“The crisis empowered agents to enact change in a way that maintained the status quo, and the warnings from experts didn’t try to enact this change rapidly [...] to such an extent that, perhaps, some of the regulation actually has a detrimental impact on the industry.”

Informant H: Financial adviser and member of supporters’ trust at EFL club

However, the sources identified another contemporaneous process that was occurring at the same time, namely a continuous discussion between the regulated and the regulator to fine-tune the existing regulation and to try and provide a forward-looking analysis of

an industry, identifying the problems in advance and introducing regulation before a crisis emerged.

"I actually think it is difficult to see regulation as a static event or even a reactive one that follows a crisis, but rather, it is a continuous, developing state. All the organisations are engaged permanently in a skirmish over a variety of issues [...] sometimes this develops into all-out war and sometimes, if the regulator is ineffective, it produces Armageddon [...] a real visible, public crisis".

Informant N: Management consultant to football clubs on governance and regulation and former executive at international sports organisation (IOC)

For the regulator to be able to be forward-looking, however, this requires both cooperation and collaboration from the regulated, together with transparency to allow the regulator to better understand how firms operate and, hence, be able to identify issues before they become a crisis. In part, this is an issue of culture, and this is explored in the second-order theme 'The impact of culture'. However, the sources also identified it as an issue of process as well.

"In the regulatory football space of the EPL, there is clearly a pre- and post-Portsmouth world. Clearly, we introduced regulation, but we also changed how we did things: we were caught out by Portsmouth and were determined that this wouldn't happen again".

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

"The relationship between the clubs and the EPL is now much closer and involves a much more two-way information flow".

Informant U: Minority shareholder and NED at EPL club

There still remain some gaps in the football regulatory framework. This should not be surprising given the relative immaturity of the football regulatory space. However, it does reflect the process that as regulation becomes established, it becomes inevitable that an increasing number of organisations and issues are drawn into that space.

"It [the EPL] probably lags behind implementing contingency plans for systemic threats: if Sky pulled out of purchasing broadcasting rights, there is a view, possibly complacent, that alternative providers will always emerge, for example, BT or Amazon".

Informant S: Journalist and author on the football industry and consultant to football clubs and national football organisation (EPL) on business strategy

7.4: Analysis

7.4.1: What is ‘football in crisis’, and is crisis acting as a spur to regulation?

A central tenet of the Hancher & Moran (1989) theory is the importance of crisis in the development of regulatory space. ‘Regulation almost always happens because of the sense of crisis is precipitated...’ and the shape of regulatory space is then determined by the “[...] balance of institutional forces [which], at the moment of crisis, is plainly of enduring importance” (Hancher & Moran, 1989: 284-285) since it is the relative power that institutions hold at the moment of crisis that determines the shape of regulatory space (until the next crisis and any changes in relative power can re-order the outcome). However, the theory is ambiguous as to what qualifies as a crisis, or is particularly perceptive in recognising that a crisis can be a specific event or a collection of events and the apprehension or cognition that something is wrong. This latter sense of crisis is what was repeatedly expressed in the material gathered from the interviewees and it provides confirmation that while it is often a catastrophe, a specific event, that concentrates the mind and prompts regulation, the perception of crisis, rather than a specific event can also act as a prompt for regulatory intervention .

An alternative view was proposed by Szymanski (2010), defining crisis as a specific event: with football clubs going into administration. In recognising that football clubs rarely disappear, in the quantitative framework developed, there was little evidence to suggest football was in crisis and, consequently, no incentive to introduce economic regulation. Indeed, reviewing the data nine years after publication, using the framework suggested by Szymanski, there is no compelling evidence to suggest conditions have changed: the dog has continued not to bark! And yet, in evidence to the HoC CMS (2011), Szymanski used the term crisis to describe the previous twenty-five years of football economics. Thus, while the qualitative evidence suggests that football is not in crisis in that, relatively few clubs go into administration, those that do are concentrated in the lower leagues and even these clubs are able to regenerate to, by and large, continue to be in the professional football leagues, the qualitative evidence continues to emphasise that English football is in a chronic financial crisis.

Crisis remains a notoriously difficult concept to define. Perhaps precisely for this reason Hancher and Moran (1989) remain vague of what a crisis is. Morrow (2003), when discussing the financial crisis in Scottish football also avoided a prescriptive description

of crisis. While Szymanski (2010) did provide such a definition, the evidence of crisis was football clubs going out of operation and the league system, as discussed such a limited definition has the potential to miss significant stress in the system i.e. the evidence gathered suggested that financial crisis within a football club is not only evidenced by the finality of closure and ceasing to operate. Indeed the regenerative features of football clubs make this extremely rare. However going into administration, points deductions, missed interest payments and/or repeated equity investments by owners was suggested by primary sources as equally consistent with a stressed financial system and one in crisis.

Part of the issue with defining crisis is the wide usage the term is applied to, such extensive application of the term denudes it of precision and specificity. Even with the term economic or financial crisis this can include a variety of events from asset price devaluation to speculative bubbles or regulatory failure. Indeed there is a tendency to view each financial crisis as a unique event with it's own inimitable set of factors that caused its emergence. Thus such financial crisis as the Dutch Tulip Bubble of 1637, the 1720 South Sea Bubble, the Wall Street Crash of 1929 or the Global Financial Crash 2007-2008 have been seen as separate events caused by different variables but all viewed with the eponym: crisis. While therefore the term crisis may be difficult to define the terminology does have a heuristic value.

However, even if individual crisis are specifically caused by different variables, crises do have some common factors. Firstly they remain unexpected or at least highly improbable. This is not to say they are not foreseen (even the Global Financial Crash was presaged by some commentators, see Taleb, 2007; Roubini & Mihov, 2010) but that such a crisis was unlikely to occur. Secondly there is some element of specificity to the crisis. Thus while some observers raised concerns with the global financial system for example over leverage of banks or inadequate credit controls, which could have prompted regulatory intervention, the event of Lehman Brothers collapsing in the US and Northern Rock in the UK both prompted the widespread use of the terminology 'crisis' but also acted as the catalyst of change in the regulatory framework. In football the linkage between specific crisis and regulatory change has been perhaps less clear. Certainly the events at Portsmouth acted as a catalyst to regulatory change, subsequent introduction of financial regulation for example FFP seems however to have been prompted more by chronic concern over football finances rather than a reaction to a specific crisis.

It is perhaps therefore important to consider the significance of the event or events that prompts the use of the term crisis. The term implies an event or events that creates a high degree of uncertainty for organisations and potentially or perceived existential threat to the organisation. Seen in this light, the continued precarious financial position of European football clubs during the 1990s and 2000s can be seen as a series of data or events that, while on their own did not threaten the existence of the European football pyramid, as a collective progression raised the potential threat to the organisation of European football and hence the introduction of FFP. Actual crisis, however it manifests itself, begets change. A defining feature of crisis is that it inevitably results in a reordering or change of the economic system and hence a reordering or change regulatory framework. It is perhaps therefore easier to define crisis in retrospect since the evidence of actual crisis is the regulatory response.

Consistently, throughout the interviews, while sources agreed with the contention that football clubs rarely disappear, acknowledging their phoenix-like ability to regenerate, the interpretation of the sources was not that there was no crisis in football but, rather, more often than not, solutions to crises were employed prior to the event of administration. The evidence from the interviews painted a picture of significant crisis at every level of football, for both leagues and individual clubs. As well as eyewitness accounts of financial failure at various clubs, the commentary of the assorted experts provided a picture of 'stressed economics', where an economic exogenous shock could cause a significant financial crisis throughout the English football pyramid. Significantly, although various testimonies were collected describing financial crises at various clubs, only in a few did the crisis culminate in administration. Often, as narrated by the sources, the club was bought, and the capital injection used to mask the financial problems. In this way, the underlying problems of many football clubs were merely kicked down the road, and that the failure to tackle these problems contributed to the perception that pervades football, that of many clubs, particularly in the lower leagues, living hand-to-mouth in a perpetual financial crisis.

However, while the sources expressed a view that football was in a chronic state of crisis, it was a specific event that prompted defined economic regulation. This was the ex-post evidence of a specific crisis: Portsmouth going into administration and the subsequent introduction of economic regulation in the form of FFP rules. The significance that the sources placed on the economic failure at Portsmouth in creating an environment for the crafting of an economic regulatory framework is supported by various secondary sources (see Conn, 2010). Indeed, there was overwhelming evidence to support the view that this was the crisis that expedited economic regulation:

Table 9: Supporting evidence to suggest that the collapse of Portsmouth was a significant ‘crisis’

Informant	Exemplar Data
Informant L: NED at EPL club; former majority owner of EPL club	<i>“We have had a major crisis and that is why we have the regulation we do. Portsmouth was a very, very big crisis for the EPL...”</i>
Informant R: Minority shareholder at EPL club	<i>“[...] football has had a crisis at the top level, Portsmouth...”</i>
Informant M: NED at national football organisation (FA) and former NED at EPL club	<i>“Would clubs be more willing to accept regulation if there had been another significant crisis? Absolutely! If a club the size and importance of, say, a Liverpool went into administration, then many clubs would support more stringent regulation because of the feeling that ‘But for the grace of God, go I!’ When Portsmouth went bust, suddenly everyone was keen on some form of financial regulation”.</i>
Informant W: Editor and contributor to football website	<i>“The catalyst for change was a specific crisis for football that was Portsmouth. That prompted action. Thus, when the issue of third-party ownership became an issue, the EPL moved quickly to deal with it”.</i>

Only one dissenting source argued that the crisis at Portsmouth did not create a radical reform or that the economic regulation did not go far enough. This source also referred to the introduction of FFP at the UEFA level, highlighting that there was no specific crisis with a European background but a general mood of concern around club finances that prompted the introduction of regulation. This theme was taken up by other sources but interpreted slightly differently: while acknowledging the introduction of economic regulation at a pan-European level occurred without a specific, identified, club crisis, this has not occurred in the domestic context. Sources elucidated that there had been almost a continuous media (and other stakeholder’s) identification of a general financial crisis in English football, even following the introduction of FFP by the domestic regulatory authorities but, actually, no further economic regulation or re-regulation had been introduced to remedy this sense of crisis. Their conclusion was that while a sense of crisis could provide a catalyst to regulation, it was more certain to emerge following an

identifiable, specific crisis, such as that which occurred at Portsmouth. Another argument that also emerged from the sources was that although the crisis at Portsmouth did create the conditions for financial regulation, the introduction of FFP had serious flaws, particularly in restricting competitive balance:

“Although football has had a crisis at the top level, Portsmouth, it was not a sufficiently large crisis to radically restructure the regulatory framework...”

Informant H: Financial adviser and member of supporters’ trust at EFL club

“The EPL would never actually let a top six club, a really big club, go under. They know the damage this would do so they would find a solution before it got to this point. The EPL didn’t care about Portsmouth so they could use it as a scapegoat to introduce some regulation. Regulation that protected the status quo, the existing Big Six, but restricted the ability of smaller clubs to break into this circle”.

Informant A: Senior executive at fan-centric organisation (FSA).

In conclusion, therefore, there was significant support for the contention that regulation happens because of a crisis, supporting the general Hancher & Moran (1989) theory. The sources mostly agreed that in a retrospective review of the introduction of economic regulation in English football, it was a single crisis, Portsmouth, which caused regulation to be introduced. Some sources felt that following that incident, the football regulators had become more proactive in the formulation of economic regulation to address issues prior to a significant public crisis and a club entering administration. Others, however, felt that subsequent economic regulation was merely ‘tinkering at the edges’ and that it would require another significant public event to encourage a review of the existing economic regulation to address the issues with FFP. The informants painted a picture of an industry in an extended period of financial stress but that the continued access to mostly overseas capital masked this tension. The data did not support the contention that a lack of football clubs going into administration was evidence of a robust economic framework but rather portrayed a system that was reliant on external capital to maintain solvency and was vulnerable to exogenous shocks.

Contained in this description of the development of economic regulatory space was data that revealed that the process of regulation had a distinctive life cycle. Individual and specific crises might speed up that process and provide another impetus or catalyst to the extension of the framework; likewise, a general sense of crisis would also act as an agency for further regulation. But even without the presence of a crisis, regulatory space was still open to be shaped, extended and formulated. The data gathered provided a

more nuanced view of the critical function that a crisis portrayed in the development of regulatory space.

7.4.2: The development of regulatory space can follow a specific pattern

The sources presented a more complete picture of the lifecycle of the development of the regulatory space than one simply predicated on the discovery or emergence of a crisis. Various sources provided a commentary on the evolution of the regulatory space and noted that while periods or eras of regulatory development were, generally, bookended by a crisis, there continued to be considerable activity between these two events.

The material provided a picture of the development of regulation that started with the catalyst of a crisis and recognised that, in many circumstances, it was a specific event that caused an investigation into the operations of a particular section of an industry. After a period of rapid regulation as a response to the issues identified in the crisis, the development of regulation slowed; there was a lull. This pause in the pace of regulation was ascribed to several factors. The initial crisis had passed, relevant regulation had been introduced to prevent it from occurring again, and both the regulated and regulator wanted time to assess the effectiveness of the regulation introduced. However, this does not mean this lull was a period of inactivity. The sources described a continuous process of negotiation between the regulators and regulated, a process that has become more apparent given the cultural change in the relationship between organisations, from confrontation to more collaborative, as described above.

The lulls between crises reflect periods of consolidation of power or some form of stalemate, almost a standstill in regulation, but not quite, as indicated in the original theory: “In between periods of crisis, the more dominant organisations can retain and consolidate their position of superiority” (Hancher & Moran, 1989: 284). All organisations continue, during this period, to engage in a variety of negotiations across numerous issues. Using the language provided by a source to describe the relationship between rival organisations in football’s economic regulatory space:

“[...] it was the continuation of the struggle [for dominance] but a cold war rather than a hot war, initiated by crisis”.

Informant E: Former executive at national football organisation (FA)

As alluded to, the power dynamic between organisations at the time of a crisis is significant in the determination of the immediate future shape of the regulatory space and it is significant that a crisis alters the balance of power, and firmly places more in the hands of the regulator at the expense of the regulated. This struggle for power between

regulators, particularly the FA and the EPL, is also recounted in Chapter 5 and the secondary data provided by Robinson & Clegg (2019).

The strategy of the regulator during the lull is often one of containment, the primary objective being that of prevention of a further crisis. A crisis produces the right environment for a rapid introduction of regulation that is then followed by this span of relative inactivity. The focus of the regulator is to avoid a further crisis and the introduction of remedial regulation seeks to ensure this. At the same time, in the immediate aftermath of a crisis, the regulator seeks greater scrutiny and transparency to avoid a repeat of events that might lead to a similar crisis, to ensure compliance, and to gather information to try and forestall the next crisis. The narrative revealed an increasing level of contact between organisations that, for some, replicated a day-to-day, continuous skirmish or guerrilla campaign, while for others, it was presented as a new paradigm of cooperation and collaboration between organisations. Viewed from a capture theory perspective, this raises the potential that the increased level of collaboration between organisations, in effect, was a delaying, emasculating tactic used by clubs to prevent further significant reform of FFP. This explanation resonates with Oliver (1991) and Shapiro & Matson's (2008) description of strategies employed by organisations to moderate regulatory influence. Both sets of explanations for this increased communication between organisations, however, agreed that this contact used the resources of the key participants which were often unseen by the wider participants, and which further embedded the regulatory process within the operating landscape of the organisations.

Over time, the significance of the previous crisis diminishes and the division of power alters again. For some, it was suggested that the regulator relaxes its vigilance; for others, it is evidence of the reclamation of power by other organisations, often in conjunction with innovation, that took these organisations and the new issues outside the scope of the existing regulations. As Hancher & Moran (1989: 297) stated: "The dynamic character of the economy of advanced capitalism which consistently creates new regulatory problems, new regulatory arenas and new organisations ready and available to compete in those arenas". These were the conditions that the participants identified as favourable for a new crisis and for the cycle of regulation to start over again. Thus, the pattern of regulatory development followed a sigmoid function.

Hancher & Moran (1989: 295) also identified innovation as a significant factor in the reorganisation of economic regulatory space: "The innovative nature of markets under advanced capitalism constantly disturbs [...]the delineation of regulatory arenas is disrupted". Again, the sources were to confirm that over the period, football had

demonstrated considerable innovation, particularly in attracting an overseas audience to increase revenues and brand value. Such innovations included staggered kick-offs for domestic games to allow for more friendly viewing times for other time zones, a variety of foreign summer tours, and proposals for a thirty-ninth game played overseas. All the innovations have created new issues in the regulatory space and caused some dislocation to it, as elucidated by Hancher & Moran (1989: 295): "Every innovation, in turn, raises two immediate problems: Is it to be regulated and by whom?" The pace of change is driven by three factors: "Growth, innovation and structural change all magnify the complexity of the issues which arise in economic regulation" (Hancher & Moran, 1989: 294), and, hence, the need for a re-evaluation and potential reorganisation of the regulatory arena. In this context, the commentators agreed that the English football business had witnessed unprecedented growth and innovation over the past twenty years that had resulted in the revolutionary structural changes encapsulated by the creation of the EPL and the devaluation of the FA.

Chapter 8. The impact of culture

8.1: Introduction

The position of organisations and the relative power of the actors in an economic regulatory space are determined by a number of factors, including the cultural environment. While the internal cultural values of some stakeholders are examined in more detail in Chapter 9, the external cultural environment is also critical in establishing the type of regulatory space that exists for a given industry.

Hancher & Moran (1989) emphasise the value of 'place' in determining the cultural environment. Place was used to define the legal and political context that the regulatory space was influenced by, and they identified a different cultural environment across different nationalities, particularly contrasting an Anglo-American attitude to regulation with that of a European outlook. As an example, Hancher & Moran (1989) provide considerable detail on the development of the regulatory space of the UK financial services during the 1980s and characterise it as one that has evolved in a political culture marked by a deferential attitude by politics to finance, and a preference for the informal or private: hence, self-regulation by elite or insider groups. However, they noted that culture does change over time and that subsequent events may alter the cultural environment in which this regulatory space has developed.

Finally, there is a recognition that the type of regulation that evolves is partly due to the exercise of power by the organisations in a specific regulatory space. This power and the concentration of power will inevitably shape the regulatory space, if unchecked. Thus, the allocation of power or influence is shaped by the external cultural traditions alongside social and economic considerations. Central to the analysis of any regulatory space is the power brokerage between institutions.

8.2: Motivation and attitude to regulation

The development of a regulatory environment for English football can be characterised by a movement from self-regulation that has been light of touch, to an increasingly rule-based environment epitomised by FFP. However, the creation of the EPL, its emergence as the principal economic power and the pre-eminent economic regulator for the largest clubs, has reinforced the self-regulatory aspect of financial regulation in English football. The material gathered portrayed a historical situation, pre-1992, in which the principal regulator, the FA, was able to influence the regulatory space through their network and

shared social and cultural norms to achieve their desired aims without either an extensive rule book or enforcement of it. The interviewees described the informal approach to regulation that characterised these years:

“Certainly, historically, the FA [...] was able to influence the owners and management of football clubs through a process of ‘moral-suasion’ and the old boys’ network, rather than rely on, perhaps, the need for direct regulation or rules”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

Thus, there was a reliance on the cultural and social norms to enforce the regulatory space. It was a closed and relatively small space occupied by an elite, themes elaborated on by Hancher & Moran (1989) when discussing the growth of economic regulation across different national settings. As described in Chapter 5, however, the English football industry also experienced rapid growth and expansion, fuelled by innovation, deregulation and globalisation, from 1992 onwards. This coupled with an obvious failing in the old approaches to regulation that crystallised in the collapse of ITV Digital and the subsequent financial crisis at several clubs, heightened the need for a more formalised approach to regulation and regulators, focused on rules-based forms of regulation. What has emerged is an increasingly prescriptive, rules-based system of regulation and an emerging recognition that there needs to be a cultural input into the design of the economic regulatory space to ensure adherence to the rules and regulations. The issue identified with a purely rules-based system was that culturally, it invited the emergence of an attitude to evade the restrictions that the regulations sought to impose:

“For some, as soon as you put something into black and white and it is written down, they seek a way around it, looking for loopholes or ambiguity in the regulations which they can exploit. They call it regulatory arbitrage; that’s just a nice name for avoiding the regulations but in a legal way”.

Informant O: Financial adviser to EPL club

An example cited by the sources of such regulatory arbitrage in football has been the various financing strategies employed by football clubs in the financing of stadia, including the selling of naming rights, whereby clubs could avoid the restrictions placed upon them by FFP. As described earlier, there have been issues regarding stadia financing arrangements and, particularly, the use of sale and leaseback arrangements: for example, at Aston Villa and Derby County (Roan, 2019a; 2019b). Everton is currently being investigated by the EPL regarding the sale of an option for naming rights of

Everton's proposed new stadium at Bramley-Moore Dock and the conclusion of the UEFA investigation into the naming rights of Manchester City's Etihad Stadium has resulted in sanctions (Taylor, 2011; Hughes, 2020).

In that sense, effective regulation requires firms to move from a purely legal interpretation of regulations combined with a desire to arbitrage the rules, or to comply with the bare minimum, to one of embracing the purpose and intent of the framework designed. As Sims (2018) highlighted, the introduction of rules, in the form of FFP, has encouraged a culture of circumventing the rules.

"The key to effective regulation is culture. Rules on their own are not enough [...] must avoid compliance becoming a tick-box exercise or, worse still, avoidance of compliance".

Informant P: Consultant on board governance and culture within sports organisations, former NED of a non-departmental governmental body (Sport England) responsible for national sports governance

Among the interviewees, there was consensus that:

"The best regulatory frameworks have a rules plus culture framework".

Informant J: Academic with a research focus on sports governance and regulation, consultant to European football governing organisation (UEFA) and various European football clubs

In describing the evolution of a cultural acceptance of economic regulation, the sources indicated that such a cultural framework had to be created by all the organisations in the regulatory space: both the regulator and regulated had a role to play in creating the appropriate cultural environment:

"Regulation only exists successfully if there is a culture of compliance within a firm. There are always individuals who will sail close to the wind, obeying the letter but not the spirit or, indeed, going outside the regulatory framework. Therefore, there is a need for both regulators and firms to make cultural judgements".

Informant N: Management consultant to football clubs on governance and regulation, former executive at international sports organisation (IOC)

The sources were adamant that the culture of an organisation emanated from the board. While the executives on the board were considered the drivers and creators of an organisation specific, unique culture, it was felt that NEDs on the board also had a critical

role in shaping it. By probing, challenging and questioning the executives, it was considered that the NEDs served a vital function in shaping the culture of an organisation and providing cultural boundaries for a firm. While it was acknowledged that organisations or clubs would create their own culture, partly established by their history and by the existing management team, this was not created in a vacuum but rather within the context of the cultural expectations of society and societal expectations of culture for a specific industry.

“For boards, it is critical to operate in a cultural space that is empathetic to the regulatory space of an industry since culture is inextricably linked to effective internal governance and compliance to external regulation”.

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

However, there was evidence that suggested that other individuals outside the boardroom created the culture of a football club and that the culture was both on-field and off-field. Significantly, it was also felt that the two were interlinked. Thus, a strong on-field culture influenced the operational culture of the non-footballing parts of the club and vice versa. A number of sources harked back to the strong on-field culture of the Liverpool boot room of the 1960s and 1970s, from which a pool of managers emerged:

“The Liverpool boot room set the tone of the club. It determined how the team played, but its ethos of doing things the right way found its way into every part of the club. Of course, it produced a string of managers for the club that represented this culture both to the outside world and internally and to football and non-footballing staff”.

Informant M: NED at national football organisation (FA) and former NED at EPL club

“[...] it was not a surprise that Mourinho did not succeed at Manchester United, despite winning trophies, because his football philosophy was so counter to that of the fans in the Stretford end shouting ‘Attack! Attack! Attack!’ Culturally, it was a misfit and it produced discord throughout the football club. Eventually, discontent about on-field performance spilled into discontent with the boardroom performance [...] and Mourinho became the scapegoat and had to go”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

“Both the owner and the manager of the team drives the off-field and on-field culture of the club”.

Informant I: Current CEO of EPL club and former CEO of EPL and EFL clubs

The above highlights the relative importance of the owner in forming the culture of a club. In this way, the governance and culture of football clubs sharply divergent from some other organisations in that, for shareholder-owned companies, the cultural influence comes principally from the board rather than the nominal owners. The sources, when describing the football clubs’ attitude and cultural response to regulation, made much of the type of owner and the motivation for owning a football club. The informants concluded that this was the most important influence in the football clubs’ cultural response to the emerging economic regulatory regime. Significantly, it was identified that, unlike most industries, the owners of football clubs had a variety of motivations for owning the asset. This too had a crucial impact on how owners exercised their power in organising the regulatory space. At a high level, the sources identified the influx of foreign owners as a major influence in the change of culture in the industry.

The sources highlighted how the influx of foreign owners into the EPL had been quite significant. At the start of the 2019/20 season, only five EPL clubs (Spurs; Norwich; Burnley; Brighton and Newcastle) did not have significant, i.e., greater than ten per cent, foreign ownership. However, in several cases, the domestic ownership was offshore or non-domiciled: for example, Joe Lewis at Spurs and, during the season, a Saudi consortium bid for Newcastle. Foreign investment in the EPL has come from across the globe, including the USA, Egypt, Russia, Iran, Abu Dhabi, Saudi Arabia, Italy, China, Switzerland and Thailand. It also emerged during the interviews that the extent of foreign ownership has spread to the Championship, including Indian owners at Blackburn Rovers, Malaysian at Cardiff City and Greek at Nottingham Forest.

“There is a cultural difference in attitude between owners. We [as owners of an EFL club that was promoted to the EPL.] never really saw it as a business [...] so for us, it wasn’t really about financial success [...] some of the foreign owners also have different motivations [...] some like the power and prestige of owning a football club”.

Informant L: NED at EPL club and former majority owner of EPL club

In this, the source seemed to personally identify with the description that Herbert Chapman (2011: 149) provided of owners in the 1920s and 1930s: “The reward for directors is the right to guarantee bank overdrafts, mortgage their personal insurance

policies and otherwise shoulder the heavy financial responsibilities [...] all because of their enthusiasm for football” and can be contrasted with the view of an America owner (John Henry at Liverpool) when commentating on the solidarity between leagues; “[...] but it is more difficult to ask independent clubs to subsidise their competitors beyond a certain point” (Daily Mail, 2018).

Several sources gave detailed vignettes of the different types of owners that had come into the EPL from the 1990s and highlighted the different cultural backgrounds and potential motivation of owners, considering both long-standing and those from the current cohort of EPL owners. The significance of the new breed of owners in football is that they are not a homogeneous group but, rather, they are motivated by a range of different objectives.

Table 10: Supporting evidence to show the contrasting financial backgrounds and motivation of owners in football clubs.

Informant	Exemplar Data
Informant H: Financial adviser and member of supporters’ trust at EPL club	<i>“You can see a similarity between most of the owners of football clubs until the creation of the EPL and those founders of banks and building societies in the late nineteenth century. For both, communities were at the centre of their business rationale. As the businesses have grown, commercial or other objectives have become overriding rationales and they moved away from their local, community ties”.</i>
Informant L: NED and former majority owner of EPL club	<i>“There is a lot of glamour and prestige associated with owning an EPL club. Its show business as well as a sports business, it fills the newspaper and TV schedules. It can be a big ego trip for an owner”.</i>
Informant B: Former NED at EPL and EFL club	<i>“I wouldn’t lay all the blame on foreign owners; we have had plenty of poor English owners of football clubs. I’d contrast the long-term ownership of Aston Villa with the proposed takeover of Manchester United by Michael Knighton in the 1980s [...] he was a showman but it turned out he didn’t have the money or the backers [...]; however, at least he was</i>

	<i>transparent [...] now the issue is that the ultimate owners of a football club are often hidden behind layers of corporate structures and holding companies set up in tax havens”.</i>
Informant S: Journalist and author on the football industry, consultant to football clubs and national football organisation (EPL) on business strategy	<i>“You might say Jack Walker ‘bought’ the EPL title at Blackburn Rovers and so is no different than Abramovich at Chelsea, but he made his money over fifty years, he turned his family sheet-metal business into a global force in the steel industry and wasn’t given it by a corrupt regime in a dubious privatisation. He invested money but, actually, he ended up giving it to his local club. I think his motivation was, therefore, very different from an oligarch seeking power, influence and political protection...”</i>
Informant C: Member of the Red Knights consortium that tried to buy Manchester United	<i>“The influx of new owners into the EPL comes from a wide variety of backgrounds, but most have one common factor. They have made their money in the last couple of decades and, mostly, from unregulated businesses. You can contrast that with the ‘old’ owners: the Moore family at Liverpool or the Gibson family at Manchester United, who had been the major shareholder from 1927 to 1978 until they sold out to the Edwards family who, themselves, had been a large shareholder from the 1960s and who had built their wealth over many, many years as local businessmen”.</i>
Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club	<i>“Look at Dave Whelan [owner of Wigan Athletic from 1995-2018], a local businessman, took the club from the third division to the EPL; they won the FA Cup, beating Manchester City in a rags-to-riches story. And when they got relegated, he stuck with them; he built them a stadium; he took them back up the leagues. He was involved in the club for twenty-three years. Will the Chinese [in 2018, the club was sold to a Hong Kong business, International Entertainment Corporation (IEC)] stay that long? Do they really</i>

	<p><i>love the club the way Whelan did? Can they really understand how important Wigan versus Bolton or Rochdale is? It's not exactly Manchester City versus Manchester United where the world watches".</i></p> <p>[This interview was completed in January 2019, see epilogue for further description of events at Wigan post this date].</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The pattern of this change in ownership of EPL clubs was summarised as thus:

"[...] the owners of football clubs now, have mostly come into the [football] industry in the last ten-fifteen years and have no affinity, local connection or empathy with the stakeholders. There are no clubs with long-term family held shareholdings that characterised football clubs prior to the EPL: they have all sold out".

Informant W: Editor and contributor to football website

The crux of the problem identified by the sources is that, whereas previously, there had been a relatively homogeneous set of owners motivated by fairly similar emotions and expectations, the ownership of clubs in the EPL was now incredibly diverse and regulation was harder to implement, unable to accommodate the various motivations for owning a football club. For example, observers described the acquisition of several football clubs by the drinks company Red Bull as a 'modern' business operation (Bysouth, 2020), supporting the evidence of Millward (2013) that stated that a theme for new entrants into football club ownership was to promote other businesses:

"Red Bull, rather like Manchester City, has bought up a number of clubs. I think they see it as a support to their core brand, but then have developed a separate business strategy for the football business. This is not about ego or power but, on one level, making money by selling sport and, overlaying that, making money by selling soft drinks".

Informant E: Former executive at national football organisation (FA)

However, the sources also narrated a less positive story regarding the acquisition of football clubs by Red Bull:

"[...] initially it was all about selling cans of drink. But the way they went about it, certainly, was against the spirit of Bundesliga regulations. There are rules about the

commercialisation of the name: when Red Bull bought a fifth division club [SSV Markenstadt] in 2009, they changed the name to RasonBallSport Leipzig, which conveniently shortens to RB Leipzig. Likewise, they have used corporate ownership and shares owned by employees to bend, almost to breaking point, the rules of the German ownership model of 50% plus one”.

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

Goldblatt (2019: 334) describes the acquisition of the club as a “Trojan Horse [...presaging] another round of privatisation and commercialisation and [a] frontal assault on the German model”. In addition to questioning how Red Bull has acquired and used football as a vehicle for its soft drink’s business, the interviewee went on to outline a list of alternative motives for owning a football club:

“It is important to recognise the nuances in the current various ownership models. There are quasi-state, private equity, rich billionaires, local wealthy businessmen, leveraged buyouts and, further down, the leagues’ supporter-owned clubs. Each model has its pros and cons, but financial regulation can affect them very differently [...] suddenly regulation has a variety of outcomes depending on the business model employed”.

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

What emerged in the interviews was that the informants had some specific issues with the new type of owners that were becoming increasingly more involved in football clubs. They identified these owners as potential sources of cultural change who might have a detrimental impact on the regulatory space and the position of stakeholders in that space.

“The chances are that those millionaires, in fact, you now need to be a billionaire for the EPL, have made their money in an unregulated industry, be that Russian privatisations or oil money from a State. Even Alan Sugar [a former owner of Spurs] was principally a successful property developer, not the great tech entrepreneur he claims to be [...] Gold and Sullivan at Birmingham and now West Ham [...] unregulated publishing and property development”.

Informant U: NED and minority shareholder at EPL club

In particular, the material gathered has identified a specific type of investor, private equity (PE) firms, as a significant potential cultural threat to football clubs because of the way they operate, exemplified in Conn (2008a) and:

Private equity (PE) is now a major investor in sport, in leagues and competitions, but also clubs. But PE is a relatively unregulated business and the techniques that are successful in PE (management, restructuring and asset stripping) are not necessarily applicable in sport and the ownership of a football club”.

Informant V: Management consultant and financial adviser to EPL and EFL clubs

“PE is looking for an exit strategy [...] how to sell the club on. They are not necessarily patient or long-term investors. They need to drive profitability and since that is difficult to achieve in football clubs, they focus on revenue generation and valuations based on a multiple of revenues. They are, therefore, focused on revenues rather than long-term financial stability”.

Informant R: Minority shareholder at EPL club

Alongside specific concerns the sources had over the operation of PE investments in football clubs, they also raised concerns over the investment of sovereign funds, the investment arm of some sovereign states, into football. Their conclusion was that often this was not an exercise in investment in football per se but a state wielding power and finance to achieve political aims. The use of the ownership of clubs to project soft power or ‘sportswashing’ the image of countries (Ronay, 2019) was seen as a significant motivation for some owners:

“Another class of owners are ‘state owners’: for example, Middle East sovereign wealth funds. They also come from a vastly unregulated economic system and the motivation of owning a football club is the exercising of soft political power and enhancing the image of their own government”.

Informant B: Former NED at EPL and EFL club

In a critical summation of the type of owner now prevalent in the EPL, one source concluded:

“My experience of modern club owners is that many are just old-fashioned bully-boys who have had a couple of lucky business decisions, been at the right place at the right time, known the right people, but are not the business titans they believe themselves to be or even have that great a business acumen [...] the rest are rather

dubious organisations representing rather dubious governments using football to 'sportswash' their rather unpleasant regimes".

Informant A: Senior executive at fan-centric organisation (FSA)

The influx of different types of owners has also highlighted in the interviewees' minds the concern about the internal governance of football clubs. In their view, as the ownership becomes more distant from the locality of the football club and its stakeholders, the role of the board and, particularly, the independent NEDs, becomes more important. It was felt that the presence of a strong group of NEDs offered football clubs the best opportunity to ensure that the views of stakeholders were represented. However, in their experience, the board of directors at football clubs did not fulfil this role.

"Internal board governance is weak at football clubs. Owners are all-powerful; boards are just rubber stamps, by and large populated by friends".

Informant J: Academic with research focus on sports governance and regulation, consultant to European football governing organisation (UEFA) and European football clubs on governance

"Independent directors do work. My experience at [EFL club, name withheld] was that they consistently challenged and were well-briefed. Because they don't have 'skin-in-the-game', they could be independent. They were fans but also sufficiently financially and emotionally removed to be independent. However, the governance at the club was the exception rather than the rule in the EFL"

Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

But the overwhelming consensus of the evidence gathered indicated a need for a broader style of governance for sports industries:

"[...] there is a recognition across all industries, and this includes sport, that boards now need to acknowledge all the stakeholders in an organisation. It is not sufficient to operate only in the interests of the shareholder: that's 'old' capitalism. Independent NEDs are there to balance the demands of the owner(s) with the wider needs of the stakeholders, and there to exercise their judgement over a much wider field than purely financial considerations".

Informant P: Consultant on board governance and culture within sports organisations, former NED of a non-departmental government body responsible for national sports governance (Sport England)

The thrust of the responses from sources was not that commercialism or professionalism per se were the problem. Indeed, the collaborators pointed to the benefits that commercialism had brought the industry: for example, the sources cited the redevelopment of Spurs' stadium in North London as evidence of the benefit that commercialism could bring. Rather the sources felt that unregulated capitalism was inevitably at odds with the societal aims of football and the current economic system for football. Several felt that the economic system for football had to pivot from shareholder to stakeholder or 'contemporary' capitalism and incorporate a more mutual rather than shareholder ownership structure. In this contention, they mirrored the concerns and solutions raised by Michie (1999), Burnham (2004), Walters & Tacon (2010) and Kennedy (2012).

Alongside the weakness in the governance at board level in football clubs, the sources also highlighted the lack of transparency in decision-making and, even, the financial position of clubs.

"Football clubs need to be more transparent and have truly independent directors to hold the executives to account".

Informant R: Minority shareholder at EPL club

"In the book Football Leaks, you can read about a litany of downright illegal activities by football club owners: bribes, bungs, tax evasion, money laundering alongside the more mundane but equally dubious practices of accounting irregularities designed to circumvent football economic regulation".

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

It should be noted that the culture of secrecy was also ascribed to the EPL (perhaps mirroring the culture of the constituent shareholders):

"It is disappointing that the EPL is so secretive. It does a lot of good work but is very hostile to critics and, as a result, tends not to publish and explain..."

Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

8.3: The exercise of power

“When reviewing regulation, who does what to whom and when is critical. It’s a negotiation process between leagues, clubs and the national governing bodies (and international governing bodies) based, to a large degree, on economic power”.

Informant S: Journalist and author on the football industry, consultant to football clubs and national football organisation (EPL) on business strategy

While sources agreed that in a self-regulatory space, it was primarily economic power that eventually determined its shape there were a range of views about which organisations in the football industry had the economic power. This confusion rested on the fact that in the UK, the clubs and the leagues are one and the same.

“The EPL is the dominant [economic] force in English football, acting, as it does, as a collective for the twenty clubs”.

Informant R: Minority shareholder in EPL club

In that sense, which entity wielded the power, club versus league, has, in England at least, been conflated. However, some of the sources identified that the largest clubs, those with the most economic power, were able to influence the actions of the league.

“You can’t underestimate the global reach of the Big Six. We played Liverpool in the Far East on a pre-season tour, and they sold out the entire stadium. Everybody was wearing a Liverpool shirt, and, at the game, everyone sang ‘You’ll Never Walk Alone’. We were in Hong Kong, but it could have been Anfield! We just don’t have that reach and we never will. They will always be economically stronger than us and have a bigger influence on the league”.

Informant L: NED and former majority shareholder at EPL club

“Large clubs do seem able to flout the rules: the EPL rules state that you cannot change grounds mid-season but gave Spurs an exemption when the redevelopment of White Hart Lane overran. Not sure this would have been the case if there had been a delay in West Ham leaving the Boleyn Ground and relocating to the London Stadium”.

Informant U: Minority shareholder and NED at EPL club

That was not to say that the largest clubs had always got their way in negotiations or had the ability to waive certain regulations.

"[...] because you need a majority of clubs to change the rules, the largest clubs can't dominate, and they are prepared to work with the other fourteen clubs if that might be to their benefit: when Liverpool was in trouble for 'tapping up' Clint Dempsey, it ended up nineteen verses one. To maintain harmony (and possibly to hurt a rival), the rest of the Big Six sided with the other clubs on this issue to uphold the EPL rules that benefitted everyone".

Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

"It is interesting that it wasn't the EPL that first brought charges against Manchester City for breaches of FFP but UEFA. Only belatedly did the EPL start investigations of the club and, as yet, have not published their conclusions. They don't want to hurt one of their own but would rather wait and see the outcome at the UEFA level. Of course, at UEFA, Manchester City have rather less pull: they are not one of Europe's traditional elite, a Real Madrid or A.C. Milan, but are 'johnny come lately' [...] their inclusion in the Champions League party brings a lot less than their involvement in the EPL. They [the EPL] may jump on the bandwagon if Manchester City are found guilty but, otherwise, I wouldn't be surprised if the investigation is kicked into the long grass..."

(As at this point, October 2020, the EPL is still investigating Manchester City for potential breaches of EPL FFP rules while UEFA has concluded its investigation, sanctioned the club and had the sanctions amended at appeal by the club to the Court of Arbitration for Sport (CAS))

Informant H: Financial adviser and member of the supporters' trust at an EPL club

"What we have seen is an increased use of the legal system, be that the High Court in the UK or, internationally, the CAS, to challenge the decisions of the regulatory authorities. This is due to the sums of money at stake. But also, the cultural change in owners who are used to using the legal system to challenge decisions rather than a cultural acceptance of the self-appointed historic regulatory bodies".

Informant T: Sports lawyer, clients include football clubs, international and national football organisations.

However, it was felt that on economic matters the importance of the largest clubs in generating the financial returns for the whole league meant that on financial regulation,

the Big Six were able to exert considerable pressure to ensure regulation worked in their existing business models. The threat that sources felt the large clubs could employ was that of a breakaway pan-European league that would significantly reduce the revenues for a much-diminished EPL.

"[...] the involvement of the elite clubs in your competition is vital, for marketing and sponsorship, TV revenues, and, therefore, the power dynamic has shifted to the largest clubs. They block reform, i.e., greater revenue-sharing, because they are happy with the status quo [...] they like the current oligopoly they have on winning and don't want more competition".

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

Some sources, however, went further in describing a constant battle within the EPL as the Big Six relentlessly pressed for more economic power at the expense of other EPL clubs and clubs outside the EPL. These sources identified a continuing battle for economic resources at the expense of smaller clubs:

"The Big Six aren't interested in a level playing field or a competitive league, they just want to dominate year in year out and, in doing so, make money for their owners so that these owners can bask in the glory of winning. They are constantly looking for 'better' or bigger games. Why play at Burnley twice a year when we could play Barcelona? [...] they don't care about the history of the game, or the smaller clubs or the fans [...] they only care about the money".

Informant H: Financial adviser and member of the supporters' trust at an EFL club

However, there was recognition that in their negotiations with other domestic regulators - the FA - the EPL did tend to act as a united body and certainly had the economic power to ensure that negotiations tended to go their way:

"With the establishment of the EPL, the FA lost money and power. The EPL represents an existential threat to the FA. Likewise, although to a lesser extent, the EFL has encroached on the powers of the FA, further diminishing the power and the financial strength of the FA. The EFL, or at least the Championship, wants to be a mini-EPL and it follows the EPL rather than the FA".

Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

“Can the FA regulate effectively without control or ownership of the revenues? If the FA imposed strong financial regulation [...] the EPL would seek to establish a league totally outside the control of the FA. The only sanction the FA would have would be to ban players in the breakaway league from playing for England, but that would be self-defeating: a weakened England team would have no commercial value”.

Informant E: Former executive at national football organisation (FA)

Thus, the crux of the issue was the economic power wielded by the EPL. Sources reiterated the point repeatedly that because the EPL (and the EPL clubs) had the dominant economic power, they were able to drive negotiations, and this had implications across the leagues. Within the EPL, there was an economic tension between the Big Six and the rest of the league and, in the broader landscape of the English football industry, between the EPL and the EFL clubs (indeed, the sources also commented on the economic tension between the Championship EFL clubs and those in League One and Two). The conclusion from the sources was that this widespread competition for economic resources threatened the cohesion of the entire English football pyramid and raised the potential for multiple splits. It was felt that only the FA could act as an ‘honest broker’ in settling these economic disputes and the sources focused on the erosion of power at the FA since 1992 and how the FA could regain power.

“The EPL have so much more money than the FA. The lack of economic power drives the FA either to the boundaries of the regulatory discussion or the need for statutory powers to regain lost ground, if it can’t resume economic power”.

Informant V: Management consultant and financial adviser to EPL and EFL clubs

“The only way to reverse the loss of power that the FA gave away in 1990-1992 to the EPL is to give the FA statutory powers that trump the economic power of the EPL [...] if it were illegal to play football in England without a licence from the FA, it would force the EPL back into the fold”.

Informant E: Former executive at national football organisation (FA)

This conflict between the EPL and the FA does have serious implications for the configuration of the regulatory space. It means that some issues, competitive balance or solidarity to support the lower leagues (both issues that the FA is keen to promote but

find less support for at the EPL) gain less traction to implement change than if the FA was at the centre of the regulatory space.

“It is magnificent that the EPL assembles the best in the world, truly global talent to play on an English stage. It is the best league in the world! However, the EPL clubs also need to be good citizens of the [whole of] English football society”.

Informant F: Football industry lobbyist, former executive at UK sports organisation (UK Sport), former executive at league organisation (EPL) and former executive board member at EFL club

It also has an impact on the national game and the national team. Because of EPL resistance, regulations designed to support and develop the national team, with a view to winning the UEFA European Championship, the new UEFA Nations League or the FIFA World Cup, have not been brought forward.

“There is, unsurprisingly, tension and a power struggle between the clubs (EPL) and the national governing body (FA): club versus country”.

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

“The clubs don’t care about the England team (or any national team). They hate the friendlies and see them just as an opportunity for their players to get injured and they don’t get properly compensated for it”.

Informant I: Current CEO at EPL club and former CEO at EPL and EFL clubs

The danger for international football has been the relatively poor quality and meaninglessness of some of the games. UEFA has tried to address this by introducing a new international tournament, the UEFA Nations League, to reduce the number of friendlies, thus improving the quality and importance of international fixtures, another indication of the importance of competitive balance in football. This tournament is relatively new and it is too early to judge its success. Potential it may allow UEFA to shore up its control of European football by offering players an attractive international competition and constitute an important element of leverage in the power struggle between UEFA and the clubs to prevent a breakaway European club super league. It also potentially threatens the control that FIFA has on international football with the World Cup. However, the sources highlighted that there was a significant difference in the fan base between international and club football and that this might undermine any benefit that UEFA might gain in the power struggle with the largest European clubs.

“The introduction of a Nations League is another shot across the bow of clubs but also a warning to FIFA about the competition for international football”.

Informant N: Management consultant to football clubs on governance and regulation, former executive at international sports organisation (IOC)

“[...] will the clubs be worried about the Nations League and more international football? I am not sure. The Champion’s League is the highest quality football in the world and the clubs are making progress in seizing control of it. Furthermore, these clubs have a global fan base that doesn’t care about a single national team and, in many cases, puts ‘club before country’. Just look at the banners at an England game: a lot of the fans support clubs in the lower leagues; they don’t come from the EPL”.

Informant E: Former executive at national football organisation (FA)

If power in the English football economic space had migrated to the EPL and, implicitly, the clubs, away from the national governing body, there were opposing views over the power dynamic when considering the clubs versus the international regulator and, particularly, UEFA. On the one hand:

“Power is moving to international regulators who, in some respects, are less equipped to undertake a regulatory role. As in other industries, football experiences a similar power struggle between national and international regulators”.

Informant W: Editor and contributor to football website

However, a number of sources cast a contrasting view in that while the trend of direction in other industries might be for international regulators to seize control of the regulatory space, in football, the power struggle between the clubs and the regulators was likely to result in supremacy for the clubs. In that light, they saw that the power struggle that had occurred at a national level (between the clubs and the FA) was merely being played out again at an international level (the clubs versus UEFA).

“There is a strong argument that clubs should have a bigger say in the running of UEFA and, particularly, their prestigious club competition, the Champions League, and the clubs are continuously pressing for this”.

Informant E: Former executive at national football organisation (FA)

“Likewise, can UEFA effectively regulate since they [also] fear a split by the top clubs away from the Champions League [...] their only sanction would be to stop players playing for their national team in the European Championships (and probably the

World Cup because FIFA would probably back UEFA in a governing body versus club conflict) [...] but who would want to watch a European Championship without Ronaldo, Mbappe and Sterling?”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

“[...] you can ban players from your competition, but this is just ‘cutting your nose to spite your face’ and the truth is that, while it does work now with players still wanting to play for their country, rolling forward, this might not always be true, particularly as the rewards at club level far outstrip those at international. If player attitudes change, then the potential for a breakaway league significantly increases”.

Informant N: Management consultant to football clubs on governance and regulation, former executive at international sports organisation (IOC)

Hancher & Moran's (1989) theory of regulatory space fosters studies of national systems of regulation. They suggest the boundary of the nation state creates an easily identifiable, contained unit wherein agents interact and economic regulation is created. They suggest that the most important way to analyse regulation and its space dimension is to consider the boundaries of the nation-state. Each nation produce their rules by following different political and constitutional responses, they conceive different relations between public and private, enabling various actors to participate in regulatory issues. These can be influenced by historical and cultural traditions, as well as by current economic and political situation. Only briefly do they consider the more complex regulatory arrangements for multi-nationals operating across national borders, reflecting that each subsidiary will act as an agent in its own national operating parameters or the influence of supra-national regulators that seek to impose pan-national economic regulation.

The emergence of a set of supranational regulators in the form of the EU, UEFA and FIFA also impacted the order of English football's economic regulatory space. Significantly both introduced a different cultural perspective on the role of regulation of football. Of the two supranational organisations in terms of economic regulation it has been UEFA that has taken the lead and in doing so reorganised the regulatory space of English football. The emergence of UEFA as an additional financial regulator of the industry has introduced an alternative cultural approach to regulation, reflecting the different economic frameworks that had developed across Europe. The variance in approach to economic regulation rests on the alternative ownership structures that exist in European football for example the 50%+1 rule in Germany to prevent ownership of football clubs by a single individual or the more apparent democratic and pluralist approach evident in

Spain with the election of directors, both presage a different cultural response to regulation. In particular, the national cultural approach to financial regulation in Spain, and particularly Real Madrid and Barcelona, who were significant competitors to the EPL clubs in the UCL, was perhaps a factor in the subsequent approach some EPL clubs took with regard to financial regulation and FFP. Thus, the apparent disregard to FFP exhibited by some European clubs and the lack of a regulatory response by UEFA, may have encourage a few EPL clubs to believe that they could (also) push the boundaries of FFP to achieve on-field success.

The EU and UEFA's approach to financial regulation provided a significant counterpoint to the dominant commercial cultural approach emerging from the EPL. While the Bosman judgement can be seen as a significant factor in the developing financial crisis in football clubs in so much as it contributed to the rapid wage inflation that clubs experienced, it can also be framed in the language of individual freedom at the expense of corporate power. Much of UEFA's rhetoric on the imposition of financial regulation has involved the emphasising of solidarity and the European football pyramid at the expense of corporate, commercial motivations. As such, the general theme of UEFA's approach to financial regulation has been to rein in the more aggressive capitalist owners of football clubs. This apparent suspicion of Anglo-Saxon capitalism has its roots in a broader culture differences between Europe and the UK and US when it comes to economics. This antipathy to the commercial practices heightened the sense of conflict between organisations within the regulatory space and emphasised the cultural differences between institutions.

8.4: Analysis

8.4.1: The impact of culture on economic regulation

In their theory, Hancher & Moran (1989) placed significance on the importance of place as a determinant of the eventual shape of regulatory space. The emphasis on place as an important variable for the development of regulation is recognition that cultural variability will produce different outcomes regarding the eventual shape of the economic regulatory space. In this context, they focus on the national space as the singular most important factor and assert that national peculiarity or national culture has pervasive influence in the development of such a space. For example, they describe the national cultural assumptions concerning the role and purpose of the law, the national legal framework, as a reason for the different types of regulatory space in different countries: "[...] attitudes to the relevance of litigation in the regulatory process, contrasting the detailed rules and adversarial enforcement in the United States with the discretionary

guidelines and cooperative implementation characteristic of so much of British regulation.” (Hancher & Moran, 1989: 281). In conclusion, they suggest that “[...] although the economies of advanced capitalist nations exhibit similar patterns of extensive regulation dominated by a small number of large organisations, there exists significant national variations in the political and constitutional responses to these similarities” (Hancher & Moran, 1989: 280).

Hancher & Moran (1989) devote much of their analysis to the different national interpretations regarding the role of the law, the legal culture, to explain the scope of the regulatory space. Again, reverting to the concept of a bounded, closed space, they say that “[...] distinctive legal cultures may also determine the ability of ‘excluded’ interests to challenge the existing distribution of power within a common regulatory framework” (Hancher & Moran, 1989: 282). Similarly, although in less detail, they ascribe the ultimate shape of the regulatory space to the influence of political culture and the “[...] prevailing set of beliefs and assumptions about the nature of political authority in a community” (Hancher & Moran, 1989: 282).

The data collected provides some corroboration for the theory. The prevalence of self-regulation with the English football industry does support the contention that historically and culturally the preference has been for a more informal economic regulatory environment, with the absence of statutory legislation or the use of the law courts to settle disputes. The data would suggest that governance in clubs and, because of the merging of the clubs’ economic interests with the league (EPL), governance at the league level, have promoted self-regulation driven by self-interest. The cultural environment created by owners, due to their national and industrial perspectives, has led to the exclusion of some stakeholders, for example, fans, in the regulatory environment. As noted by several contributors, as the culture of the organisations has changed, driven by different national cultures and industry approaches to regulation, then there has been an increased use of a legal remedy to seek redress, and challenge and change the self-regulatory economic space. (For more detail on the role of fans and the increased use of legal remedy, see Chapter 9).

Indeed, the contributors provided considerable details as to the cultural change within football clubs over the period in question and ascribed much of the resulting negotiations over economic regulation as a function of the emergence of what could be described as an economic or a business culture. The rapid commercialisation of the industry and the entry of more capitalist owners, epitomised by the influx of PE investors, has changed the cultural approach to regulation. This evidence supports the contention that “[...] the changing impact of culture on the shape and occupation of the common regulatory space

can be particularly illuminating” (Hancher & Moran, 1985: 283). They highlighted the changes in the shape of the regulatory space for UK financial services, that arrangements previously characterised by a high degree of deferential attitudes, regulation by elites and, primarily, self-regulation had, by 1989, been subject to a degree of “[...] strain as a result of a combination of government policy failures, changes in social structure, and wider alterations in the character of popular values”, that resulted in a significant reordering of the space. The eyewitness accounts of the economic cultural changes in football suggest that a similar series of events has occurred, albeit not resulting in a breakdown of a self-regulatory system but a change in the organisation of the self-regulatory space, with the rise of the EPL and the decline of the FA as an economic regulator.

As highlighted earlier, overlaid and intertwined with this change of the business culture has been a change in the national culture with the arrival of foreign owners who represented these changes. Thus, the description of the approach to the English football industry by, for example, American PE investors, gathered from the primary sources, is duplicated by the secondary data sources (see Reade, 2011; Montague, 2017; Robinson & Clegg, 2019). A significant factor in the altered business culture at clubs is, according to the primary sources, due to this change of ownership. These owners introduced a different operating business culture to the industry. For example, given the attributes identified by Hancher & Moran (1989) regarding economic regulation in America, it is not surprising that increased American ownership of football clubs has coincided with a rise in the use of litigation, or threats of legal remedy, to resolve disputes concerning the regulatory space.

In addition, the observers noted that the type of industries directors had accumulated their wealth in, prior to buying a football club, had changed. No longer were clubs owned by third or fourth generation families that had accumulated wealth predominately via local, industrial businesses but rather, in the case of individuals, had acquired their wealth over a mere ten to fifteen years from a wide variety of businesses: for example, property development, unregulated financial services and the media. The typical owner had diversified, being no longer the local businessman. Now they represented different backgrounds, including institutional rather than individual investment, combined with a considerable international flavour, encompassing quasi-state institutions to private equity funds or property developers. For many of the interviewees, the new owners’ economic wealth had originated in largely unregulated economies and industries and, inevitably, there was a different understanding concerning the concept of economic regulated space. Certainly, this development in the change of ownership of football clubs

and the consequent change in attitude to regulation resonates with the observation: “Understanding economic regulation thus demands not only an examination of national cultural traits; it also necessitates an exploration of the distinctive sub-cultures within leading organisations in the regulatory process” (Hancher & Moran, 1989: 288).

Finally, the heterogeneous nature of the current cohort of football club owners also highlights the various motives that owners now have for acquiring a football club. As Hancher & Moran (1989: 290) highlight: “It will be plain that the internal social and political cohesion of the biggest firms in an industry is an important influence on the kind of organisational life that develops in a particular regulatory arena. [And that] The same observation can be made about the social character of an industry as a whole [...] some, like the banking industries, [...] exhibit high social and cultural unity. Such industries are dominated by a social elite, enjoying shared life experience and social origins”. Given the description supplied by the informants, the football industry does not present this picture of ‘shared life experience or social origins’ and that, in these circumstances, the nature of regulatory space and the ability of regulators to design a regulatory framework that accounts for these cultural different organisations is compromised.

Much of the discussion on culture in Hancher & Moran (1989) is framed in a national setting. Thus, the national political and legal frameworks set, in their terminology, the boundaries for regulatory space. National cultural norms dictate how organisations operate within that space. The globalisation of an industry, as evidenced by the business strategy of Manchester City or Red Bull, also impacts the culture of organisations. The process of internationalisation of a business also brings additional regulatory organisations into the regulatory space. However, Hancher & Moran (1989) do not draw any inference about the impact of supra-national regulators, save the comment: “[...] the European Commission has, contrary to what may be assumed, exacerbated the patterns of fragmentation and competition within the state. In some sectors [...] the process of internationalisation has weakened the capacity of national governments and enhanced the importance of self-regulation” (Hancher & Moran, 1989: 289). While already alluding to the lack of national government involvement in the regulatory space of football, the evidence gathered would suggest that supra-national regulation in football (UEFA and FIFA) has indeed weakened the traditional, historic self-regulatory bodies and opened further areas of dispute between the clubs and the supra-national regulatory organisations. The primary evidence supports the description provided by Garcia (2007a) of a transformed football pyramid where clubs and leagues have assumed equal importance alongside supra-national authorities in the football governance pyramid.

8.4.2: The power dynamics in English football

Hancher & Moran (1989: 286) are very clear that large organisations dominate regulatory space facilitated by access to resources that exceed rival institutions. As they enunciate very clearly: first, “Economic regulation is predominantly by and through organisations”, and second: “In economic regulation, control of the means of organising is itself a major resource. This is in part due to the instrumental resources – of money, information, and personnel – which organisations command” (Hancher & Moran, 1989: 290). The creation of the EPL by the clubs can be no clearer an example where, through the establishment of an organisation and with its control of the vital resources, i.e., the financial levers of the business, it was able to preside over the economic regulatory space. As Hancher & Moran (1989: 284) deduce: “The organisation that controls these resources will dominate regulatory space”. Certainly, the testimony of the primary sources was unanimous in that the economic power in English football resided in the clubs and, specifically, in those that formed the EPL and those that constituted the Big Six.

Furthermore, Hancher & Moran (1989: 284) go on to explain that: “The organisation that commands the necessary resources at the historical moment has a good chance at exercising a continuing dominant influence”. Again, this is the experience borne out by the examination of the regulatory space in English football following the formation of the EPL in 1992. This was the critical moment in determining the shape of the space for football and, by controlling the economic resources at that moment, the EPL has cemented mastery of the domain. As described earlier, the EPL comprises the twenty clubs in the league, and how individual clubs exercise power is an important factor in the consideration of how the EPL, as a collective, works. While in theory, the EPL is a democracy, and a qualified majority is needed on many issues to initiate change, the interviewees stated that some clubs were more equal than others, noting the pre-eminence of the Big Six. This suggestion also supports Hancher & Moran’s (1989) contention that control of economic resources is critical in determining the control of organisations and regulatory space: the Big Six clubs remain significantly economically stronger than the rest.

Further detail was provided by the sources concerning the power struggle in the 1990s between the clubs and the FA, resulting in the split that produced the EPL. This primary evidence corroborates the secondary data that described the events surrounding the creation of the EPL (Robinson & Clegg, 2019). The primary data also supported the story that emerged in Chapter 5 of an equally intense power struggle between the largest European football clubs and UEFA over control and revenues generated from pan-European football competitions. The common thread between the disputes is the control over existing economic resources and acquisition of future economic resources, and

lends further support to the general theory provided by Hancher & Moran (1989) over control of economic regulatory space.

In looking at how clubs exercise power in the EPL, it is important to also consider how clubs themselves exercise power and, critically, how the board of directors operate in football clubs. As Hancher & Moran (1989: 289) note: “In an equally obvious way, the structure of ownership in a regulated industry also shapes the nature of its organisational world” and, “The internal political character of firms, though little investigated, is also a crucial variable”. The sources provided considerable material describing how the structure of ownership in the EPL was of direct relevance to the approach football clubs individually and collectively, applied to regulation. In particular, the contributors asserted that most football clubs in the EPL had poor corporate governance and did not operate for the benefit of the majority of their stakeholders. Power resided with the owners, to the detriment of other stakeholders. This evidence gathered on football clubs’ internal governance echoes that provided by various secondary sources (Morrow, 2003; Morrow, 2004; Dimitopoulous & Tsagkanos, 2012) describing how poor internal corporate governance at football clubs contributed to the ex-post financial crisis that some of them experienced. Thus, the failure to acknowledge the broader stakeholder community was another failure of corporate governance. Finally, this failure to appreciate the wider stakeholder involvement in football clubs indicated to the observers that in many instances, significant issues had been relegated to the fringes of regulatory space. In this way, the ownership of football clubs had a significant impact on the ultimate shape of this space. As a comparison, highlighted by Goldblatt (2019: 330): “The kind of governance [fifty per cent plus 1 share] makes German clubs markedly more transparent to their fans and mindful of their interests...”

A final aspect of football regulation and governance that produced considerable comment was the culture of secrecy that pervaded many of the institutions in the regulatory arena, and the lack of transparency. Hancher & Moran (1989) do not specifically allude to these factors but, clearly, they have an influence on the control of resources that determine the dominant partners in the regulatory landscape. They reflect on the political culture of organisations in the regulatory field. The commentators concluded that a degree of transparency would enable other occupants in the arena to challenge those that dominate the scene and go some way to enable those economically weaker participants to improve their negotiating positions.

The data therefore reaffirms the importance of culture and power in the determining the topology of economic regulatory space. In the commentary on culture, sources emphasised the myriad of cultural influences on organisations within the regulatory

space. In highlighting the importance of business culture i.e. both the culture of owners but also the culture of operational procedures of different types of organisations this provided an additional viewpoint to cultural influence beyond that of merely 'place' that Hancher & Moran (1989) focus on. The data does recognise the influence of national culture but emphasises that this is also bound up in the culture of owners and the business culture of organisations. In this, the data extends the cultural analysis that Hancher & Moran (1989: 289) tentatively introduce with their concept of "[...] the internal character of firms". In addition, sources also identified the cultural influence of supra-national football authorities, particularly UEFA, within the economic regulatory space of English football. Thus the data expands on the limited perception of culture that Hancher & Moran provide focused on national culture, and explores the variety of cultural inputs that exist within the regulatory space: nationality, business and political. The combination of these cultural influences underlines the significance of culture in influencing the composition of economic regulatory space.

The data also support the premises within Hancher & Moran (1989) that the distribution of resources and hence power will determine the landscape of economic regulatory space. While the sources did not expound on how negotiations occurred they concurred with the conclusions within Hancher & Moran (1989) that those organisations with the most resources, particularly economic in the absence of legal resource or recourse, were the dominant organisations in the negotiations around regulatory space. The data also confirmed that those organisations that had access to resources at the moment of initial composition of a regulatory framework were able to exercise on-going control of the space. These organisations benefitted from 'first mover advantage', and were able therefore to retain power or authority over regulatory space.

Chapter 9. The relevance of actors in the economic regulatory space

9.1: Introduction

It can be seen from the evidence gathered in other aggregate dimensions that the prime forces engaged in economic regulation in the current framework for English football are large organisations, both clubs and leagues. This description of economic regulatory space supports the view that Hancher & Moran (1989) proposed: large organisations are the principal actors in regulatory space. However, they also specifically highlight that one of the significant large organisations present in this space will be the state or government. In the framework for English football described by the primary and secondary sources, however, the state is conspicuous by its relative absence. Hancher & Moran (1989) also concluded that individuals are unable to effectively influence regulatory space. In this respect, it is unsurprising that in the description of the development of economic regulatory space for English football, fans do not seem to have been an active stakeholder in its evolution to this point.

The evidence that the primary sources generated provides insight into the implication of large organisations dominating the space. As described in previous chapters, the sources depicted a state of conflict between the clubs and the national and international governing bodies. In some cases, the clubs had already seized power and control by breaking away and establishing their own competitions, thereby achieving greater mastery of the economic resources. Where regulatory bodies have retained some economic power, for example, UEFA with the revenues generated by the UCL, then the governing body was able to exercise some control. In both cases, however, large organisations, at the expense of smaller clubs, the supporting base of the football pyramid, and individuals, determine the shape of the space.

9.2: Perceived lack of individual power

From the primary material collated, the interviewees, however, expressed a consistent view that they felt that fans did have the power to influence clubs and the way clubs operated. If channelled effectively, fans could be a significant 'organisation' in the regulatory space. The sources provided some evidence of fans working together, and thus formed, as a quasi-organisation, had influenced other organisations in the space. The ability of fans to coalesce and become an effective, albeit loosely connected, organisation was, according to the sources, facilitated by the use of social media that made the capacity to organise fans easier, while the critical mass needed to effect change was reduced.

The sources first focused on the unique aspect of football fans in that they are a significant factor in the creation of the product and can add or detract economic value to the product by their participation at football matches. Because of their direct involvement in the football match as creators of atmosphere, fans had a tangible influence not only on the on-field success of the team, the fabled home-field advantage, but that on-field success or failure could be transmitted to the behaviour and financial strategy of the board.

“The fan base can be very difficult to understand. On the one hand, they are the consumer; however, they are also part of the product. The atmosphere at the games, the singing, the banter is part of the reason the product is sold around the world. But they also see themselves as the owners and when things go badly often call the board to be sacked”.

Informant L: NED and former majority owner at EPL club

This description resonates with the various studies produced (Giulianotti, 2002; Tapp & Clowes, 2002) that have attempted to segment the fan base. However, while the sources acknowledged that fans had many reasons to support clubs, they did consistently emphasise the importance of the most loyal, committed fans since they had the most to lose (financially and emotionally) from the financial failure of their club. This emphasis seemed to resonate with the basic typology offered by Clarke (1978) of ‘genuine fans’ or ‘others’.

“Fans set the atmosphere in the stadium and a negative, toxic atmosphere, as we have seen at times at Manchester United or Newcastle United, can have a very detrimental impact on on-field success and off-field strategy”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

The implication was that the toxic atmosphere on match-day had a significant impact on the brand value of the club, and also affected the financial strategy of the board. Sources felt that the criticism of the board at Manchester United encouraged the acquisition of players not necessarily as part of a long-term strategy to improve the team but rather as a panic move, a sop to fans, to avoid censure from them:

[Commenting on events at Manchester United]. *“Directors sat in the box on a Saturday and had to listen to the Stratford End chanting ‘Glazers Out!’ On Monday morning, they saw the share price go down. The hostile atmosphere gave the impression (or gave voice to the fact) that this was a club in crisis and, as a result,*

its value suffered. It also meant that they started to make poor business decisions under pressure: for example, the appointment of David Moyes”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United

Sources spoke of similar ‘fan power’ at different clubs and related a series of limited, local campaigns by fans to change the policy of a specific football club, whether it was the cost of season tickets at Liverpool (Miller, 2016), the proposed name change at Hull (Hunter, 2015) or the change of the shirts at Cardiff from blue to red (BBC News, 2012). In addition, fans have been able to establish national organisations to influence the regulatory space of football. In particular, they have combined to form Supporters Direct, which has been instrumental in the ability of fans to take over control of their clubs. Taking some inspiration from the German model of fan ownership, Supporters Direct has been able to help over fifty clubs move to fan ownership via the creation of supporter’s trusts. The role of fans at the grassroots level, reviving old clubs, for example, Exeter, and creating new clubs, typified by AFC Wimbledon and FC United, again via the creation of a fan organisation exemplified by supporter’s trusts, highlights the potential for fan activism based on community and democratic values in opposition to commercialism (Goldblatt, 2019). In addition, the formation of the Football Supporters’ Federation (FSF), formed out of the merger of the Football Supporters Association and the National Federation of Supporters’ Clubs, has been campaigning for, among other things, more fan representation on football club boards and the reform of football governance. The primary evidence supports the secondary sources (Zagnoli & Radicchi, 2010; Slater, 2013; Keogan, 2014), confirming the potential role for supporter-owned clubs and the value this can create. The primary evidence also suggested the growth of alternative ownership structures other than private shareholders, and there was some evidence to support the introduction of ‘mutual’ ownership structures for community assets, backing the data from Michie (1999) and Burnham (2004). While recognising the value that fans might bring with regard to financial stability, reprising the evidence of Rees (2000), the primary sources reiterated that while some fans were prepared to actively engage in the regulatory debate, they remained a minority.

“Fans are having an increasing influence on the footballing bodies [...] a number of campaigns are producing real results: look at ‘Fans not Numbers’ [...] we need to grow this militant base from a minority to a majority”.

Informant A: Senior executive at fan-centric organisation (FSA)

“The fan’s organisation, the FSF, has regular meetings with the EPL, EFL FA and the DCMS to try and secure influence and act as a constructive voice over how clubs are run”.

Informant E: Former executive at national football organisation (FA)

However, while these fans organisations could point to some success, there are considerable caveats. The sources commented noted how most of the achievements in changing the business decisions of football clubs had been in the sphere of specific issues directly affecting fans: for example, ticket prices or changes that affected the history and cultural identity of the club. On these issues, the sources acknowledged, although it was easy to mobilise supporter action, it was considerably harder to gain supporter traction on other issues, such as governance. Furthermore, it was apparent that while fans could actively get involved in the governance and, ultimately, the ownership of smaller football clubs, thereby exercising considerable power (Pilnick, 2018), the financial expenditure involved in the acquisition of an EPL club was out of the reach of (most) pluralist supporter-based organisations. One source had particular experience of trying to acquire an EPL club (as a member of the Red Knights consortium) although he acknowledged that although it was comprised of fans, the consortium was a collection of multi-millionaires and not members of a standard fan-based organisation. He confirmed that the financial rescue of such large clubs really needed a ‘super-benefactor’ (Hamil & Walters, 2010):

“Fan ownership is confined to the smaller clubs in the lower leagues, the AFC Wimbledon and Exeter City of this world; it seems impossible that fans could actually raise the finance to own an EPL club”.

Informant D: Former executive at national football organisation and former CEO of EPL club.

“Part of the problem for greater fan ownership is that it is difficult to mobilise fan’s resources quickly when there is a financial crisis at a club. The league looks for a quick solution and that often comes in the form of a billionaire [...] if the regulator could step in and bridge a club in a crisis, this would give fans the time they needed to get organised and potentially buy the club themselves”.

Informant G: Member of supporters’ trust at EPL club

The research gathered indicated that fans were relatively ineffective at mobilising their power particularly regarding challenging the management and owners over financial strategy or the wider football authorities to institute change in the economic regulations

to improve financial stability. The suggestion was that, in general, most fans were actually really only interested in on-field success and consequently tended to turn a blind eye to boardroom events until it was too late.

“There have been notable occasions of small groups of fans campaigning against unsuitable owners, mostly on an objection to the owners’ human rights record but sometimes over financial mismanagement, but most fans take a ‘three wise monkeys approach’ to owners and only complain when an on-field lack of success can be attributed to a lack of investment”.

Informant R: Minority shareholder at EPL club

“[Fans] have a Micawberesque outlook on their football clubs: something will turn up! Only a minority are interested in governance and the financial management of a club until, of course, it goes wrong!”

Informant S: Journalist and author on the football industry and consultant to football clubs and national football organisations (EPL) on business strategy

It remained, however, the contention of the sources that ‘fan power’ was real and that the advances in social media and digital technologies suggested that the individual could exercise more influence than ever before in mobilising the fan base because of the reach that these communication media afforded. The issues for fans regarding the lack of ability to influence the economic regulatory space were identified as partly structural issues, despite social media there was a continuing lack of organisation or ability to mobilise large numbers of fans, as well as a lack of technical or financial expertise to be able to challenge the management of clubs. However, in both cases, sources felt that, increasingly, fans would be able to mount a serious challenge to the organisation of economic regulatory space:

“We saw with Momentum in the Labour Party what a smallish body of individuals can do if organised and are able to use Twitter, Facebook and other social media platforms. If they can propel a political party, an equally organised and motivated fan body should be able to influence clubs and leagues”.

Informant W: Editor and contributor to football website.

Rising fan-based political and philosophical activism was also identified as an emergent trend by Goldblatt (2019: 372), typified by the movement hashtag #AMF – Against Modern Football - a phrase “[...] born of a conversation football and fashion websites amongst disgruntled English football fans [and developed into] a heterogeneous Twitter

and Facebook following that connected many of the disparate anti-commercial forces in English football". Hill et al. (2018) also highlight this protest against 'Modern Football' and the role that social media has in mobilising a fan base. More traditionally, fan activism occurs at the ground and through traditional communication media:

"Fan's get to express their views every other Saturday afternoon [at the ground, as spectators] but now they also have radio shows like 606 on BBC Five Live and access to social media platforms to voice their opinions. More than ever, fans' views are heard. The next step is to get the clubs to listen to them".

Informant H: Financial adviser and member of supporters' trust at EFL club

"We have seen a growth in social media outlets that both provide a rigorous examination of the financial situation and governance of football clubs [...] or provide a potential platform for fans to coalesce together around and form a pressure group, such as AFTV (ArsenalFanTV)".

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

The rise of such 'activism' via social media channels was highlighted by several sources. Since the advent of ArsenalFanTV, other large clubs have seen similar social media forums created: for example, Full-Time Devils (Manchester United) and The Redmen (Liverpool). And, while the traditional printed fanzine of the 1970s and 1980s has mostly become extinct, a thriving sub-culture of electronic fanzines, such as The Blizzard, founded in 2011, exist and provide illuminating, reflective critical analysis of the financing and management of football clubs (Goldblatt, 2019). However, the informants underlined how the engagement between clubs and supporters varied. The examples given were Arsenal and Manchester United. In the case of the former, the club gave the trust some shares to enable them to attend annual general meetings and encouraged fan ownership (or part ownership) of shares to involve more supporters in the governance of the club. Of course, the relationship between the Arsenal fans and the owners has not been always harmonious. Indeed, Stan Kroenke, as the majority owner, has had to endure recent vituperative criticism from a section of the fan base organised via social media (BBC News, 2019b).

The Manchester United Supporters' Trust (M.U.S.T.), however, has been a long-time opponent of the club's owners. The trust was initially called Shareholders against Rupert Murdoch when it was formed in 1998. This description of the fans' hostility to the

proposed takeover by BskyB is also described in Brown (2007). M.U.S.T. later opposed the takeover by the Glaziers but was unable to block it and, with the club being taken into private ownership, was prevented from challenging and questioning senior club management at annual general meetings. Perhaps unsurprisingly, there has been a lingering distrust between M.U.S.T. and the owners. Goldblatt (2019: 332) articulates an alternative engagement structure: “German football fans are, without question, the most organised and empowered in the world. The nature of club ownership and the election of the club president gives them more leverage than most. However, in addition to this, every Bundesliga club has an entirely independent fans association that seeks to represent their interests at the club. The clubs themselves all have *Fanabteilungen* – fan departments – whose *raison d’être* is not fleecing their customers but incorporating fans and their representatives into the club’s decision-making processes”.

As part of the need for improved governance in football, the interviewees felt that the activities of fans on social media platforms provided an impetus for greater transparency. In this way, it was felt that fans could engage in a better, more educated conversation concerning the economic regulation of the football industry.

“There is exposure provided by various websites: look at The Swiss Rambler, Off the Pitch and The Price of Football. They all provide detailed financial and economic information that could be used by fans and are very powerful mediums to put the spotlight on organisations and their governance”.

Informant K: Financial adviser to EPL club, contributor to football website and former Head of Credit Research at a rating agency specialising in the analysis of football clubs and leagues

“Sports need to have greater transparency and let fans, the media and stakeholders in. These groups can hold sports’ governing bodies to account, particularly in the age of social media, which can be a very powerful tool in holding organisations to account”.

Informant P: Consultant on board governance and culture within sports organisations and former NED of non-department government body responsible for national sports governance (Sport England)

Notwithstanding the development of fan organisations and the education of supporters through social media, the sources concluded that the majority of fans remained only interested in the on-field activities of football clubs and this was a significant impediment to the development of fans playing a greater role in the economic regulatory space. The

experience at Manchester United was deemed typical of the transitory interest supporters had in football financing and governance:

“The Glaziers faced a revolt organised by the supporters’ trust. Fans were wearing only green and gold, the original colours of Newton Heath before it became Manchester United, and not renewing their season tickets [...] but they [the Glaziers] were able to weather the storm. After a few wins, the revolt ebbed away, and the crisis disappeared”.

Informant G: Member of supporters’ trust at EFL club.

In that regard, the revolt against the Glazier takeover manifested itself in discord by supporters at Manchester United matches and the breakaway and formation of a new club, F.C. United of Manchester (Brown, 2008). It was not a sustained opposition to the financial policy of the club but rather a set of sporadic campaigns of opposition, often sparked by the on-field performance or lack of it.

9.3: The ‘absent’ large organisation in football economic regulatory space

A consistent theme of the evidence gathered across the interviews was the role of large organisations in the determination of economic regulatory space. As described above, even if individuals could exercise some influence over the regulatory process, aided by technology, it was acknowledged by the informants that the process was more effective when they joined (or formed) organisations, for example, Supporters Direct, to engage with the other organisations that populated the regulatory space.

However, the participants noted that one large organisation, government, was largely absent from the space. While they noted that, at specific moments, governments had been prepared to intervene and provide statutory legislation, more often they had been content with providing advice or guidance and prepared to leave the regulation of football in the hands of the football regulators and authorities.

“Football very successfully self-regulates and that is why politicians don’t get involved”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

“[...] there is no political will to introduce legislation. There is little interest or understanding of the game and the issues at stake in Parliament. There is more will

in the Labour Party, but other issues always get more attention. Government's view is tainted by the propaganda of the EPL, its success as a brand and its success as a regulator, to produce this economic success. Football is seen as a leading export and, therefore, governments are reluctant to intervene on policy issues that the EPL say will damage the economic success".

Informant W: Editor and contributor to football website

The one area where governments have consistently been prepared to intervene with legislation was over the issue of hooliganism, which blighted UK football in the 1970s and 1980s. The response to violence at and around football grounds, both here and abroad, was the Football Supporters Act (1989), subsequently amended by the Football (Offences and Disorder) Act (2000) and the Football (Disorder) Act 2000. This raft of legislation was designed to eliminate disorder, violence and hooliganism around football grounds, and it incorporated many of the recommendations of the Taylor Report (1990) on the Hillsborough disaster, where ninety-six Liverpool fans lost their lives.

However, action on areas of football economic regulation has been non-existent. Indeed, while the HoC CMS has published reports on issues with football governance, the last, in 2013, being an update of their previous full report published in 2011, ironically noted the lack of progress made on the issues raised previously. The HoC CMS reports highlighted issues regarding reform of the FA, the levels of debt in football clubs, and issues with leveraged buyouts and club ownership. The government's response was to issue a supportive statement but leave any implementation of the reforms suggested with the football authorities. As described in Chapter 5, the overarching response throughout the post-modern era by football regulatory authorities to proposed reforms has been slow and consistently aimed at frustrating change (Conn, 2003, UK Parliament Committee, 2016).

"Football and sport are a low priority for government. At the same time, football is happy with the status quo, so the pressure for reform is limited to fans and some commentators kept to the margin of the debate and with little power".

Informant S: Journalist and author on football industry and consultant to football clubs and national football league organisation (EPL) on business strategy

"Politicians are keen to demand that football bodies, particularly the FA, where they have some leverage because the FA gets government money, do something to reform the system but are reluctant to give them [statutory] power to do it because they perceive it as unpopular".

Informant E: Former executive at national football organisation (FA)

Observers commented that the heart of the issue was that those clamouring for action were, by and large, on the fringes of the regulatory space and that the large organisations that dominated the space (the football authorities and the clubs) were content with the current arrangements. Given that context, governments were reluctant to act given the uncertain political advantage they would accrue from any intervention:

"[...] we have taken the view to regulate some activities for the protection of the consumer. As a society, we regulate package holidays, but it would be feasible to demand consumers buy insurance, however, it is politically expedient for the state to intervene. If regulation of football clubs was seen to win votes, then we would have lots of it..."

Informant A: Senior executive at fan-centric organisation (FSA)

The interviewees were, however, quick to point out that some politicians had been prepared to engage with the debate over governance and even propose legislation.

"We are seeing an increased focus from politicians. Damian Collins, as a member and later chair of the Sport Select Committee from 2010 to 2020, has tried to force change. He even introduced a Football (Financial Transparency) Bill, but it didn't get anywhere [...] you need government to get involved".

Informant E: Former executive at national football organisation (FA)

However, the swings and roundabouts of politics are such that Damian Collins was not re-elected as chairman of the committee in 2020, and it was felt that this would move the issue of football governance away from the centre stage.

"Damian Collins, as chair of the Digital, Culture, Media and Sport Select Committee, has been active and tried to press for change [...] but he was replaced by Julian Knight in 2020, who seems to be more focused on reform of the BBC, so I don't see any immediate pressure from politicians to reform football [...] it's on the back burner again".

Informant D: Former executive at national football organisation (FA) and former CEO at EPL club

It was certainly felt the drive for reform would have to come from bodies such as the Digital, Culture, Media and Sport Select Committee. It was suggested that the government

department responsible for football governance, both ministers and civil servants, put reform as a low priority and that there was no long-term plan to tackle the issue.

“It is clear that in football, the most independent regulator (the FA) with the interest of all football at its heart is relatively weak and that the power lies with the clubs and the EPL. I think the FA could only regain power within a legislative framework and a more active role of government. However, turnover at the DCMS is very high and often involves not the most effective ministers. Civil servant high-fliers don’t go to the DCMS, and ambitious politicians see it merely as a stepping-stone to something better and don’t want to be radical or controversial. Hence, there is a lack of focus on reforming football”.

Informant C: Member of the Red Knights consortium that tried to buy Manchester United.

It is interesting to note that the proposed acquisition of Newcastle United by a Saudi Arabian fund has again raised the issue of whether government should intervene in the ownership of football clubs. Clive Betts, Chairman of the All-Party Parliamentary Group on Football, was quoted in Roan (2020) as saying: “[We need] immediate priority for regulatory scrutiny on the takeover [...] The Government does have a responsibility. They should be looking into it. Football is the sport and there is national interest in this [...] It undermines the whole Premier League and it’s like inviting the cuckoo into the nest [...] Government should not sit on the bench”.

It was also interesting to note that his objection to the take-over was not the human rights record of the Saudi Government (although the Newcastle Supporters’ Trust has raised this as an issue) but rather the support the Saudi regime had given to the private transmission of EPL games in the Middle East, thereby undermining the commercial rights and profitability of the EPL.

To date, however, governments have, by and large, delegated the regulation of sport to other bodies.

“Government could be an ‘activist’ investor. It provides a lot of money to sport and could use this to improve governance; however, it has preferred to delegate both the spending of the money and the regulation of the activities to other bodies”.

Informant N: Management consultant to football clubs on governance and former executive at international sports organisation (IOC)

Alongside the FA, the EPL and the EFL as the principal regulators of football in England, a fourth body does have some regulatory responsibility, namely Sport England. Football does receive grant money from Sport England and, as a result, does have to conform to the guidelines and governing regulations that it imposes on organisations that take such public money.

“Sport England has introduced a governance code for organisations that mimics the more general corporate governance code...”

Informant B: Former NED at EPL and EFL club

The flaw in this arrangement is that Sport England does not have the economic or statutory power to influence the principal economic regulator of English football: the EPL.

“The EPL is exempt from the Sport England code of governance because it does not get any public money. The FA does and has, therefore, had to change its outdated governance [...] of course if you want to influence football you really need leverage over the EPL”.

Informant P: Consultant on board governance and culture within sports organisations, former NED of non-departmental government body responsible for national sports governance (Sport England)

While government has tended to vacate the regulatory space of football, particularly by not supplying the regulatory authorities, specifically the FA, with statutory powers to reassert power and control in the face of a stronger economic power (the EPL), legal resolution to issues has increased. The interviewees suggested a number of reasons behind the willingness for clubs to seek judicial judgements in sporting disputes.

“It is inevitable that as the business of football has grown, with more money at stake, the ‘old’ way of dispute resolution and trust in the governing bodies was naturally going to be under pressure”.

Informant T: Sports lawyer, clients include football clubs, international and national football organisations

“Clubs have been prepared to use the threat of legal action, such as Sheffield United and West Ham over the Carlos Tevez issue, but, by and large, they have historically been content with arbitration by footballing governing bodies. As more money is at stake, however, we have seen more clubs resort to the courts to obtain judgements”.

Informant F: Football industry lobbyist, former executive at national sports organisation (UK Sport), former executive at national league organisation (EPL) and former executive board member at EFL club

The implication of this trend is that as other organisations increasingly turn to the legal system to resolve disputes, the authority of the football regulatory authorities is diminished. To reassert control, the sources felt that the principal football regulator needed to be bestowed with a legal, statutory framework.

9.4: Analysis

9.4.1: The perceived lack of individual (fan) power

As Hancher & Moran (1989: 286) clearly state: “Economic regulation is predominantly by and through organisations”. The role of the individual is limited and confined to and defined by the position held within a large organisation: “Private citizens rarely have a significantly legitimate role [...] but individuals can only enjoy access to regulatory space because they have some organisational role” (Hancher & Moran, 1989: 286). That does not exclude the potential for individuals to achieve some influence in economic regulation as they note: “[...] very occasionally private citizens may succeed in mounting a successful legal challenge to a regulatory programme” (Hancher & Moran, 1989: 286) and the football industry provides confirmatory evidence of this phenomenon with the Bosman ruling (see Chapter 5). However, Hancher & Moran (1989: 286) conclude that “[...]sustained or permanent participation [by individuals] is precluded”.

Given this assertion, the observation of the informants is interesting. They identified that individuals, specifically in the form of fans, are increasingly playing a role in defining the economic regulatory space of football in no small way, aided by the advent of a variety of social media platforms that have allowed individuals a greater presence in that space. They recognised that it was a small but increasing, minority of fans that actually engaged in the debate regarding economic space and that while individuals could be effective in that space, it was often as organisations, either formal coalitions such as Supporters Direct or as looser aggregations of individuals, such as fan demonstrations over specific issues, that they had the most effect. However, the primary evidence gathered supports the contention that issues over governance and fan activism promoted by social media platforms are an increasing element of fandom (Garcia & Welford, 2015). It also provides corroboration that the fan typology, as described by Giulianotti (2002), can be extended to a further dimension around governance as articulated by Garcia & Llopis-Goig (2019).

The data therefore suggests that individuals are tentatively occupying space within the regulatory environment. At the moment their effectiveness is as part of loose coalitions brought together, generally, via social media. Unlike before, social media platforms allow fans to articulate their views and disseminate these to a broad audience. They are complemented by more mainstream media platforms such as radio phone-ins, but combined they allow fans as to express their views and potentially influence the regulatory space. Football clubs are increasingly acknowledging the influence fans have and the desire for a more constructive dialogue. A number of clubs have instigated 'fan forums' and have explored the idea of fans become shareholders to facilitate communication. However, where individual fans are increasing their influence, the primary point of contact for clubs and the regulatory authorities remains the established fan-based organisations either constituted on a nationwide basis for example Supporters Direct or at an individual club level.

An examination of the various fan engagement opportunities at Arsenal football club reveal both the ability of individual fans to influence the club but also the clubs preference to engage with other organisations on an organisation to organisation basis. Arsenal have established both an official Fans Forum with elected members representing different sections of the fan base and an Advisory Board populated by representatives from various established fan organisations for example the Arsenal Independent Supporters Association, and the Arsenal Supporters Trust. However there also exist a considerable number of unofficial social media platforms for example Arsenal Mania Forum, Goonersworld and Online Arsenal Community Fan Forum that can provide publicity for fans view.

Fans influence on the financial regulatory space rests on access to the space and engagement of organisations within the regulatory field. Social media has allowed fans to approach organisations as never before and has allowed supporters entry to the regulatory space albeit as a single voice on social media on the periphery of that space. At the same time organisations within the space have increasingly engaged with supporters although primarily through the medium of organised supporters groups. It is this convergence of both access and an increasing willingness to engage with fans that has led to an increased ability of fans to influence the regulatory space. The increased willingness to engage with (official) fan based organisations is evidence of the increasing influence that fans have but also how structurally difficult it remains for a single fan to influence the regulatory space.

In conclusion, the evidence suggests that while fans have had an increasing influence on the regulatory space, it is predominately by being organised. The narrative expressed in the interviews describes both a formal and informal organisation of fans' interests. Formal organisation has emerged through the creation of fans' bodies. This has occurred at individual club level via the creation of supporters' trusts and official supporters' groups endorsed by the affiliated club. In addition, national umbrella organisations have emerged, such as the Football Supporters' Federation and Supporters Direct, that have facilitated fans to become owners of football clubs, albeit in the lower leagues. Thus, fans could enter the regulatory space in the guise of the owner of a football club. In their own right, however, national supporters' organisations have also become a fixture in the regulatory space engaging in negotiations with other organisations. However, the sources also identified an informal organisation of fans' interests. They saw this in the use of social media and other media platforms to express an individual fan's view and how this could influence the operation of football clubs by highlighting issues to the wider fan base and providing a medium to which individual fans can contribute. Bloggers and vloggers are able to bring issues to the attention and forefront of other organisations in the regulatory space quickly and with the potential of wide dissemination. Social media now allows the individual to be able to reach a significantly wider audience than was previously possible, generated by YouTube, Facebook, Instagram and Twitter traffic support expressed in terms of: active followers; fans and pages liked; reaction, comments and shares and, finally, likes. These represent a loose, informal organisation or association but, in some circumstances, given the numbers involved, may create a significant, powerful voice in the regulatory space. Via these media platforms, it is possible to surmise that the individual in his or her own right can be an actor in the regulatory space.

However, the sources also indicated that fans were not a homogeneous group and this factor weakened their ability to be organised and influence. The weakness of dispirited and disjointed organisations was expounded upon by Hancher & Moran (1989: 289), albeit referring to the regulatory space of the United States: "The fragmented competitive pattern [...] reflected in the balkanised character of pressure groups". It must be acknowledged that fans remain a fragmented group and that this fragmentation is exacerbated by the general priority placed by fans on on-field success above off-field long-term stability. For Hancher & Moran (1989: 290), the lack of unity within a broad organisation explained the subsequent development of the specific regulatory space: "The history of [the] regulation of industrial relations [...] is inexplicable without reference to the fragmented and dispersed character of British trade union organisation". In this way, the failure of fans as stakeholders to successfully occupy a substantial

position represents another, alongside the lack of state presence, lacuna in the regulatory field.

9.4.2: The missing organisation: government

“Economic regulation under advanced capitalism [...] invariably involves interdependence and bargaining between powerful, sophisticated actors against a backdrop of extensive state involvement” (Hancher & Moran, 1989: 272). Arguably, the data gathered on the football regulatory space presented above fulfils the predictions, in that it portrays a space occupied by large organisations that are interdependent. For the most part, they are sophisticated, and the lack of sophistication and organisation of the fan base explains why they remain on the fringes of the regulatory space. However, what is also apparent from the data gathered is the lack of “[...] a backdrop of extensive state involvement (Hancher and Moran, 1989: 272)”.

The lack of state presence in the economic regulatory arena reflects the historic establishment of the football regulatory framework and the subsequent allocation of issues by the football industry and the state, which favours self-regulation. The historic configuration of economic regulatory space, as described in Chapter 5, and the primary evidence, for the English football industry emphasises the difference between sport and other industries. By and large, in English economic regulatory philosophy, sport has been considered a different economic activity and, generally, outside the ambit of government intervention. At the same time, the industry itself has made concerted efforts to avoid government intervention, to some extent portraying itself as different, and beyond the scope of economic industrial regulation. As an industry, it has successfully wrested control of the regulatory arena from the state and concentrated the defining issues in the regulatory sphere as technical. In doing so, the football regulatory authorities have created an economic regulatory field, as Hancher and Moran surmised, of “[...] technical regulation and [...] low politics” (Hancher & Moran, 1989: 293), thereby positioning the state at the margins of the space. At the crucial moment of crisis in football, around the creation of the EPL in 1992, the state did not command “[...] the necessary resources, and its own agencies or actors to dominate the process” (Hancher & Moran, 1989: 285). Having established their superiority in the regulatory arena, football organisations benefitted from the fact that issues were “[...] not the subject of constant debate in the regulatory process. On the contrary: issues of identification and definition are done largely unthinkingly as a result of customary assumptions and organisational routine” (Hancher & Moran, 1989: 293). In this way, football institutions have maintained and solidified their occupation of regulatory space at the expense of state involvement.

Of course, these industrial arguments for the design of an economic regulatory framework, often favouring a self-regulatory aspect, are not new. Hancher & Moran (1989) provide a detailed account of the economic regulatory space of the UK financial services industry and its progression from a self-regulatory framework in the 1960-1970s to one of more formal statutory regulatory architecture from the 1980s onwards. As the football industry has become a more significant economic proposition, there has been more focus on its economic regulation. Notwithstanding this, as the sources outlined, government intervention has remained minimal and confined to reports and recommendations rather than the imposition of statutory requirements. However, the sources were uniform in stating that without statutory powers, any regulator would find it difficult to impose its will over the economic strength of the industry and, in particular, the Big Six.

The prospect for the state to reclaim power or create organisations with delegated powers derived from legislation in the football regulatory space was, for most of the observers, uncertain. Many of them remarked that for the FA to regain ground, in the absence of controlling the economic resources, it needed to control the political and legal resources. In this, the commentators were expressing a view that the regulation of football could follow that of the finance industry, as Hancher & Moran (1989, 294) illustrated with their comments on the changing occupation of the banking regulatory arena in the 1980s: “[the] most striking recent changes are the redefining of this issue [financial regulation] as involving high politics and its reassignment to new arenas”. The direction of travel for increased state involvement in the regulation of finance has continued through the subsequent years, and it reached its apogee as an issue for high politics following the financial crisis in 2008. Thus, for some of the informants, a similar transformation from low to high politics would have to occur for the state to reassert influence in the sphere. For some, the prospect of more state involvement rested on it filling the void via the introduction of statutory regulation or legislation, albeit by delegating these powers to a reformed, reordered FA. This is in line with the themes established by the secondary sources (Hamil, 1999; Sutcliffe, 1999; Michie, 2002). The dissenting voices suggest that while politicians were prepared to comment and, in many circumstances, criticise football and its economic foundations, they lacked the political will, the lack of a clear political advantage, to engage with the football institutions in the regulatory arena.

However, as the contributors noted, if the growth of the football industry continues, its size and significance related to the wider UK economy (see Deloitte’s reports 2010-2019) will increase, and so will the spectre of state involvement in the regulatory field.

However, in reference to earlier chapters, the catalyst to any change in the organisation of the regulatory space rests on the identification of an industry in crisis and, as the sources commented in Chapter 7, the most likely catalyst was the occurrence of a specific, significant crisis, the financial collapse either of a Big Six football club or financial difficulties at the EPL level, to prompt such a radical reorganisation. Hancher & Moran (1989: 275) note: “[...] in a market economy, firms carry out functions of an essentially public character. Their decisions on investment, employment and output have important distributional implications, which resonate in the ‘public’ sphere”. Thus, the sources suggested that it would require the failure of a club or league to highlight and underline the misallocation of resources and present a situation where government intervention is required. Alternatively, they highlighted that reform could occur if the continued misallocation of resources raised the political debate on football such that it became a significant issue in domestic politics, probably in conjunction with a renewed focus on the economic regulatory space by various stakeholders, that prompted the state to intervene.

Chapter 10. Conclusions and potential areas for further investigation

10.1: Summary of the contribution of the thesis to the theory of regulatory space

Hancher & Moran (1989) present a broad schematic framework explaining how economic regulatory space develops and is occupied. Their sketch offers several key propositions and observations, summarised thus:

- 1) Economic regulation is, predominantly, by and through large organisations.
- 2) The understanding of regulation is the comprehension of how organisations interact - how networks and interdependence affect the distribution of power - and is an examination of the power-brokerage dynamics.
- 3) The form of regulation in a national or supra-national context is a reflection of the legal, political and cultural landscapes in which a given regulatory space is located.
- 4) The division between public and private regulation is artificial: organisations on both sides of the divide shape regulatory space.
- 5) An organisational perspective in regulatory space allows an examination of how and why any organisation gains, maintains or loses position (power) within the space.
- 6) Crisis plays an integral part in the development of an economic regulatory space.

The evidence collected confirms some of these propositions on the development and occupation of economic regulatory space in English professional football in the post-modern era. In addition, some of the primary evidence gathered provides further insight and extends this theory.

In the introduction, Hancher & Moran (1989: 271) outlined their thoughts in developing the concept of regulatory space: “We begin by identifying the most distinctive features of economic regulation; go on to suggest that regulation is best understood through the analytical device of ‘regulatory space’, and then sketch how national political and legal settings, historical timing, organisational structure, the character of markets, and the nature of issue arenas all influence the shape of regulatory space and the allocation of power within that space”. Critically, the concept of regulatory space “[...] is an analytical construct” (Hancher & Moran, 1989: 277), a tool brought about through purely analytical methods, not experimental verification, built upon theoretical assumptions. It is an

abstraction that allows the observer to conceptualise the development of regulatory space: an imagined, visual device that brings clarity to the understanding of the occupation of, and interaction within, a regulatory framework. This list of features or aspects of regulatory space provides the subject matter for the sketch they composed to picture it. In places, it provides the background, for example, the historical context for the development of regulatory space; in other places, it provides the central focus, the foreground, to the way current regulatory space looks, for example, the allocation of power.

Two qualities immediately emerge when considering this sketch. First, it was drawn from observations and, that in design, it was a brief, rough description that contained the basic elements but remained loosely composed. There is scope for subsequent research to in-fill, providing more detail to the sketch. Thus, this research seeks to add, using the motif of a sketch, brushwork to the scene to progress to a more complete picture. It contributes to the theory by both providing confirmation and colour to some of the central features of the landscape Hancher & Moran (1989) described and by developing some of the facets of space. It provides more depth to elements of the background while furnishing further definition and detail to the central, current features or the foreground of the composition. It contributes an additional step in making headway to a completed canvas of the landscape for regulatory space.

Following the evidence and referring to the theory, the conclusion is that football is regulatable as an economic activity, both ex-post and ex-ante. While it has, as an economic activity, distinctive features, this does not provide an exception to the general theory proposed. As outlined, “[...] the notions of what is ‘regulatable’ are plainly shaped by the experience of history, the filter of culture and the availability of existing resources” (Hancher & Moran, 1989: 278). The evidence gathered from interviews and secondary sources describes an era during which the cultural environment, the resources available and the incidents of history have combined to foster an environment into which economic regulation has been introduced. Hancher & Moran’s (1989) digression from purely economic theory to justify regulation, encompassing a broader definition for the creation of economic regulatory space, prompted most of the sources to contend that football should continue to be economically regulated and be subject to more intensive financial regulation. The data supports the theoretical contention that economic regulation is a central and increasing part of developed capitalist economies, applicable to a wide range of economic activity.

The language used by the contributors to describe the interaction between organisations, mostly one of conflict, echoes that of Hancher & Moran (1989). They described the

'negotiations' between organisations as "[...being] furiously contested" and "[...] a struggle for advantage" (Hancher & Moran, 1989: 277). The respondents used similar terms: "[...] vying for supremacy" and "[...a] fight for control" to describe interactions between organisations in the football economic space. However, the respondents went further in their descriptions, outlining an emergent trend of collaboration rather than conflict in negotiations. While friction between organisations may remain the order of the day, across issues, the potential for cooperation also exists. The language used by the sources to describe the overall reach of regulatory space diverged from the original theory to enable the researcher to envisage a boundless regulatory space. The portrayal of inter-relationships between organisations and the dimensions of space allowed the researcher to formulate a more suggestive picture of the landscape of regulatory space, best visualised by the concept of the relative area occupied by actors and the issues reflecting their power or significance, together with a heat map that gives perspectives on the importance and intensity of interactions. As an example, when third-party ownership of players became a significant topic in the EPL, this issue would have suddenly occupied a significant area of regulatory space, having been on the margins. Given its immediate importance, it became a hot issue. In terms of visualisation, it was reorganised into a large problem occupying a significant stretch of space, closely orbiting organisations and commanding consequential capital (economic, political and legal), alongside consuming negotiations to formulate a regulatory response. Subsequent economic regulation by the EPL reduced the importance of the issue and, using this enhanced visualisation, the size of the space it occupied. It would have cooled in colour (less ardent discourse) and became more peripheral to the organisations. It would then return to occupy the outreaches of the space, with few resources devoted to it. However, it has not been eliminated from the space entirely: third-party player ownership remains an issue for English clubs when buying overseas players, particularly from South America; some EPL owners persist in utilising third-party employment contracts, albeit via indirect corporate structures (Buschmann & Wulzinger, 2018; Conn, 2020c), and minority share ownership of clubs can resurrect player third-party ownership by proxy (Montague, 2017).

With respect to football club longevity, the evidence seemed to agree with Szymanski (2010). Football clubs have a strong propensity to survive and regenerate after financial crises. The narrative provided did not, however, support the contention that because the incidence of crisis events, defined by clubs entering administration, was low, there was no crisis in football. Rather the evidence supported the Hancher & Moran (1989) suggestion that a sense of crisis could be sufficient to act as a spur to regulation, and the evidence gathered from the interviews and secondary sources suggest that there remains

a strong perception of crisis in English football. However, while evidence showed that this sense of crisis existed for almost all of the period examined and had prompted the creation of an economic regulatory framework in the guise of UEFA's FFP rules, it was also the contention of the sources that a concrete, specific, identifiable crisis, for example, the financial failure of Portsmouth, produced a more rapid introduction of economic regulation. Furthermore, while the sense of economic crisis has continued to pervade English football since the introduction of FFP rules, this was not matched by a concomitant extension or evolution of regulation. The sources concluded that maybe another evidential crisis would be needed to engineer a further reorganisation of English football's economic regulatory space. While the data confirmed the importance of a crisis in the overall development of a regulatory space, the evidence also provided additional detail as to the pace of regulation and the existence of a regulatory cycle. While confirming that factors such as innovation contributed to the disruption of the space, the nature, pace of change and reorganisation of it displayed a sigmoid-like pattern.

The evidence gathered also supports the contention that 'place', a cultural dimension, is an important variable in the specific industry's solution to the configuration of a regulatory space. However, while Hancher & Moran (1989: 279) placed such a cultural facet primarily in a national setting, describing it as a "national peculiarity", the suggestion from the data is that globalisation is eroding this national perspective or, rather, the English football regulatory space is influenced by a range of different national outlooks on regulation. The observers suggested that the diverse culture of football club owners was an increasing influence in the organisation of such space and their approach to negotiations with rival institutions. While Hancher & Moran (1989) were relatively quiet on the impact of supra-national organisations in the space, the interviewees were of the opinion that such organisations occupied significant space in the football regulatory universe and, as such, were factors in the diminution of power of other institutions.

"Our sketch shows that the allocation of power and influence within regulatory space is influenced by legal tradition and by a wide range of social, economic and cultural factors" (Hancher & Moran, 1989: 291). Focusing on the economic factors, the evidence collected confirms that those institutions that have concentrated access to resources dominate economic regulatory space. Furthermore, the data confirms the view that the organisation in control of those critical resources at the moment of crisis dominates the resulting space. In commenting on the corporate structure of football clubs, the research reveals that the structure and political attitude of the board shapes the individual and

collective responses of clubs and leagues. Finally, greater transparency would enable economically weaker organisations to challenge the existing hegemony.

The narrative confirms the general proposition that large organisations dominate the regulatory space. Evidence shows, in agreement with the theory, that on a specific issue, individuals could influence economic regulation but that this was predominately on a fleeting, temporary basis. Long-term, large, complex organisations prevailed in regulatory space. However, there was a developing theme in the data establishing how various social media platforms have allowed individuals and a loose association of followers to also influence it. Finally, although much of the Hancher & Moran (1989) concept of the occupation of space is predicated on the state occupying a significant position in that arena, there is sufficient flexibility in their description of regulatory space to allow for a different configuration of the domain, one where the state occupies only a minor role. For some of the contributors, however, a rebalancing of that space, the seizure of territory by the state, or its designated agents, is necessary if other footballing institutions are going to compete with the current dominant economic force of the EPL. This goes some way to supporting the theory that significant state involvement is necessary in an evolving regulatory space.

The contribution of the thesis to the theory of organising regulatory space can be summarised as follows:

- 1) In support of the original premise, organisations have been paramount in the development of English professional football regulatory space in the post-modern era. Even data that suggests individuals, because of social media and greater transparency, might become a more significant force in shaping regulatory policy, mostly observers envisage this involvement as being part of organisations: for example, Supporters Direct.
- 2) Again, confirming the circumstances proposed by Hancher & Moran (1989), crisis has been the catalyst for regulatory change. The sources pointed to the specific crisis at Portsmouth as a crucial event that promoted economic regulation. However, the informants also recognised that a chronic and widespread sense of crisis had permeated the football industry during this era, and had produced economic regulation: for example, the introduction of FFP by UEFA.
- 3) Hancher & Moran (1989) placed no bar to the economic regulation of any activity and the evidence gathered supports this contention: football is economically 'regulatable'. The evidence also confirms the proposition that the organisation that controls the resources at the moment of crisis

determines the shape of the economic regulation introduced. In the case of English football, this was UEFA and the EPL.

- 4) The sources highlighted how the distribution of power continued to shape the economic regulatory space: as the dominant economic organisation in this space, the EPL continues to exercise the prevailing power. The absence of the state as a major force in the space is at odds with the general understanding of how regulatory space develops, in that Hancher & Moran (1989) suggest that regulatory space is divided between state and non-state organisations and that the state plays a significant role. However, the description of a regulatory space for football relatively denuded of state involvement reflects both the historical and cultural context of the economic regulation of sport in England, with minimal state involvement. In the conditions of industry-led regulation, the sources suggested that other organisations could only occupy more regulatory space if they were provided with legal (statutory) power to counteract the economic power of the EPL: a restating of the role of the state in regulatory space.
- 5) Alongside the political context, the broader cultural attitude to regulation has been significant in the development of an economic regulatory framework. The sources emphasised that the culture of organisations, for example, the FA and EPL, had blocked and frustrated the implementation of economic regulation during the period and that, going forward, the culture of clubs, particularly the Big Six, may suggest the need for further economic regulation to preserve features of the current English professional football framework.
- 6) The evidence develops the motif of 'space' used by Hancher & Moran (1989). The sources envisaged a regulatory space that was expanding, albeit at different speeds: a slower pace or imperceptible expansion commensurate with periods of deregulation, more rapid at moments of crisis. In this respect, the change in dimensions of the regulatory space displayed a sigmoid function. Rather than a delineated, bounded space, the observers perceived a less-defined area where issues either gravitated to the centre of the space to orbit large organisations or, for example, in periods of deregulation, left their orbit to relocate at the far reaches of the regulatory galaxy. The sources provided descriptive language to allow the researcher to envisage a topography of regulatory space where the most powerful organisations occupied a larger area at the centre, together with a heat map to further emphasise the relative importance of issues to different organisations at

different times the intensity of negotiations around these issues and to aid the visualisation of the occupancy of regulatory space by organisations and issues.

While a compelling overall narrative emerged, it must be noted that individual testimonies have not been critically evaluated. As outlined, the philosophical underpinnings of the research reside in an interpretivist approach and grounded theory. Hence considerable weight was placed on the 'stories' that emerged from the sources. Sources 'lived' experiences provided the thick descriptive material from which the compelling narrative emerged. In that, the research was content to take the testimony of the sources at 'face value', prioritising the perceived experiences of the witnesses over a more objective and critical analysis of the motivation of the sources. This implies an acceptance that the sources provided therefore, a subjective, personalised view of the phenomenon in question. This personalised viewpoint of course was also present in some of the secondary sources used. The commentary provided by individuals such as David Conn often represent a personal interpretation to events and are open to the appraisal that they reflect a subjective truth rather than an objective reality.

This is of course a regular criticism of interpretivist research, its subjective nature and the bias that can be embedded both in the testimonies collected and the interpretation of the data by the researcher. By accepting a non-critical appraisal of the data, the research placed more value on the in depth, rich personalised accounts informants gave on the development of the regulatory space and the influence of subjective variables, for example culture, on the development of the regulatory framework. In doing so the data was therefore susceptible to bias or at least the influence of a perceived reality and lack of objectivity. For example, it was interesting to note that notwithstanding the overall evidence suggesting failure of the FFP to produce either competitive balance or financial stability those sources that had been involved in the development of the framework through their roles within the EPL were reluctant to criticise the regulatory architecture. These sources, rather than focusing on apparent failures in the regulatory framework emphasised the 'successes' the structure had enjoyed for example the elimination of third-party ownership within the EPL.

Other sources, with their own different set of biases and perceived reality provided a counterpoint to these views. Thus some of the fan-centric sources provided an unalloyed criticism of the performance of large organisations such as the EPL or the motivation of some owners within the field of economic financial regulation. While the researcher was prepared to accept these comments uncritically that was not without the recognition that

in some cases this socially constructed reality was also underpinned by sources philosophical views of a distrust of capitalism or 'big business'. The untangling of a perceived and objective reality is an issue that lies at the heart of the contest between interpretivist and positivist research. Suffice to say individuals examining the data and this thesis will apply some level of critical analysis in evaluating the strength of the personalised, vivid descriptions of the regulatory framework established within English football and the ability to extrapolate from these subjective, individual viewpoints a more objective appreciation of the (probably) 'truth' behind these stories leading to more broad generalisations over the themes and trends behind the development of the regulatory space.

10.2: Contribution to the potential reorganisation of the economic regulatory space of English football: 2020 and beyond

"Football is not in 'good health', because there is a danger that an overly commercial approach to sport will end up compromising important sporting values and undermining the social function of sport" (Arnault, 2006: 13).

The data collected presents English football in a serious condition in terms of economic vitality at the end of 2019: it has remained in poor financial health. The evidence presents a picture of significant financial disparity between the English leagues and a noteworthy dispersion of financial strength intra-league, highlighting the economic concentration of resources in the Big Six versus the rest of the clubs in the EPL. This presents several issues for the English football industry moving into the next decade. It should be noted that the sources presented a vision of the economic regulatory space that did not entail an unwinding of the commercialisation of football but one that moderated the ultra-capitalism of the post-modern era: regulated, contemporary capitalism rather than free, unfettered capitalism. In this, they reflected Herbert Chapman's comments of the pre-war football economic system: "It may be thought that I am against commercialism. Well, that is a side of football that has become highly important [...but] it is always the actual football that comes first [...] I should be highly unhappy if I thought there was the slightest danger of the playing side being negated" (2011: 134-135): the game is more important than the economic outcome.

The financial disparity between leagues threatens the economic viability of the lower leagues and the stability of the English football pyramid. The continuing divergence of economic resources between the leagues casts a doubt on the solidarity of the football industry and, ultimately, presents an existential threat to the current league system. Even at the EPL level, the disproportionate distribution of economic resources intra-league

creates a potentially existential threat to the league: the potential for the 'haves' to split from the 'have-nots' is both persistent and increasingly likely, given the existing economic regulatory framework that fosters the current imbalance and the motivation of some owners.

The suggestion from the evidence gathered is that economic regulation in English football needs to be reframed. From a prudent aspect, the business models now employed by some clubs have the potential to drive both individual football clubs and leagues, because of the inter-linkage between leagues, as evidenced by solidarity or parachute payments between leagues and relegated clubs, into financial instability that can infect and spread. FFP rules need to be recast to include more rigorous prudential control: for example, leagues could introduce a levy, calibrated by turnover, for clubs to self-insure or establish a football club rescue fund that would enable clubs to remain solvent mid-season and ensure the integrity of the leagues is maintained while providing time for the regulatory authorities to seek a managed transfer of assets to an appropriate owner (in such a current environment, such a rescue fund could also have been used to mitigate an economic shock). By structuring the levy as an increasing proportion of turnover, this might also go some way to promoting a more level economic playing field.

The sources referenced a wide range of other additional measures: salary caps were mentioned by all but, while gaining lukewarm support, the interviewees reflected that the monitoring and enforcement of salary caps was fraught with difficulty, highlighting the issues in rugby union and the infraction of regulations at Saracens Rugby Club (Aylwin, 2019). Another potential solution to the promotion of a more level playing field was the potential to limit the number of transfers a club could undertake in a season as a proportion of turnover, richer clubs being more restricted than poorer clubs. An alternative would be to limit squad sizes or the number of players out on loan: both would, *prima facie*, lead to a fairer, more equal distribution of talent, improving the competitive balance. However, the sources indicated that the existing corporate structures of some football clubs, for example, Manchester City's global network of clubs, might already circumvent such regulation. Within the re-scoping of FFP, the regulation of conduct needs to be strengthened to ensure that clubs are managed to achieve long-term financial stability. As a corollary to this, the regulator needs to monitor football clubs on an intensive and, perhaps, more intrusive scale than before, together with introducing speedily applied sanctions for breaches of FFP. As part of this, the sanctions need to extend to management and owners that are involved in financial mismanagement.

Alongside this reframing of the regulation of prudence and conduct, FFP rules also need to reflect the desire to promote a competitive balance between clubs and across leagues.

FFP rules should not introduce a degree of systemic rigidity that preserves the status quo and stifles competition, either on-field or economically. FFP needs to extend to the economic operation of leagues: they represent a significant economic entity in their own right. It, therefore, follows that FFP rules should monitor individual clubs, leagues and the entire football pyramid, taking a holistic approach regarding the entire football economic ecosystem. Thus, economic regulation at a league (or industry) level can be designed to promote a level playing field. Finally, it is clear that the fit and proper test needs to be expanded to incorporate a more aggregate view of the appropriateness of individual owners of football clubs, given their societal value. As an example, these combined roles of prudential, competition and conduct regulation are mirrored in the reorganised economic regulatory space of the UK financial services industry post the financial crisis in 2008 and are the objectives of the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA).

This level of intense scrutiny of football clubs and leagues would require an elevated role for the regulator and separation of the regulator from the leagues or clubs: i.e., a move from self-regulation to an independent regulator. At the heart of this would be a more interactive relationship and increased transparency. It would also require the regulator to move from an existing tick-box mentality to that of a holistic approach, where cultural values are also part of the regulator review process. A theme running through the data collected is that, in addition to radical reform of the regulatory arena in the form of statutory legislation, the existing framework needs an overhaul. While the sources suggested a range of further economic regulations (see above), they were also keen to stress a need for a process change. The monitoring regime of the football authorities needed substantial improvement. Sources bemoaned the delay between investigation and sanction regarding breaches of the regulation that allowed clubs to benefit from contraventions (in terms of on-field success) and implement strategies, for example, stock piling players ahead of any transfer ban, to mitigate any sanctions, while the fines often did not reflect the economic benefit clubs had accrued due to their transgressions. The sources used the aphorism: 'justice delayed is justice denied' and issues with enforcement of FFP remain a weakness in the regulatory framework since it hinders fostering a culture of compliance (Abbatt & Dixon, 2019). The cultural changes that are necessary, as witnessed by the evidence gathered, require a collaborative process involving both parties. The sources pointed to a widespread failure of corporate governance in football clubs. Certainly, there is a role for more independent directors, perhaps bolstered by the requirement of football clubs to operate according to the sports' corporate governance code, as proposed by Sport England. It would also be a

proactive step to include supporters' representatives on clubs' management boards, acknowledging the role fans play in football clubs.

The evidence suggests that the increasing prevalence of 'invasive capitalists' (Montague, 2017) as owners of football clubs, emerging from across the globe but spearheaded by American private equity firms, implies a continued fractious relationship between modern owners, driven by revenues and asset values, and traditionalists, concerned with societal values and the contribution that football makes to communities. In this environment, it seems that the potential for fans to be exploited is magnified and that the power struggle between rival camps with conflicting objectives is likely to continue. Such is the current organisation of economic regulatory space in football, it seems unlikely that a system of self-regulation can deliver an economic regulatory system able to accommodate these divergent objectives. In this context, the football industry seems incapable of self-reform.

In this scenario, the onus of reform must fall on the state. Given that it seems that the existing regulatory authorities are unfit for purpose, it would suggest that a new independent regulatory authority is needed for football, buttressed by statutory legislation. With clubs and leagues increasingly looking to challenge the regulatory authorities' decisions in the law courts, it seems inevitable that football regulators will require powers granted by statutory instruments to provide a legal framework for economic regulation. Granting an authority the power to legally regulate the football industry, compelling all English football clubs to comply with the established economic framework or risk being unable to use their football facilities, thereby prohibiting the club from playing in any football competition, either domestic or international, would transfer economic power back from the clubs and leagues to the regulatory authority, reversing the process initiated by the creation of the EPL in 1992.

The theme of conflict between an increasing commercialisation and 'aggressive' capitalism at the expense of other stakeholders within the economic space of football is present throughout the data gathered. The evidence exposes a fault line between these two tectonic plates of capitalism and societal values. The conclusions from participants was that economic regulation and an independent regulator have the potential to lubricate this fault line, to organise football's capitalist system without eliminating the additional benefits that football provides.

Subsequent to concluding the evidence gathering, two significant proposals emerged (Project Big Picture and the short-lived suggested ESL) that put into sharp perspective this clash between the commercialisation and capitalism of football and the values of

other stakeholders, particularly fans, within the economic regulatory space of football. While the response from fans and government may have prevented clubs from breaking away at this moment, this threat remains (BBC News, 2021) and has provided an added impetus to calls for an independent football regulator. While the suggestion of an independent football regulator is not new, this thesis provides an updated evidenced based conclusion of the need for an independent football regulator to exist within English football's economic regulatory space to mediate between these competing forces. In this it provides a contemporary collection of evidence to support this conclusion.

10.3: Areas and directions for further research

Hancher & Moran's (1989) theory on the organisation of regulatory space is a sketch of the various factors that influence the composition and arrangements within that arena. This research provides some additional depth and definition to this sketch, adding to the composition, but there remain many areas in the hypothesis that may warrant further examination and exploration, and where the primary data in this study did not venture into.

A longitudinal study of the regulatory space for the English football industry in the post-modern era raises some intriguing and divergent directions for future research. First, as a broad canvas, it would take in the whole of the football industry over the period in question. It, therefore, would present the opportunity for a more in-depth critique of a specific phenomenon during the period. Future research could usefully review the specific crises that some football clubs have experienced over this period, culminating in administration - for example, Portsmouth or Glasgow Rangers - and compare those case studies to instances where football clubs have been perceived in crisis but have been subject to a rescue takeover, thereby avoiding the ignominy of points deduction and, perhaps, relegation. Examples of this could be Liverpool or Chelsea. An examination of these case studies could shed more light on the events, circumstances and conditions that led up to an individual club's failure, and whether these are replicated in situations that did not culminate in a definable crisis event.

It also offers the possibility of extending the research to other sectors of the sports industry. The bulk of research in the sports industry is directed at football; however, the application of the theory to other sports industries could be illuminating. For example, rugby union turned professional considerably later than football, in the early 1990s. Therefore, the organisation of the economic space for this sport is considerably less developed, although we have already seen some interesting thought-provoking differences emerge. In the UK and Ireland, for example, we have seen three different

structural models established for the payment of players. In England, the rugby clubs are primarily responsible for the payment of players; in Wales, there is a hybrid system where payment is shared between the national governing body and the regions, and in Ireland, players are centrally contracted. The difference in controlling economic resources has, according to Hancher & Moran (1989), implications to the eventual arrangement of the regulatory space.

Third, the research acknowledges that some key stakeholders, for example, players, were not involved in the primary research data collection. A subsequent study might want to include data gathered from this cohort. As significant stakeholders, their contribution to the regulatory arena could be revelatory, both for the role of individuals and as a collective, as the PFA, operating in the economic regulatory area. Furthermore, other key stakeholders declined to be involved in the research. Various politicians were approached but a combination of factors (not least Brexit and COVID-19) meant that it proved impossible to arrange interviews, and the research had to rely on hearsay and commentary from observers. The research also lacks direct input from one of the major actors in the space, namely the EPL. Again, the organisation was approached a number of times, but it declined to be involved in the study. The research, therefore, relied on a group of former employees of the EPL to give feedback on the role of the organisation in the arrangement of the regulatory arena. The inclusion of evidence from these stakeholders would provide further depth and understanding of the capacity and structure of regulatory space in English football.

10.4: Epilogue: A tale of two cities.

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness...” (Charles Dickens, *A Tale of Two Cities*).

Nineteen miles as the crow flies separate Wigan Athletic and Manchester City, but the fate of the haves and have-nots in twenty-first century English football were starkly realised in the summer of 2020. In February 2019, Manchester City had signed a new ten-year kit deal with Puma, reportedly worth £650 million, and were (pre-COVID-19) on course to report earnings in excess of their arch-rivals Manchester United for the first time in their history (BBC News, 2019a). The parvenu had already established on-field supremacy with four EPL titles and a further seven domestic cup triumphs since 2010 including a domestic treble in 2018-19, confirming their dominance of English football, while their nemesis, Manchester United, had only two EPL trophies to show, most recently in 2012-13, and five domestic cups. Only in European competitions, since 2010,

could the Red Devils claim superiority over their noisy neighbours' (Self, 2014), but with only a solitary UEL victory in 2016-17.

In July 2020, Manchester City overturned a two-year ban on competing in the UCL, a ban previously imposed for breaches of UEFA's FFP rules (Conn, 2020b). With continued off-field economic strength secured and access to the richest European club competition settled, the club could continue to pursue its on-field sporting ambitions. 2019-20 had been disappointing. Falling at the quarter-finals of the UCL, domestic success had also eluded them, finishing second in the EPL, and losing to Arsenal in the semi-final of the FA Cup: all the club had to show was success in the EFL Cup. In the pre-season, on the back of their improved sponsorship revenues, the club spent a further £138 million on new players in pursuit of regaining their EPL title and their first UCL success.

Wigan Athletic, on the other hand, at the start of 2020-21, were back in the EFL League One, having been relegated the previous season. During the pre-season, for financial reasons, the club released twenty-five players and recruited five, all on free transfers. The fall from grace had been swift. In 2013, Wigan Athletic was in the FA Cup final, ironically beating Manchester City one-nil and, although relegated at the end of that season, were in a relatively financially secure position. The club had a modern, new stadium financed via equity by the long-term owner, a local businessman, Dave Whelan. Although the club was relegated to the EFL League One, the owners continued to invest in the club, and it was back in the EFL Championship for the 2017-18 season. In that year, the club was sold to a Hong Kong company, International Entertainment Corp (IEC) ending a twenty-three-year relationship with the Whelan family.

In June 2020, IEC sold the club to another Hong Kong company, Next Leader Fund (NLF), who then filed for administration in July 2020, blaming the COVID-19 pandemic and the resulting prohibition on fans going to the stadium as the cause of the financial crisis. The points deduction imposed by the EFL for entering administration mid-season took Wigan Athletic into the bottom three of the league and, ultimately, relegation to the EFL League One for the 2020-21 season (Conn, 2020a). With a weakened squad, the 2020-21 season started badly with Wigan Athletic already (October 2020) languishing just above the relegation zone and continuing to suffer severe financial difficulties. A proposed purchase of the club in July 2020 fell through; another bid tabled in September 2020 has yet to be approved by the EFL (October 2020). Without a buyer emerging, the prospect of another relegation looms. Given the current economic climate exacerbated by COVID-19, the future of the club is bleak and the existence of the club in the professional ranks of football must be in doubt. Fans will be aware of what happened to another Lancashire club, Bury, earlier in the year, emphasising the need for a reformed economic regulatory

framework (Conn, 2020d). With no fans allowed into the DW Stadium due to COVID-19 restrictions, there is no chance to hear the Wigan supporters sing the long-time club song You are my Sunshine, but the lyrics are apt and poignant:

“You’ll never know dear

How much I love you

Please don’t take my sunshine away...”

(Jimmy Davis and Charles Mitchell, 1939).

References

- Abbatt, G. and Dixon, I. (2019). *Financial Fair Play: Enforcement Remains Unclear*. Global Infrastructure & Project Finance, FitchRatings: London.
- Allison, L. (1998). "Sport and Civil Society". *Political Studies*, 46: 709-726.
- All-Party Parliamentary Football Group. (2004). *English Football and Its Finances*. London: HMSO.
- All-Party Parliamentary Football Group. (2009). *English Football and Its Governance*. London: HMSO.
- Aloia, A. (2019). "Bury and Bolton Wanderers crisis: what next for the EFL?". Available at www.bbc.co.uk/sport/football/49495387 BBC News, 28.09.19 accessed 28.09.19.
- Alvesson, M. (2003). "Beyond Neopositivists, Romantics and Localists: A reflexive Approach to Interviews in Organisational Research". *Academy of Management Review*, 28 (1): 13-33.
- Alvesson, M. and Karreman, D. (2007). "Constructing mystery: Empirical matters in theory development", *Academy of Management Review*, 32: 1265-1281.
- Alvesson, M. and Sandberg, J. (2011). "Generating Research Questions through Problematization". *Academy of Management Review*, 36, (2): 247-271.
- Amara, M. (2012). *Sport, Politics and Society in the Arab World*. London: Palgrave-Macmillan.
- Amis, J. and Silk, M. (2005). "Rupture: promoting critical and innovative approaches to the study of sport management". *Journal of Sport Management*, 19(1): 355-366.
- Anderson, C. and Sally, D. (2013). *The Numbers Game. Why everything you know about Football is wrong*. London: Viking, Penguin Books.
- Andrew, M. and Harrington, P. (2016). *Off the Pitch: Football's Financial Integrity Weakness and How to Strengthen Them*. No. 311 CID Working Papers, Centre for International Development at Harvard University.
- Angrosino, M.V. (1989). *Documents of interaction, biography, autobiography, and life history in social science perspective*. Gainesville, FL: University of Florida Press.
- Arendt, M. (1957). *The Human Condition*. Chicago: Chicago University Press.

- Arendt, M. (1970). *“On Violence”*. London: Allen Lane.
- Arnaut, J.L. (2006). *“Independent European Sports Review”*. EOSE.org: www.independentsportsreview.com.
- Aylwin, M. (2019). *“Saracens Docked 35 Points and Fined £5m for Salary Cap Breaches”*. Available at www.theguardian.com/sport/2019/Nov/05/saracens-docked-35-points-and-5m-fine-for-salary-cap-breach Guardian, 05.11.19 accessed 05.11.19.
- Babbie, E. (1989). *“The Practice of Social Research”*. 5th Edition. Belmont, CA: Wadsworth.
- Bachrach, P. and Baratz, M.S. (1970). *“Power and Poverty: Theory and Practice”*. New York: Oxford University Press.
- Bacharach, S.B. (1989). “Organisational theories: Some criteria for evaluation”. *The Academy of Management Review*, 14 (4): 496-515.
- Baimbridge, M., Cameron, S. and Dawson, P. (1996). “Satellite television and the demand for football: A whole new ball game?”. *Scottish Journal of Political Economy*, 43 (3): 317-333.
- Bain, N. and Barker, R. (2010). *“The Effective Board Building Individual and Board Success”*. The Institute of Directors: London.
- Baldwin, R. (1997). “The Football Business: The Financial State of the National Game”. *Sports Law Administration and Practice*, 4 (7): 9-12.
- Baldwin, R. Cave, M. and Lodge, M. (2010). *“The Oxford Handbook of Regulation”*. Oxford: Oxford University Press.
- Baldwin, R., Cave, M. and Lodge, M. (2012). *“Understanding Regulation”*. Second Edition, Oxford: Oxford University Press.
- Baldwin, R., Scott, C. and Hood, C. (eds). (1998). *“A Reader on Regulation”*. Oxford: Clarendon Press.
- Banks, S. (2002). *“Going Down: Football in Crisis”*. Edinburgh: Mainstream Publishing.
- Bansal, P. and Corley, K. (2011). “The coming of age for qualitative research: Embracing the diversity of qualitative methods”. *Academy of Management Journal*, 54:233-237.
- Barry, B. (1990). *“Political Argument”*. Berkeley CA: University of California Press.
- Baxter, L.G. (2006). *“Understanding Regulatory Capture: An Academic Perspective from the United States”*. International Centre for Financial Regulation.

BBC News. (2002). "*Airdrie buy Bankies*". Available at www.bbc.co.uk/sport1/hi/scotland/2118528 BBC News, 09.07.02 accessed 21.09.18.

BBC News. (2012). "*Cardiff City FC Fans React to Red Shirt Branding*". Available at www.bbc.co.uk/news/uk-wales-south-east-wales-18340430 BBC News, 06.06.12 accessed 07.06.12.

BBC News. (2013a). "*Swansea City: Premier League 'worth £58m' to Economy*". Available at www.bbc.co.uk/news/uk-wales-south-west-wales-20895147 BBC News, 03.01.13 accessed 10.10.18.

BBC News. (2013b). "*Airdrie United to revert to old Airdrieonians name*". Available at www.bbc.co.uk/sport/football/22762457 BBC News 03.06.13 accessed 21.09.18.

BBC News. (2014). "*Financial Fair Play Championship Clubs Agree New Regulations*". Available at www.bbc.co.uk/sport/football/29940463 BBC News, 06.11.14 accessed 12.12.16.

BBC News. (2016). "*FA Reform: Former Chiefs Say 'Elderly White Men' Block Reform*". Available at www.bbc.co.uk/sport/football/38274152 BBC News, 12.12.16 accessed 12.12.16.

BBC News. (2018a). "*Arsene Wenger: Arsenal boss says Europe's 'Big Five' leagues 'being destroyed'*". Available at www.bbc.co.uk/sport/football/42916936 BBC News 02.02.18 accessed 02.02.18.

BBC News. (2018b). "*Aston Villa: former finance director Mark Ansoll says club gambled on Premier League return*". Available at www.bbc.co.uk/sport/football/44382488 BBC News 06.06.18 accessed 30.06.19.

BBC News. (2019a). "*Manchester City replaces Nike with Puma in kit deal*". Available at www.bbc.co.uk/news/business-47402439 BBC News 28.02.19 accessed 30.06.19.

BBC News. (2019b). "*Stan Kroenke: Arsenal fans and bloggers sign letter calling for change*". Available at www.bbc.co.uk/sport/football/48979800 BBC News, 15.07.19 accessed 15.07.19.

BBC News. (2019c). "*Ineos Buying Premier League Club was 'difficult to rationalise' – Bob Ratcliffe*". Available at www.bbc.co.uk/sport/football/49625064 BBC News, 08.09.19 accessed 08.09.19.

BBC News. (2019d). "Gambling on Premier League riches, divorce and ego trips – what it is like to own an EFL club". Available at www.bbc.co.uk/sport/football/50075572 BBC News, 18.10.19 accessed 19.10.19.

BBC News. (2021). "European Super League: 'No action off the table'". Available at www.bbc.co.uk/news/uk-politics-56810962 BBC News, 20.4.21 accessed 28.10.21.

Becker, G.S. (1983). "A Theory of Competition among Pressure Groups for Political Influence". *The Quarterly Journal of Economics*, 98 (3): 371-400.

Beech, J., Horsman, S. J. L. and Magraw, J. (2008). "The circumstances in which English football becomes insolvent". CIBS Working Paper, Series 4:1-20.

Bell, J. (1991). "Doing your research project". Second Edition, Milton Keynes: Open University Press.

Benjamin, J. (2000). "Interests in Securities: A Proprietary Analysis of the International Securities Market". Oxford: Oxford University Press.

Berger, P.L. and Luckmann, T. (1966). "The social construction of reality: A treatise in the sociology of knowledge". New York: Doubleday.

Berle, A.A. and Means, G.C. (2017). "The Modern Corporation and Private Property". New York: Routledge.

Bernard, H.R. (2011). "Research Methods in Anthropology: Qualitative and Quantitative Approaches". Plymouth: Alltamera.

Bernstein, M. (1955). "Regulating Business by Independent Commission". Princeton: Princeton University Press.

Berry, M., Schmidt, M. and Brook, S. (2006). "The Wages of Wins: Taking Measure of the Many Myths in Sport". Stanford: Stanford University Press.

Black, J. (1997). "Rules and Regulation". Oxford: Oxford University Press.

Black, J. (2002a). "Decentring regulation: understanding the role of regulation and self-regulation in a 'post-regulatory' world". *Current Legal Problems*, 54: 103-146.

Black, J. (2002b). "Regulatory Conversations". *Journal of Law and Society*, 29 (1): 163-196.

Black, J. (2002c). "Critical reflections on regulation". *Australian Journal of Legal Philosophy*, 27: 1-35.

- Black, J. (2003). "Proceduralising Regulation". *Current Legal Problems*, Part 11 (54): 103.
- Blair, M. (1995). *Ownership and Control. Rethinking Corporate Governance for the Twenty-First Century*. Brookings Institutional Press: Washington.
- Blair, M. (2003). "Post-Enron Reflections on Comparative Corporate Governance". *The Journal of Interdisciplinary Economics*, 14: 113-124.
- Bo, E.D. (2006). "Regulatory Capture: A Review". *Oxford Review of Economic Policy*, 22 No. 2.
- Boeije, H. (2010). *Analysis in Qualitative Research*. London: Sage.
- Boin, A., t'Hart, P., Stern, E. and Sunderlius, B. (2005). *The Politics of Crisis Management*. Cambridge: Cambridge University Press.
- Bougheas, S. and Downward, P. (2003). "The Economics of Professional Sports Leagues: Some Insights on Reform of the Transfer Market". *Journal of Sports Economics*, 2: 87-107.
- Boon, G. (2000). "Football finances: Too Much Money?" in "Football in the digital age: Whose game is it anyway?", Editor: Hamill, S. Edinburgh: Mainstream.
- Bourke, J. (2011). *What it means to be Human: Reflections from 1791 to the present*. London: Virago.
- Bowen, G. (2009). "Document analysis as a qualitative research method". *Quantitative Research Journal*, 9(2): 27-40.
- Bowyer, T. (2007). *Broken Dreams. Vanity, Greed and the Souring of British Football*. London: Second Edition Pocket Books.
- Braithwaite, J. (1989). *Crime, Shame and Reintegration*. Cambridge: Cambridge University Press.
- Braithwaite, J. (2000). "The new regulatory state and the transformation of criminology". *British Journal of Criminology* 40(2): 222-38.
- Braithwaite, J. (2008). *Regulatory Capitalism: How it Works, Ideas for Making It Work Better*. Cheltenham: Edward Elgar.
- Braithwaite, J. (2008). *Regulatory Capitalism*. Cheltenham: Edward Elgar.
- Brass, D. and Burkhardt, M. (1993). "Potential Power and Power Use: An investigation of structure and behaviour". *Academy of Management Journal*, 36 (3): 441-470.

- Brealey, R.A. and Myers, S.C. (1991). *"Principles of Corporate Finance"*. New York: McGraw-Hill.
- Breyer, S. (1982). *"Regulation and its Reform"*. Cambridge MA: Harvard University Press.
- Breyer, S. (1993). *"Breaking the vicious circle"*. Cambridge MA: Harvard University Press.
- Brinkworth, S. (2002). "Football turns to Securitisation to Fund Growth". *International Financial Law Review*, 13.
- Brown, A. (2000). "European Football and the European Union: Governance, Participation and Social Cohesion - Towards a Policy Research Agenda". *Soccer and Society*, 1 (2): 129-150.
- Brown, A. (2007). "Not for Sale? The Destruction and Reformation of Football Communities in the Glazer Takeover of Manchester United". *Soccer and Society*, 8 (4): 614-635.
- Brown, A. (2008). "'Our Club, Our Rules'. Fan Communities at F.C. United of Manchester". *Soccer and Society*, 9 (3): 346-358.
- Brown, A., Crabbe, T. and Mellor, G. (2006). "English Professional Football and Its Communities". *International Review of Modern Sociology*, 32 No. 2 Special Issue (Autumn 2006): 159-179.
- Brown, A., Jaquiss, K., James, M., Kiernan, A., Osborn, G., Boyle, D. and Hall, T. (2011). *"Developing Football Regulation to Encourage Supporter Ownership in Football"*. Supporters' Direct: London.
- Brown, A. and Walsh, A. (1999). *"Not for Sale: Manchester United, Murdock and the defeat of BskyB"*. London: Mainstream Publishing.
- Brown, D., Taylor, C., Baldy, R., Edwards, G., and Oppenheimer, E. (1990) "Computers and QDA – Can they help it? A report on qualitative data analysis programmes". *The Sociological Review*, 38 (1): 134-150.
- Bryman, A (1988). *"Quantity and quality in social research"*. New York: Unwin Hyman.
- Bryman, A. (2004). *"Social Research Methods"*. Oxford: Oxford University Press.
- Buraimo, B., Simmons, R. and Szymanski, S. (2006). "English Football". *Journal of Sports Economics*, 7 (1): 29-46.

Burgess, R.G. (1988). "Conversations with a Purpose: The Ethnographic Interview in Educational Research". *Studies in Qualitative Methodology*, 1:137-155.

Burgess, R.G. (2002). "Qualitative Interviewing: Asking, Listening and Interpreting" in "Qualitative Research in Action", Editor: May, T. London: Sage.

Burnham, A. (2004). "Regulation, redistribution and mutualisation: a red-in-tooth-and-claw cure for football's ills" in "Trust in Football", Editors: Jackson, M. and Maltby, P. Institute for Public Policy Research: London.

Burns, T. (2007). "Structured Finance and Football Clubs. An Interim Assessment on the Use of Securitisation". *The Entertainment and Sports Law Journal*, 4(3).

Burrell, G. and Morgan, G. (1979). "Sociological Paradigms and Organizational Analysis: Elements of Sociology of Corporate Life". London: Heinemann.

Buschmann, R. and Wulzinger, M. (Translated by Chase, J.) (2018). "Football Leaks. Uncovering the dirty deals behind the beautiful game". London: Guardian Faber.

Bysouth, A. (2020). "How did Red Bull build a Champions league side from scratch?". Available at www.bbc.co.uk/sport/football/51475532 BBC News, 21.04.20 accessed 21.04.20.

Cadbury, A. (1992). "Report of the Committee on the Financial Aspects of Corporate Governance". London: Gee.

Caiger, A. and O'Leary, J. (1999). "Towards a paradigm shift in professional football: The changing contours of business relationships in English football". *Sport and Law Journal*, 7 (2): 44-50.

Callow, J. (2010). "Portsmouth go into administration". Available at www.guardian.com/football/2010/feb/26/portsmouth-premierleague Guardian, 26.02.10 accessed 15.07.17.

Calvin, M. (2019). "State of Play. Under the skin of the Modern Game". London: Penguin Radom House.

Campbell, D.T. (1975). "'Degrees of freedom' and the case study". *Comparative Political Studies*, 8: 178-193.

Cassell, C. and Symon, G. (2004). "Essential Guide to Qualitative Methods in Organisational Research". London: Sage.

Castells, M. (1996). "The Rise of the Network Society". Oxford: Blackwell.

Cawson, A., Shepherd, G. and Webber, D. (1989). "Governments, Markets and Regulation in the West European Consumer Electronics Industry" in "Capitalism, Culture and Economic Regulation", Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.

Centre for the Sociology of Sport. (2002b). "Fact Sheet Seven: Fan 'Power' and Democracy in Football". University of Leicester.

Cernat, L. (2004). "The emerging European corporate governance model: Anglo-Saxon, Continental or still a century of diversity?". *Journal of European Public Policy*, 11 (1): 147-166.

Chapman, H. (2011). "Herbert Chapman on Football. Reflections of one of Arsenal's Greatest Managers". London: GCR Books. (Original work published 1934).

Clarke, J. (1978). "Football and working-class fans: Tradition and Change", in "Football Hooliganism: The Wider Context", Editor: Ingham, R. London: Inter-Action.

Clarke, T. (1993). "Case Study: Robert Maxwell: Master of Corporate Malfeasance". *Corporate Governance*, 1 (3): 141-151.

Clarke, T. (2004). "Theories of Corporate Governance: The Philosophical Foundations of Corporate Governance". London: Routledge.

Coase, R.H. (1960). "The Problem of Social Cost". *Journal of Law and Economics*, 3: 1-44.

Conn, D. (1997). "Football Business: Fair Game in the '90's". Edinburgh: Mainstream.

Conn, D. (1998). "The Football Business: Modern Football Classic". Edinburgh: Mainstream.

Conn, D. (2003). "FA Obstruction Invites Big Stick of Regulation". Available at www.independent.co.uk/sport/football/news-and-comment-david-conn-fa-obstruction-invites-big-stick-of-regulation-117573 Independent, 01.02.03 accessed 16.04.17.

Conn, D. (2005a). "The Beautiful Game? Searching for the Soul of Football". London: Vintage.

Conn, D. (2005b). "At last, a blueprint for football that asks the right questions". Available at www.theguardian.com/football/2005/dec/14/sport.comment Guardian, 14.12.05 accessed 16.06.18.

Conn, D. (2008a). "Price not right for United fans but just the ticket for Glaziers". Available at www.theguardian.com/football/2008/jan/16/freedomofinterest.manchestercity Guardian, 16.01.08 accessed 15.04.18.

- Conn, D. (2008b). "*I do asset-strip' says the man who wants to buy Mansfield Town*". Available at www.theguardian.com/football/2008/apr/09/sport Guardian, 09.04.08 accessed 10.07.17.
- Conn, D. (2009). "*The Corinthians Two, West Ham and the sharp end of Blades litigation*". Available at www.theguardian.com/football/2009/mar/17/david-conn-west-ham-tevez-mascherano Guardian, 17.03.09 accessed 15.04.18.
- Conn, D. (2010). "*Portsmouth continue to play out their tragedy as farce*". Available at www.theguardian.com/sport/david-conn-inside-sport-blog/2010/feb/03/portsmouth-mark-jacob-premier-league Guardian, 03.02.2010 accessed 15.05.17.
- Conn, D. (2011). "*The Premier League has priced out fans, young and old*". Available at www.theguardian.com/sport/david-conn-inside-sport-blog/2011/aug/16/premier-league-football-ticket-prices Guardian, 16.08.11 accessed 15.05.17.
- Conn, D. (2013). "*Richer than God. Manchester City, Modern Football and Growing Up*". London: Quercus.
- Conn, D. (2014a). "*Clubs make legal threat to Football League over Financial Fair Play Rules*". Available at www.theguardian.com/football/2014/feb/26/financial-fair-play-clubs-threat-football-league Guardian, 26.02.14 accessed 17.09.18.
- Conn, D. (2014b). "*Why Championship Clubs are crying foul over Financial Fair Play*". Available at www.guardian.com/football/2014/feb/26/financial-fair-play-championship-clubs-threat-football-league Guardian, 26.02.14 accessed 17.09.18.
- Conn, D. (2015). "*Twenty-eight English clubs are now owned overseas, increasing the risk of tax avoidance*". Available at www.theguardian.com/football/2015/apr/14/english-football-clubs-owned-abroad-tax-avoidance Guardian, 14.05.15 accessed 17.09.18.
- Conn, D. (2016). "*FA is Powerless to Counter Premier League Might, Ex-chairman tells MP's*". Available at www.theguardian.com/football/2016/Dec/12/football-association-premier-league-parliamentary-committee-reform Guardian, 12.12.16 accessed 13.13.16.
- Conn, D. (2018). "*Sky and BT Retain Grip on Premier League Rights but TV Frenzy Cools*". Available at www.theguardian.com/football/2018/feb/13/sky-bt-sport-premier-league-tv-rights Guardian, 13.02.18 accessed 13.02.18.
- Conn, D. (2020a). "*Wigan debacle exposes the need for reset of English football finances*". Available at www.theguardian.com/football/2020/jul/08wigan-debacle-exposes-unsustainable-excesses-of-the-football-league Guardian, 08.07.20 accessed 10.07.20.

Conn, D. (2020b). “Manchester City’s Champions League Ban Lifted by Court of Arbitration for Sport”. Available at www.theguardian.com/football/2020/jul/13/manchester-city-champions-league-ban-lifted-cas-court-of-arbitration-for-sport Guardian, 13.07.20 accessed 14.07.20.

Conn, D. (2020c). “Abramovitch’s Buy Up of Rival Players Sheds a Little Light on Murky World”. Available at www.theguardian.com/football/blog/2020/sep/24/roman-abramovitch-buy-up-of-rival-players-sheds-a-little-light-on-a-murky-world Guardian, 24.09.20 accessed 25.09.20.

Conn, D. (2020d). “Review into Bury’s demise offers painful reminder of the need for FFP”. Available at www.theguardian.com/football/2020/mar/04/review-bury-need-for-ffp-efl-league-one-two-owners-wages Guardian, 04.03.20 accessed 25.09.20.

Conn, D. (2021). “UEFA warns of ESL’s ‘threat to football’ but drops disciplinary action against clubs”. Available at www.theguardian.com/football/2021/sep/27/super-league-still-poses-existential-threat-to-footballs-future-uefa-warns Guardian, 27.09.21 accessed 29.09.21.

Conn, D. and Taylor, L. (2016). “Sheffield Wednesday charged with misconduct over Hillsborough Sale”. Available at www.theguardian.com/football/2019/nov/14/sheffield-wednesday-charged-efl-misconduct-hillsborough-sale-spending-rules Guardian, 14.11.16 accessed 30.04.19.

Conway, R. (2018). “Leeds United: Owner Andre Radrizzani calls for creation of Premier League 2”. Available at www.bbc.co.uk/sport/football/45811803 BBC News, 10.10.18 accessed 03.03.20.

Corbett, J. (2020). “Everton will escape sanction from EPL despite pushing FFP rules to the limit – but Usmanov deal may move clubs into the red”. Available at www.offthepitch.com/a/expect-everton-will-escape-sanction-epl-despite-pushing-ffp-rules-limit-usmanov-deal-may-move Offthepitch.com, 20.01.20 accessed 21.01.20.

Corley, K.G. (2004). “Defined by our strategy or our culture? Hierarchical differences in perception of organizational identity and change”. *Human Relations*, 57: 1145-1177.

Corley, K. G. and Gioia, D. A. (2004). “Identity ambiguity and change in the wake of a corporate spin-off”. *Administrative Science Quarterly*, 49: 173–208.

Cornforth, C. (2003). “*The governance of public and non-profit organisations*”, Editor: Cornforth, C. Routledge: London.

- Corley, K.G. and Gioia, D.A. (2011). "Building theory about building theory: What constitutes a theoretical contribution?". *Academy of Management Review*, 36: 12-32.
- Cox, R.W., Russell, D. and Vamplew, W. (2002). "*Encyclopaedia of British Football*". Routledge: London.
- Cranford, G. (2007). "*Consuming Sport: Fans, Sport and Culture*". Routledge: London.
- Cresswell, J.W. and Plano Clark, V.L. (2011). "*Designing and Conducting Mixed Methods Research*". Thousand Oaks, CA: Sage Publications.
- Crew, M. and Parker, D. (2006). "*International Handbook on Economic Regulation*". Cheltenham: Edward Elgar.
- Crouch, C. (1986). "*Sharing Public Spaces: States and organised interests in Western Europe*" in "*States in History*", Editor: Hall, J. Oxford: Basil Blackwell.
- Curran, J., Jennings, I. and Sedwick, J. (2009). "Competitive Balance in the top level of English football 1948-2008. An abstract principle and a forgotten ideal". *The Journal of International History of Sport*, 26 (11): 1735-1747.
- Dabscheck, B. (2006). "The globe at their feet: FIFA's new employment rules". *Sport in Society*, 9 (1): 1-18.
- Daily Mail. (2018). "*You cannot stick with the same media strategy forever': Liverpool owner John Henry demands the Big Six get their fair share of overseas TV money*". Available at www.dailymail.co.uk/sport/football/article-5804319/Liverpool-owner-John-Henry-demands-Big-Six-fair-share-overseas-TV-money Daily Mail 04.06.18 accessed 04.06.18.
- Dahl, R.A. (1961). "*Who Governs? Democracy and Power in an American City*". New Haven: Yale University Press.
- Dahl, R.A. (1968). "*Power*". International Encyclopaedia of Social Science Editor: Sills, D.L. New York: Cromwell, Collier and Macmillan.
- Dahl, R. A. (1970). "*After the Revolution*". New Haven: Yale University Press.
- Davis, J.H., Schoorman, D.F. and Donaldson, R. (1997). "Towards a Stewardship Theory of Management". *The Academy of Management Review*, 22 (1): 20-47.
- Davis, M.S. (1971). "That's Interesting!: Towards a phenomenology of Sociology and a Sociology of Phenomenology". *Philosophy of Social Sciences*, 1 (2): 309-344.

- Davis, M.S. (1986). "That's Classic!: The phenomenology and rhetoric of successful social theories". *Philosophy of Social Sciences*, 16 (3): 285-301.
- Dejonghe, T. and Van Opstal, W. (2010). "Competitive Balance between National Leagues in European Football after the Bosman Case". *Rivista di Diritto Ed Economia Dello Sport*, 6 (2): 41-61.
- Decker, C. (2015). *"Modern Economic Regulation: An Introduction to Theory and Practice"*. Cambridge: Cambridge University Press.
- Deloitte. (2010). *"Annual Review of Football Finance 2010: National Interest"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2011). *"Annual Review of Football Finance 2011: Pressure for Change"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2012). *"Annual Review of Football Finance 2012: New rules, Narrow margins"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2013). *"Annual Review of Football Finance 2013: Turn On, Tune In, Turnover"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2014). *"Annual Review of Football Finance 2014: A Premium Blend"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2015). *"Annual Review of Football Finance 2015: Revolution"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2016). *"Annual Review of Football Finance 2016: Reboot"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2017). *"Annual Review of Football Finance 2017: Ahead of the Curve"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2018). *"Annual Review of Football Finance 2018: Roar Power"*. Sports Business Group, Deloitte: Manchester.
- Deloitte. (2019). *"Annual Review of Football Finance 2019: World in Motion"*. Sports Business Group, Deloitte: Manchester.
- Deloitte Football Money League. (2010). *"Spanish Masters"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2011). *"Untouchables"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2012). *"Fan Power"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2013). *"Captains of Industry"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2014). *"All to Play For"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2015). *"Commercial Breaks"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2016). *"Top of the Table"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2017). *"Planet Football"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2018). *"Rising Stars"*. Sports Business Group, Deloitte: Manchester.

Deloitte Football Money League. (2019). *"Bullseye"*. Sports Business Group, Deloitte: Manchester.

Denzin, N.K. and Lincoln, Y.S. (1994). *"The Sage Handbook of Qualitative Research"*. Thousand Oaks: Sage.

Denzin, N.K. and Lincoln, Y.S. (2005). *"The Sage Handbook of Qualitative Research"*, Third Edition. Thousand Oaks: Sage.

Derthick, M. and Quirk, P. (1985). *"The Politics of Deregulation"*. Washington D.C.: Brookings.

Di Betta, P. and Amenta, C. (2010). "A Die-Hard Aristocracy: Competitive Balance in Italian Soccer: 1929-2009". *Rivista di Diritto Ed Economia Dello Sport*, 6 (2): 13-37.

Dietl, M.H. and Franck, E. (2007). "Governance Failure and Financial Crisis in German Football". *Journal of Sports Economics* No.8: 662-669.

Dietl, M.H., Franck, E. and Lang, M. (2009). "Overinvestment in team sports leagues: A contest theory model". *Scottish Journal of Political Economy* 55: 353-368.

- Dietl, M.H., Grossmann, M. and Lang, M. (2011). "Competitive Balance and Revenue Sharing in Sports Leagues". *Economic Inquiry* 49(2): 447-463.
- Dimitripoulous, P.E. and Tsagkanos, A. (2012). "FFP may not be enough without better governance 2005-2009: problems of insolvency and low financial performance". *International Journal of Sport Finance*, Vol. 7 (4): 280-308.
- Dobson, S. and Goddard, J. (2011). "*The Economics of Football*". Second Edition, Cambridge: Cambridge University Press.
- Donaldson, L. (1990). "The Ethereal Hand: Organizational Economics and Management". *Academy of Management Review*, 15 No. 3: 369-81.
- Donaldson, L. and Preston, L.E. (1995). "The stakeholder theory of the corporation: concepts, evidence and implications". *Academy of Management Review*, 20, No 1: 65-91.
- Douglas, J.D. (1967). "*The Social Meanings of Suicide*". Princeton: Princeton University Press.
- Douglas, M. (1996). "*Natural Symbols*". London: Routledge.
- Douglas, M. and Wildavsky, A. (1982). "*Risk and Culture*". Berkley: University of California.
- Douglas, W.O. (1940). "*Democracy and Finance: The Addresses and Public Statements of William O. Douglas*". New Haven: Yale University Press.
- Downs, A. (1967). "*Inside Bureaucracy*". Boston: Little, Brown.
- Downward, P. and Dawson, A. (2000). "*The Economics of Professional Team Sports*". London: Routledge.
- Downward, P., Dawson, A. and Dejonge, T. (2009). "*Sports Economics: Theory, Evidence and Policy*". London: Elsevier.
- Downward, P., Dawson, A. and Dejonghe, T. (2011). "*Sports Economics*", Butterworth-Heinemann. Oxford: Routledge.
- Drennan, L.T. (2004). "Ethics, Governance and Risk Management: Lessons from Mirror Group Newspapers and Barings Bank". *Journal of Business Ethics*, 62: 257-266.
- Dundon, T., Dobbins, T., Cullinane, N., Hickland, E. & Donaghey, J. (2014). "Employer Occupation of Regulatory Space for the Employee. Information and Consultation (I & C) Directive in Liberal Market Economics". *Work, Employment and Society*, 28(1): 24-39.

- Dunleavy, P. (1991). *“Democracy, Bureaucracy and Public Choice”*. First Edition. London: Routledge.
- Dutton, J. and Jackson, S. (1987). “Categorising strategic issues: Links to organizational action”. *The Academy of Management Review*, 12: 76-90.
- Dyson, K. (1980). *“The State Tradition in Western Europe”*. Oxford: Martin Robertson.
- Easterby-Smith, M., Thorpe, R. and Jackson, P.R. (1991). *“Management Research”*. London: Sage.
- Edwards, J.R. and Bagozzi, R.P. (2000). “On the nature and direction of relationships between constructs and measures”. *Psychological Methods*, 5: 155-174.
- EFL Regulations. (2019). *“Appendix 3: Owners and Directors Test”* and *“Appendix 5: Financial Fair Play Regulations”*. Available at www.EFL.com/-more/governance/efl-regulations.
- Eisenhardt, K.M. (1989a). “Agency Theory: An Assessment and Review”. *Academy of Management Review* 14 (1): 57-74.
- Eisenhardt, K.M. (1989b). “Building theories from case study research”. *Academy of Management Review*, 14(a): 532-550.
- Eisenhardt, K.M. and Graebner, M.E. (2007). “Theory Building from Cases: Opportunities and Challenges”. *Academy of Management Journal*, 50 (1): 25-32.
- El-Hodiri, M. and Quirk, J. (1971). “An economic model of a professional sports league”. *Journal of Political Economy*, 79 (6): 1302-1319.
- Elliot, R. (Eds). (2017). *“The English Premier League: A Socio-Cultural Analysis”*. Abingdon: Routledge.
- Ernst & Young. (2019). *“Premier League. Economic and Social Impact”*. The Sports Industry Group, Ernst & Young: London.
- Esping-Andersen, G. & M. Regini. (2000). “Why deregulate labour markets?” *British Journal of Sociology*, 53 (4): 693-696.
- Estache, A. and Wren-Lewis, L. (2009). “Towards a Theory of Regulation for Developing Countries”. *Journal of Economic Literature*, 47 (3): 729-770.

- Evans, R. (2014). "A review of measures of competitive balance in the 'analysis of competitive balance' literature". Birkbeck Sport Business Centre Research Paper Series, 7(2): 1-59.
- Evans, R., Walters, G. and Tacon, R. (2019). "Assessing the effectiveness of financial regulation in the English football league: "The dog that didn't bark"". *Accounting, Auditing and Accountability*, 32. No. 7: 1876-1897.
- Fama, E and Jensen, M. (1983a). "Agency Problems and Residual Claims". *Journal of Law and Economics*, 26: 301-326.
- Fama, E. and Jensen, M. (1983b). "Separation of Ownership and Control". *Journal of Law and Economics*, 26: 301-326.
- Farquhar, S., Machold, S. and Ahmed, P.K. (2005). "Governance and Football: An Examination of the relevance of Corporate Governance Regulations for the Sports Sector". *International Journal of Business Governance and Ethics*, 1 (4): 329-349.
- Feyerabend, P. (2011). "*The Tyranny of Science*", Editor: Oberheime, E. London: Polity.
- Fiorina, M. (1982). "Legislative Choice of Regulatory Reform: Legal Process or Administrative Process?". *Public Choice*, 39 (1): 33-66.
- Foer, F. (2004). "*How Football Explains the World*". London: Random House.
- Football Association. (2005). "*Governance: A Guide for Football Clubs*". The Football Association: London.
- Football Task Force. (1999a). "*Investing in the Community: A Submission by the Football Task Force to the Minister of Sport*". London.
- Football Task Force. (1999b). "*Football Commercial Issues: A Submission by the Football Task Force to the Minister of Sport (Majority Report)*". London.
- Football Task Force. (1999c). "*Football Commercial Issues: A Submission by the Football Association, the FA Premier League and the Football League to the Minister of Sport (Minority Report)*". London.
- Forrest, D. and Simmonds, R. (2002). "Outcome Uncertainty and Attendance Demand in Sport: The case of English Soccer". *Journal of the Royal Statistical Society, Series D (The Statistician)*, 51 No.2: 229-241.

- Forster, N. (1994). "The Analysis of Company Documentation" in "Qualitative methods in Organisational Research", Editors: Cassell, C. and Symon, G. London: Sage.
- Foster, K. (2006). "The Juridification of Sport" in "Readings in Law and Popular Culture", Editors: Greenfields, S. and Osborn, G. London: Routledge.
- Fort, R. (2003). "Inelastic Sports Pricing". *Managerial and Decision Economics*, 25 (2): 87-94.
- Francis, J.G. (1993). "The Politics of Regulation: A Comprehensive Perspective". London: Blackwell.
- Franck, E. (2010). "Private Firm, Public Corporation or Members' Association – Governance Structures in European Football". *International Journal of Sport Finance*, 5:108-127.
- Franck, E. (2014). "Financial Fair Play in European Club Football – What is it all about?". UZH Business Working Paper Series 328: 1-34.
- Franck, E. and Lang, M. (2014). "A theoretical analysis of the influence of money injections on risk-taking in football clubs". *Scottish Journal of Political Economy*, 61 (4): 430-454.
- Freedman, D.A. (2008). "On types of scientific enquiry: the role of qualitative reasoning" in "The Oxford Handbook of Political Methodology", Editors: Box-Steffensmeier, J. M et al. Oxford: Oxford University Press.
- Frick, B and Prinz, J. (2006). "Crisis? What Crisis? Football in Germany". *Journal of Sports Economics*, 7 (5): 60-75.
- Frick, B. (2010). "The Financial Crisis in European Football: Proceedings of the Conference on Football and Finance". *International Journal of Sport Finance*, 5 (1): 27
- Garcia, B. (2007a). "UEFA and the European Union, from Confrontation to Cooperation". *Journal of Contemporary European Research*, 3 No.3: 202-223.
- Garcia, B. (2007b). "Independent European Sports Review: Half Full or Half Empty?". *Entertainment and Sports Law Journal*, 4(3).
- Garcia, B. (2009). "Sports Governance after the White Paper: The Demise of the European Model?". *International Journal of Sport Policy and Politics*, 1 No.3: 267-284.

Garcia, B. (2010). "The EU and Sport Governance Between Economic and Social Values" in "Social Capital and Governance", Editors: Groeneveld, B., Houillian, B. and Oehl, F. London: Routledge.

Garcia, B. and Amara, M. (2013). "Media perceptions of Arab investment in European football clubs: the case of Málaga and Paris Saint-Germain". *Sport & EU Review*, 5 (1): 5 - 20.

Garcia, B and Llopis-Goig, R. (2019). "Club-militants, institutionalists, critics, moderns and globalists: A quantitative governance-based typology of football supporters". *International Review for the Sociology of Sport*, 55 (8): 1116-1135.

Garcia, B. and Welford, J. (2015). "Supporters and football governance, from customers to stakeholders: A literature review and agenda for research". *Sport Management Review* 18 (4): 517-528.

Garcia-Del-Barrio, P. and Szymanski, S. (2006). "Goal! Profit Maximisation and Win Maximisation in Football Leagues". No. 621 Working Paper International Association of Sports Economists, North American Association of Sports Economists.

Gardiner, S., Welch, R., Boyes, S. and Naidoo, U. (Eds). (2012). "Sports Law". Fourth Edition, London: Routledge.

Geertz, C. (1973). "The Interpretation of Culture". New York: Basic Books.

Geey, D. (2011). "Football League Financial Fair Play: Domestic League Regulation". *Entertainment and Sports Law Journal*, 10:1-7.

Geey, D. (2019). "Done Deal: An Insider's Guide to Football Contracts, Multi-Million Pound Transfers and Premier League Big Business". London: Bloomsbury Sport.

Gerring, J. (2004). "What is a case study and what is it good for?". *American Political Science Review*, 98(2): 341-354.

George, A.L. and Bennett, A. (2005). "Case study and theory development in the social sciences". MIT Press: Cambridge.

Gephardt, R.P. (2004). "Qualitative research and the Academy of Management Journal". *Academy of Management Journal*, 47, 4: 454-462.

Gerring, J. (1999). "What makes a concept good? A critical framework for understanding concept formation in the social sciences". *Politics*, 31(3): 357- 393.

- Gibson, O. (2004). "Arsenal-Emirates Deal Worth £100m". Available at www.theguardian.com/media/2004/oct/05/business.marketingandpr Guardian, 05.10.04 accessed 17.08.18.
- Gibson, O. (2010). "League clubs' total outstanding debt amounts to £25m say HMRC". Available at www.theguardian.com/football/2010/mar/08/portsmouth-hmrc-pay-tax Guardian, 08.03.10 accessed 17.08.18.
- Gibson, O. (2013). "Premier League warned over 'rich and poor' split in wake of TV deal". Available at www.theguardian.com/football/2013/mar/19/premier-league-championship-tv-deal Guardian, 19.03.13 accessed 17.08.18.
- Gibson, O. (2014). "Mike Ashley takes the Sports Direct route to running Newcastle United". Available at www.theguardian.com/football/2014/oct/03/mike-ashley-sports-direct-route-running-newcastle-united Guardian 03.10.14 accessed 17.08.18.
- Gibson, O. (2016). "Is the unthinkable happening? Are people finally switching the football off?". Available at www.theguardian.com/football/2016/oct/24/sky-sports-bt-sports-people-switching-football-off Guardian, 24.10.16 accessed 17.08.18.
- Gioia, D.A. (2004). "A Renaissance Self: Promoting Personal and Professional Revitalization" in "Renewing Research Practice", Editors Stablein, R.E. and Frost, P.J. Stanford: Stanford University Press.
- Gioia, D.A. and Chittipeddi, K. (1991): "Sensemaking and sensegiving in strategic change initiation". *Strategic Management Journal*, 12: 433-448.
- Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2012). "Seeking Qualitative Rigour in Inductive Research: Notes on the Gioia Methodology". *Organisational Research Methods*, 16, 1:15-31.
- Gioia, D.A. and Thomas, J.B. (1996). "Identity, image, and issue interpretation: Sensemaking during strategic change in academia". *Administrative Science Quarterly*, 41: 370-403.
- Gioia, D.A. and Pitre, E. (1990). "Multiparadigm perspectives of theory building". *Academy of Management Review*, 15:584-602.
- Gioia, D.A., Thomas, J.B., Clark, S.M. and Chittipeddi, K. (1994). "Symbolism and strategic change in academia: The dynamics of sensemaking and influence". *Organization Science*, 5:363-383.

- Giulianotti, R. (1999). *Football: A Sociology of the Global Game*. Cambridge: Polity Press.
- Giulianotti, R. (2002). "Supporters, followers, fans and flaneurs: A taxonomy of spectator identities in football". *Journal of Sport and Social Issues*, 26(1): 25-46.
- Giulianotti, R. and Robertson, R. (2004). "The Globalisation of Football: A Study into the Glocalization of the 'serious life'". *British Journal of Sociology*, 55 (4): 545-568.
- Glaser, B.G. and Stauss, A. (1967). *A discovery of grounded theory: Strategies for qualitative research*. Chicago: Aldine.
- Gobe, M. (2010). *Emotional Branding: The New Paradigm for Connecting Brands to People*. New York: Allworth.
- Goldblatt, D. (2014). *The Game of our Lives. The Meaning and Making of English Football*. London: Viking.
- Goldblatt, D. (2019). *The Age of Football*. London: Macmillan.
- Gomm, R., Hammersley, M. and Foster, P. (2000). "Case study generalisation" in *Case Study Method*, Editors: Gomm, R., Hammersley, M. and Foster, P. London: Sage.
- Goode, W.J. and Hatt, P.K. (1952). *Methods in Social Research*. New York: McGraw-Hill.
- Gorman, J. and Calhoun, K. (1994). *The name of the game: the business of sport*. New York: John Wiley & Sons.
- Granovetter, M. (1973). "The Strength of Weak Ties". *American Journal of Sociology*, 78(6): 1360-1380.
- Granovetter, M. (1983). "Economic Action and Social Structure: The problem of embeddedness". *American Journal of Sociology*, 91(3): 481-510.
- Granovetter, M. (2005). "The impact of social structures on economic outcomes". *The Journal of Economic Perspectives*, 19: 33-50.
- Grbich, C. (2013). *Qualitative Data Analysis: An Introduction*. Second Edition, Sage: London.
- Greenbury, R. (1995). *Directors Remuneration: Report of a study group chaired by Sir Richard Greenbury*. London: Gee.
- Greenfield, S. and Osborn, G. (2001). *Regulating Football: Commodification, Consumption and the Law*. London: Pluto Press.

- Grief, A. and Laitin, D.D. (2004). "A theory of endogenous institutional change". *American Political Science Review*, 98 (4): 633-652.
- Grix, J. (2001). "Social Capital as a concept in the social sciences: the current debate". *Democratisation*, 8 (3): 189-210.
- Grix, J. (2002). "Introducing Students to the generic terminology of social research". *Politics*, 22 (3): 175-186.
- Grix, J. (2018). *"The Foundations of Research"*. London: Macmillan.
- Grix, J. and Houlihan, B. (2014). "Sport Mega-Events as part of a Nations Soft Power Strategy: The Cases of Germany (2006) and UK (2012)". *British Journal of Politics and International Relations*, 16 (4): 572-596.
- Grundy, T. (2004). "Strategy and financial management in the football industry". *Strategic Change*, 13(8): 405-422.
- Gunningham, N. (2011). "Strategizing compliance and enforcement", in "Explaining Compliance" Editors: Parker, C. and Vibeke, L. N. Cheltenham: Edward Elgar.
- Gunningham, N. and Grabosky, P. (1998). *"Smart Regulation: Designing Environment Policy"*. Oxford: Oxford University Press.
- Guardian. (2011). "Football league Clubs Vote to Impose UEFA's Financial Fair Play Rules". Available at www.theguardian.com/football/2011/jun/10/football-league-UEFA-fair-play Guardian, 10.06.11 accessed 27.03.18.
- Guardian. (2015). "The Prune-Juice Effect: Why Alan Sugar is sour about the £5.1bn Football Rights Deal". Available at www.theguardian.com/media/shortcuts/2015/feb/11/prune-juice-effect-alan-sugar-football-rights-deal-sky-bt-sport Guardian, 11.02.15 accessed 27.03.18.
- Hall, P.A. (1983). "Policy, paradigms, social learning, and the state". *Comparative Politics*, 25: 275-296.
- Hall, P. (1986). *"Governing the Economy"*. Cambridge: Polity Press.
- Hall, P. (1993). "Policy Paradigms, Social Learning and The State: The Case of Economic Policy Making in Britain". *Politics*, 25: 275-96.

Hall, S., Szymanski, S. and Zimbalist, A. (2000). "Testing the causality between team performance and payroll: The cases of major league baseball and English soccer". *Journal of Sports Economics*, 3 (2): 149-168.

Hamil, S. (1999). "A Whole New Ball Game? Why Football needs a Regulator", in "A Game of Two Halves: The business of football", Editors: Hamil, S. Michie, J. and Oughton, C. Edinburgh: Mainstream.

Hamil, S., Michie, J., Oughton, C. and Warby, S. (2000). "Recent Developments in Football Ownership". *Soccer and Society*, 1 (3): 1-10.

Hamil, S., Michie, J. and Oughton, C. (Eds). (1999). "A Game of Two Halves?". London: Mainstream.

Hamil, S. and Walters, G. (2010). "Financial performance in English professional football: 'an inconvenient truth'". *Soccer and Society*, 11 (4): 354-372.

Hampel, R. (1998). "Committee on Corporate Governance: Final Report". London: Gee.

Hancher, L. (1989). *Regulating Drug Prices: The West German and British Experience* in "Capitalism, Culture and Economic Regulation", Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.

Hancher, L. and Moran, M. (1989). "Organising Regulatory Space" in "Capitalism, Culture and Economic Regulation", Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.

Hannah, L. (1999). "Marshall's 'Trees' and the Global 'Forest': Were 'Giant Redwood's Different?" in "Learning by Doing in Markets, Firms and Nations", Editors: Lamoreaux, N., Raff, D. and Temin, P. Chicago: NEBR and University of Chicago.

Hansmann, H. and Kraakman, R. (2001). "The End of History for Corporate Law". Harvard Law School John M. Olin Centre for Law, Economics and Business Discussion Papers No.280.

Hantke-Domas, M. (2003). "The Public Interest Theory of Regulation: Non-Existence or Misinterpretation?". *European Journal of Law and Economics*, 15: 165-194.

Harris, R.A. and Milkis, S.M. (1989). "The Politics of Regulatory Change: A Tale of Two Agencies". Oxford: Oxford University Press.

Harris, R.A. and Milkis, S.M. (1996). "The Politics of Regulatory Change: A Tale of Two Agencies". Second Edition, New York: Oxford University Press.

- Harrison, S.H. and Corley, K. G. (2011). "Clean climbing, carabiners, and cultural cultivation: Developing an open-systems perspective of culture". *Organizational Science*, 22: 391-412.
- Hassan, D. and Hamil, S. (2010). "Models of Football Governance and Management in International Sport". *Soccer and Society*, 11 (4): 343-353.
- Haugaard, M. (1997). *"The Constitution of Power: A Theoretical Analysis of Power, Knowledge and Structure"*. Manchester: Manchester University Press.
- Hayward, C. (2000). *"De-facing Power"*. Cambridge: Cambridge University Press.
- Hayward, J. (1976). "Institutional Inertia and Political Impetus in France and Britain". *European Journal of Political Research*, 4: 341-359.
- Hayward, R. and Lukes, S. (2008). *"Nobody to Shoot? Power, Structure and Agency: A Dialogue"*. *Journal of Power*, 1 (1): 5-20.
- Hendry, J. (2005). "Beyond Self-Interest: Agency Theory and the Board in a Satisficing World". *British Journal of Management*, 16: S55-S63
- Henderson, J. and Scott, J.P. (1988). *"Securitisation"*. London: Woodhead-Faulkner.
- Higgs, D. (2003). *"Review of the role and effectiveness of non-executive directors"*. Department for Business, Enterprise and Regulation: London
- Hills, J. (1986). *"Deregulating Telcoms: Competition and Control in the United States, Japan and Britain"*. London: Frances Pinter.
- Hirsch, P.M. (1977). "Social Science Approach to Popular Culture" A Critique". *Popular Culture*, 11 (2): 401-413.
- Hirschmann, A.O. (1970). *"Exit, Voice, and Loyalty: Responses to Declining Firms, Organisations, and States"*. Harvard: Harvard University Press.
- Hodder, I. (2000). *"The Interpretation of Documents and Material Culture"* in *"The Handbook of Qualitative Research"*, Second Edition, Editors: Denzin, N.K. and Lincoln, Y.S. London: Sage.
- Hoehn, T., Szymanski, S., Carmen, M. and Seabright, P. (1999). "The Americanisation of European Football". *Economic Policy*, 14 (28): 205-240.
- Hofstede, G. (1993). *"Cultures and Organisations: Softwares of the Mind"*. New York: McGraw-Hill.

- Holt, M. (2003). "A 'Fit and Proper' Person's Test for Football? Protecting and Regulating Clubs". Research Paper No.2 Football Governance Research Centre, London: Birkbeck, London University.
- Holt, M. (2007). "The Ownership and Control of Elite Club Competition in European Football". *Soccer and Society*, 8 (1): 50-67.
- Holt, R. (1989). "Sport and the British: A Modern History". Oxford: Clarendon.
- Honigstein, R. (translated by Bullock, J.). (2009). "Englischer Fussball. A German's view of our beautiful game". London: Yellow Jersey Press.
- Hood, C. (1974). "Administrative diseases: some dysfunctionality in administration". *Public Administration*, 52(4): 439-459.
- Hood, C. (1994). "Explaining Policy Reversals". Buckingham: Open University Press.
- Hood, C. (1995). "The 'New Public Management' in the 1980s: Variations on a Theme". *Accounting, Organisations and Society*, 20 (2/3): 93-109.
- Hood, C. (1996). "Control over Bureaucracy". *Journal of Public Policy*, 15, 3.
- Hood, C. (1998). "The Art of the State". Oxford: Oxford University Press.
- Hood, C. (2007). "What Happens when Transparency meets Blame Avoidance". *Public Management Review*, 9 (2).
- Hood, C., Scott, C., James, O., Jones, G. and Travers, T. (1999). "Regulation inside Government: Waste-Watchers, Quality Police and Sleaze-Busters". Oxford: Oxford University Press.
- Hood, C. and Lodge, M. (2005). "Pavlovian innovation, pet solutions and economising on rationality? Politicians and dangerous dogs" in "Regulatory Innovation", Editors: Black, J., Lodge, M. and Thatcher, M. Cheltenham: Edward Elgar.
- Hood, C. and Margettes, H. (1983). "The Tools of Government in the Digital Age". London: Palgrave Macmillan.
- Hood, C., Oliver, J. and Scott, C. (2000). "Regulation of Government: Has it increased, is it Increasing, should it be Diminished?". *Public Administration*, 78 (2): 283-304.
- Horn, M.J. (1995). "The Political Economy of Public Administration". Cambridge: Cambridge University Press.
- Hornby, N. (1992). "Fever Pitch". London: Gollancz.

- Horton, E. (1997). *"Moving the goalposts: Football exploitation"*. Edinburgh: Mainstream.
- Houlihan, B. (1997). "Sport National Identity and Public Policy". *Nations and Nationalism*, 3 (1): 113-137.
- House of Commons Culture, Media and Sport Committee. (2011). *"Football Governance"*. Seventh Report of Session, 2010-12: London.
- House of Commons Culture, Media and Sport Committee. (2013). *"Football Governance Follow-Up"*. Fourth Report of Session, 2012-13: London
- House of Commons Public Accounts Committee. (2017). *"Collecting Tax from High-Net-Worth Individuals"*. Thirty-Sixth Report of Session, 2016-17: London.
- House of Lords Select Committee on Soft Power and the UK's Influence. (2014). *"Persuasion and Power in the Modern World"*. First Report: London.
- Hoye, R. and Cuskelly, G. (2007). *"Sport Governance"*. Oxford: Butterworth-Heinemann.
- Hoyer, P. (2019). "Clubs want Premier League to ban Aston Villa's stadium sale". Available at www.offthepitch.com/a/clubs-want-premier-league-ban-aston-villas-stadium-sale Offthepitch.com, 03.07.19 accessed 10.03.19.
- Hudson, J. (2001). "Critically Examining the Commercialisation of English Football: A Case for Government Intervention?". *Sociology of Sport Online*, 4 (1): 181-198.
- Hughes, M. (2020). "Premier League delay judgement over Everton's naming rights deal funded by Alisher Usmanov for new Bramley-Moore Stadium". Available at www.dailymail.co.uk/sport/football/article-8209245/premier-league-investigation-everton-s-naming-rights-deal-funded-alisher-usmanov Daily Mail online, 10.04.20 accessed 11.04.20.
- Humphreys, B. (2002). "Alternative measures of competitive balance in sports leagues". *Journal of Sports Economics*, 3(2): 133-148.
- Hunter, A. (2015). "FA rejects Hull City Application to change club's name to Hull Tigers". Available at www.theguardian.com/football/2015/jul/11/FA-reject-Hull-City-Application-changes-name-Hull-Tigers Guardian, 11.07.15 accessed 21.03.17.
- Hunter, A. (2016). "Liverpool owner backs down on ticket prices and apologies to fans". Available at www.theguardian.com/football/2016/feb/10/liverpool-back-down-ticket-prices-77 Guardian 10.02.16 accessed 21.03.17.

- Huntington, S.P. (1952). "The marasmus of the ICC: the commission, the rail-roads and the public interest". *Yale Law Journal*, 61: 467-509.
- Hutton, W. (2007). *The Writing on the Wall: China and the West in the 21st Century*. London: Vintage.
- Haugaard, M. (Eds). (2012). *Power: A Reader*. Manchester: Manchester University Press.
- Hytner, D. (2011). "Arsene Wenger accuses Manchester City of bending UEFA fair play rules". Available at www.theguardian.com/football/2011/jul/12/Arsenal-Manchester-city-premier-league Guardian 11.07.11 accessed 21.03.17.
- Ingle, S. (2020). "Premier League's New Chief says Netflix-style Overseas Service is on the cards". Available at www.theguardian.com/football/2020/08/premier-league-netflix-tv-sports-rights Guardian 08.02.20 accessed 08.02.20.
- Iorwerth, H. (2018). "Financial Doping in the English Premier League". *Sport Ethics and Philosophy*, 12 (3): 272-291.
- Imlach, G. (2005). *My Father and other working-class football hero's*. London: Yellow Jersey.
- Jackson, M. and Maltby, P. (2003). *Trust in Football*. IPPR.
- Jaquiss, K. (2000). "Football, Fans and Fat Cats. Whose Football Club is it Anyway?" in *Football in the Digital Age: Whose Game is it Anyway?* Editor: Warby, S. Edinburgh: Mainstream.
- Jennings, A. (2007) *Foul! The Secret World of FIFA. Bribes, Vote Rigging and Ticket Scandals*. Harper Collins, London; HaperSport.
- Jensen, M. (1983). "Organization theory and methodology". *Accounting Review*, 56: 319-338.
- Jick, T, D. (1979). "Mixing qualitative and quantitative methods: triangulation in action". *Administrative Science Quarterly*, 24: 602-611.
- Jonnergard, K. and Larsson, U. (2007). "Developing Codes of Conduct: Regulatory Conversations as Means for Detecting Institutional Change". *Law and Policy*, 29 (4): 460-492.
- Jordan, S. (2013). *Be Careful What You Wish For*. London: Yellow Jersey Press.

- Kadushin, C. (2012). *Understanding Social Networks: Theories, Concepts and Findings*. Oxford: Oxford University Press.
- Kagan, R. (2001). *Adversarial legalism*. Cambridge MA: Harvard University Press.
- Kagan, R. (2007). "Globalisation and legal change: the 'Americanisation' of European law?". *Regulation and Governance*, 1: 99-120.
- Kahneman, D. and Tversky, A. (2000). *Choices, Values and Frames*. Cambridge: Cambridge University Press.
- Kahnemann, D. (2003). "A perspective on judgement and choice". *American Psychologist*, 58 (9): 697-720.
- Kay, J.A. and Vickers, J.S. (1990). *Regulatory Reform: An Appraisal* in *Deregulation or Re-Regulation*, Editor Majone, G. London: Pinter Publishing.
- Kearney, A.T. (2010). *Is European Football Too Popular to Fail?*. A.T. Kearney EU Football Sustainability Study: 1-8.
- Kelly, K., Lewis, R. and Mortimer, T.R. (2012). "In Football We Trust?" *International Journal of Business and Social Science*, 3 (8).
- Kelman, S. (1981). *Regulating America, Regulating Sweden*. Cambridge MA: Harvard University Press.
- Kelman, S. (1981). "Cost-benefit Analysis: An Ethical Critique". *Regulation*, 5: 33-40.
- Keoghan, J. (2014). *Punk Ownership: The rise of fan ownership in English football*. Brighton: Pitch Publishing.
- Keoghan, J. (2020). *How to run a football club: The story of our national game. Life in the English game from top to bottom*. Brighton: Pitch Publishing.
- Kennedy, D. and Kennedy, P. (2007). "Preserving and Extending the Commodification of Football Support Relations: A Cultural Economy of Supporters Direct". *Sociological Research Online*, 12 (1): 12-15.
- Kesenne, S. (2006). "The win maximization model reconsidered: Flexible talent supply and efficiency wages". *Journal of Sports Economics*, 7(4): 416-427.
- Kesenne, S. (2007). *The Economic Theory of Professional Team Sports: An Analytical Treatment*. Cheltenham: Edward Elgar.

- Kennedy, P. (2012). "Supporters Direct and Supporters' Governance of Football: A model for Europe?". *Soccer and Society*, 13 (3) 409-425.
- Kennedy, P. and Kennedy, D. (2016). "*Football in Neo-Liberal times: A Marxist Perspective on the European Football Industry*". London: Routledge.
- Kerlinger, F. N., & Lee, H. B. (Eds.). (2000). "*Foundations of Behavioral Research*". Orlando, FL: Harcourt College Publishers.
- King, A. (1997a). "New Directors, customers and fans: The transformation of English football in the 1990's". *Sociology of Sport Journal*, 14 (3): 224-240.
- King, A. (1997b). "The lads: masculinity and the new consumption of football". *Sociology*, 31 (2): 329-346.
- King, A. (2002). "*The End of Terraces: The Transformation of English Football in the 1990's*". Revised Edition, London: Leicester University Press.
- King, M. (2017). "*The End of Alchemy. Money, Banking and the Future of the Global Economy*". London: Abacus.
- Kirby, A. (2006). "The Death of Postmodernism and Beyond". *Philosophy Now*, 58.
- Kirby, A. (2009). "*Digimodernism: How New Technologies Dismantle the Post-Modern and Reconfigure our Culture*". London: Continuum.
- Killduff, M. and Tsai, W. (2003). "*Social Networks and Organisations*". London: Sage.
- Kip Viscusi, W., Vernon, J.M. and Harrington, J.E. (2005). "*Economics of Regulation and Anti-Trust*". Fourth Edition, Cambridge MA: MIT Press.
- Knausgaard, K.O. and Eklund, F. (2017). "*Home and Away: Writing the Beautiful Game*". London: Harvil Secker.
- Kolko, G. (1963). "*The Triumph of Conservatism*". New York: Free Press.
- Kolko, G. (1965). "*Railroads and Regulation 1877-1916*". Princeton: Princeton University Press.
- Kosnik, R. (1987). "Greenmail: A study in Board Governance in Corporate Governance". *Administrative Science Review*, 32: 163-185.
- Krippendorff, K. (2004). "*Content Analysis: An Introduction to its Methodology*". London: Sage.

- Kuper, S. and Szymanski, S. (2010). *“Why England lose, and other curious football phenomena explained”*. London: HaperSport.
- Kvale, S. and Brinkman, S. (2009). *“Interviews: learning the craft of qualitative research interviewing”*. London: Sage.
- Labour Party. (1996). *“A New Framework for Football: Labour’s Charter for Football”*. The Labour Party: London.
- Lago, U., Simmons, R. and Szymanski, S. (2006). “The Financial Crisis in European Football”. *Journal of Sports Economics*, 7: 3-12.
- Lang, M., Grossmann, M. and Theiler, P. (2011). “The sugar daddy’s game: How wealthy investors change competition in professional team sports”. *International Association of Sports Economists*, 11(07): 1–23.
- Lange, B. (2003). “Regulatory Spaces and Interactions: An introduction”. *Social Legal Studies*, 12 (4): 411-423.
- Langley, A. (1999). “Strategies for theorizing from process data”. *Academy of Management Review*, 24 (4): 691-710.
- Langley, A. and Abdallah, C. (2011). “Templates and Turns in Qualitative Studies of Strategy and Management”. *Research Methodology in Strategy and Management*, 6: 201-235.
- Lannoo, K. (1999). “A European Perspective on Corporate Governance”. *JCMS: Journal of Common Market Studies*, 37; 269-294.
- Lee, Y.H. and Fort, R. (2012), “Competitive balance: Time series lessons from the English Premier League”. *Scottish Journal of Political Economy*, 59 (3), 266-282.
- Letza, S., Xiuping Sun, W. and Kirkbride, J. (2004). “Shareholding versus Stakeholding: a critical review of corporate governance”. *Corporate Governance: An International Review* 12, (3): 242-262.
- Levine, M. and Forrence, J.L. (1990). “Regulatory Capture, Public Interest and the Public Agenda: Towards a Synthesis”. *Journal of Law, Economics and Organisation*, 60 (0): 167-198.
- Lewis, M. (2003). *“Moneyball. The Art of Winning an Unfair Game”*. New York: WW Norton & Company.

- Lewis, M. (2006). *"The Blind Side: Evolution of a Game"*. New York: WW Norton & Company.
- Lincoln, Y.S. and Guba, E. (1985). *"Naturalistic Enquiry"*. London: Sage.
- Lindblom, C. (1997). *"Politics and Markets"*. New York: Basic Books.
- Lindenberg, S. (1992). *"The Decreasing Method of Abstraction"* in *"Rational Choice Theory and Advocacy and Critique"*, Editors: Coleman, J.S and Fararo, T. J. Newbury Park: Sage.
- Lipitz, L. (1970). *"On political belief: The grievances of the poor"*, in *"Power and Community: Dissenting Essays in Political Science"*, Editors: Green, P. and Levinson, S. New York: Randon House.
- Lincoln, Y.S. and Guba, E. (1985). *"Naturalistic Enquiry"*. London: Sage.
- Lipton, M. (2017). *"White Hart Lane: The Spurs Glory Years 1899-2017"*. London: Weidenfeld and Nicolson.
- Lodge, M. (2011). "Risk, regulation and crisis". *Journal of Public Policy*, 31(1); 25-50.
- Lodge, M. and Wegrich, K. (2012). *"Managing Regulation. Regulatory Analysis, Politics and Policy"*. London: Palgrave Macmillan.
- Lonsdale, C. (2004). "Player Power: capturing value in the English football supply network". *Supply Chain Management*, 9 (5) Pro Quest Business Collection: 383-391.
- Lowerson, J. and Myerscough, J. (1977). *"Time to Spare in Victorian England"*. Brighton: Harvester.
- Lowi, T. J. (1979). *"The End of Liberalism: The Second Republic of the United States"*. Second Edition, New York: W. W. Norton.
- Lukes, S. (2005). *"Power. A Radical View"*. Second Edition, Basingstoke: Palgrave Macmillan.
- Lyttleton, B. (2017). *"The Edge. What Business can learn from Football"*. London: Haper Collins
- MacDonald, L.D. and Richardson, A.J. (2004). "Identity, appropriateness and the construction of regulatory space: the formation of the Public Accountant's Council of Ontario". *Accounting, Organisations and Society*, 29 (5/6): 428-451.
- MacInnes, P. (2020). "Premier League averts Big Picture coup but it was just the opening shot". Available at www.theguardian.com/football/blog/2020/oct/18/premier-league-

[averts-big-picture-coup-but-it-was-just-the-opening-shot](#)" Guardian 18.10.20 accessed 19.10.20.

Madden, P. (2015), "Welfare economics of 'Financial Fair Play' in a sports league with benefactor owners". *Journal of Sports Economics*, 16(2), 159-184.

Madsen, D.O., Stenheim, T., Boas Hansen, S., Zagheri, A. and Ove Gronseth, B. (2018). "Wage Expenditure and Sporting Success: An Analysis of Norwegian and Swedish Football 2010-2013". *Cogent Social Sciences*, 4 (1).

Magee, B. (1985). "*Philosophy and The Real World: An Introduction to Karl Popper*". London: Open Court.

Magowan, A. (2015). "*Overseas football fans visiting Britain now at 800,000*". Available at www.bbc.co.uk/sport/0/football/34197370 BBC News, 10.09.15. accessed 10.09.15.

Maguire, K. (2020). "*The Price of Football. Understanding Football Club Finance*". Bath: Agenda Publishing.

Mahoney, J and Thelen, K. (Eds). (2010). "*Explaining Institutional Change: Ambiguity, Agency and Power*". New York: Cambridge University Press.

Majone, G. (1994). "*The Rise of the Regulatory State in Europe*". West European Politics, Vol. 17: 77-101.

Majone, G. (1996): "*Regulating Europe*". London: Routledge.

Majone, G. (1997): "From the Positive to the Regulatory State: Causes and Consequences of Change in the mode of Governance". *Journal of Public Policy*, 17(2): 139-167.

Mann, M. (1986). "*The sources of social power, Volume 1. A history of power from the beginning to AD 1790*". New York: Cambridge University Press.

Martinez-Lucio, M. and Mackenzie, R. (2004). "'Unstable Boundaries'. Evaluating the 'New Regulation' within employment relations". *Economy and Society*, 33(1): 77-97.

Martin, P. (2007). "Football, Community and Cooperation. A Critical Analysis of Supporter Trusts in England". *Soccer and Society*, 8 (4): 636-653.

Marwick, A. (1989). "*The nature of history*". London: Macmillan.

Mason, P. (2015). "*Post Capitalism: A Guide to Our Future*". London: Allen Lane.

- May, T. (1997). *"Social Research – Issues, Methods and Process"*. Buckingham: Open University Press.
- McCubbins, J.S. and Noll, M.D. (1989). "Structure and Process, Politics and Policy: Administrative Arrangements and Political Control of Agencies". *Virginia Law Review*, 75: 431-482.
- McCubbins, M.D., Noll, R.G. and Weingast, B.R. (1987). "Administrative procedures as instruments of political control". *Journal of Law, Economics and Organisation*, 3(2): 243-286.
- McKenzie, R.B. and Macaulay, H.H. (1980). "A Bureaucratic Theory of Regulation". *Public Choice*, 35 (3): 297-313.
- McLean, I. (2004). *"The History of Regulation in the United Kingdom: Three Case Studies in Search of a Theory"*, in *"The Politics of Regulation"*, Editors Jordana, J. and Levi-Faur, D. Edward Cheltenham: Elgar.
- Meidinger, E. (1987). "Regulatory Culture: A Theoretical Outline". *Law and Policy*, 9 (4): 355-386.
- Merton, R. (1984). "The Unintended Effects of Purposive Social Action". *American Sociological Review*, 1: 894-904.
- Meyer, J.W. and Rowan, B. (1977). "Institutionalized Organisations: Formal Structure as Myth and Ceremony". *American Journal of Sociology*, 83 (2): 340-363.
- Michie, J. (1999). *"New Mutualism, A Golden Goal?"* Manchester: The Co-op Press.
- Michie, J. (2002). "The Governance and Regulation of Football". *The Political Economy*, 71 (2); 184-191.
- Michie, J., Holt, M., Oughton, C., Tacon, R. and Walters, G. (2005). *"The State of the Game"*. Research Paper No.3, Football Governance Research Centre, London: Birkbeck, London University.
- Michie, J. and Oughton, C. (2004). *"Competitive Balance in Football Trends and Effects"*. Football Governance Research Centre, London: Birkbeck, University of London.
- Michie, J. and Oughton, C. (2005a). *"Competitive Balance in Football Trends an Update"*. Football Governance Research Centre, London: Birkbeck, University of London.

- Michie, J. and Oughton, C. (2005b). *"The FA: Fit for Purpose?"*. Football Governance Research Centre, London: Birkbeck, London University.
- Middlemas, K. (1979). *'Politics in Industrial Society: The Experience of the British System since 1911'*. Maryland: Rowman and Littlefield.
- Mile, M.B. and Huberman, A.M. (1994). *"Qualitative Data Analysis"*. Thousand Oaks, CA: Sage.
- Miller, M. (2016). *"Liverpool fans plan walk-out protest over Anfield ticket price hike"*. Available at www.metro.co.uk/liverpool-fans-plan-walk-out-protest-over-Anfield-ticket-price-hike/5662603 The Metro, 03.02.16 accessed 03.02.16.
- Millward, P. (2011). *"The global football league"*. Basingstoke: Palgrave
- Millward, M. (2012). "Reclaiming the Kop? Analysing Liverpool supporters' 21st Century Mobilisations". *Sociology*, 46 (4): 633-648.
- Millward, M. (2013). *"New Football Directions in the Twenty-First Century: Profit and Revenue in the English Premier League's Transnational Age"*. *Leisure Studies*, 1:1-16.
- Millward, M. (2018). "Against Modern Football: Mobilising Protest Movements in Social Media". *Sociology*, 52 (4): 688-708.
- Mellor, G. (2008). "'The Janus-faced Sport': English football and the legacy of the 'Third Way'". *Soccer and Society*, 9 (3): 313-324.
- Mitnick, B. (1975). "The Theory of Agency: The Policing 'paradox' and regulatory behaviour". *Public Choice*, 24 (Winter): 27-42.
- Mitnick, B. (1980). *"The Political Economy of Regulation: Creating, Designing and Removing Regulatory Forms"*. New York: Columbia University Press.
- Moorhouse, H. (2002). *"The Distribution of Income in European Football: Big Clubs, Small Countries, Major Problems"* in *"Transatlantic Sport, the Comparative Economics of North American and European Sports"*, Editors. Barros, C.P., Ibrahim, M. and Szymanski, S. Northampton: Edward Elgar.
- Montague, J. (2017). *"The Billionaires Club. The Unstoppable Rise of Football's Super Rich"*. London: Bloomsbury Sport.
- Morgan, B. and Young, K. (Eds). (2007). *"An Introduction to Law and Regulation: Text and Materials"*. Cambridge: Cambridge University Press.

- Morgan, G. (1983). *Beyond method: strategies for social research*. Beverly Hills, CA: Sage.
- Moran, M. (1986). "Theories of Regulation and Change in Regulation: The Case of Financial Markets". *Political Studies*, XXXIV: 185-201.
- Moran, M. (1994). "The State and the Financial Services Revolution". *West European Politics*, 17(3): 158-177.
- Moran, M. (2002). "Review Article: Understanding the Regulatory State". *British Journal of Political Science*, 32 (April): 391-413.
- Morganson, F. and Hofmann, D.A. (1999). "The Structure and Function of Collective Concepts: Implications for Multilevel Research and Theory Developments". *The Academy of Management Review*, 24 (2): 249-265.
- Morrow, S. (2000). "Football Clubs on the Stock Exchange: An Inappropriate Match? The case of Celtic plc". *Irish Accounting Review*, 7 (2): 61-90.
- Morrow, S. (2003). *The People's Game? Football, Finance and Society*. London: Palgrave Macmillan.
- Morrow, S. (2004). "The Financial Crisis in Scottish Football". *Scottish Affairs*, 47.
- Morrow, S. (2006). "Scottish Football: It's a funny old business". *Journal of Sports Economics*, 7 (1): 90-95.
- Morrow, S. (2012). "The Financial Collapse of Rangers: Lessons for the Business of Football". *Perspectives, Magazine of Scotland's Democratic Left*, 15-18.
- Muller, J., Lammert, J. and Hovemann, G. (2012), "The Financial Fair Play Regulations of UEFA: An Adequate Concept to Ensure the Long-Term Viability and Sustainability of European Club Football?" *International Journal of Sport Finance*, 7(2), 117-140.
- Nag, R., Corley, K.G. and Gioia, D.A. (2007). "The intersection of organizational identity, knowledge, and practice: Attempting strategic change via knowledge grafting". *Academy of Management Journal*, 55: 421-457.
- Nauright, K. and Lamfjord, J. (2010). "Who Owns England's Game? American Professional Sporting Influences and Foreign Ownership in the Premier League". *Soccer and Society*, 11 (4): 428-441.

- Neale, W.C. (1964). "The Peculiar Economics of Professional Sports: A Contribution to the Theory of the Firm in Sporting Competition and in Market Competition". *The Quarterly Journal of Economics*, 78 (2): 1-14.
- Niskanen, W.A. (1971). "*Bureaucracy and Representative Government*". Chicago: Transaction Publishers.
- Noll, R.G. (1989). "*Economic perspectives on the politics of regulation*" in "*Handbook of Industrial Organisation*" Vol. II. Editors: Schmalensee, R. and Willig, R. Oxford: New Holland.
- Noll, R.G. (2002). "The Economics of Promotion and Relegation in Sports Leagues: The Case of English Football". *Journal of Sports Economics*, 3 (2): 169-203.
- North, D.C. (1990) "*Institutions, Institutional Change and Economic performance*". Cambridge: Cambridge University Press.
- Nye, J. (1990). "Soft Power". *Foreign Policy*, 80: 53-71.
- Nye, J.S. (1990). "*The Changing Nature of World Power*". *Political Science Quarterly*, 105 (2): 177-192.
- Ogus, A. (1994). "*Regulation: Legal Form and Economic Theory*". Oxford: Oxford University Press.
- Olins, W. (2003). "*Wally Olins On Brand*". New York: Thames and Hudson.
- Oliver, C. (1991). "*Strategic Responses to Institutional Processes*". *Academy of Management Review*, 16(1): 145-179.
- Olsen, M. (1965). "*The Logic of Collective Action: Public Goods and the Theory of Groups*". Cambridge MA: Harvard University Press.
- Orren, K. and Skowronek, S. (2004). "*The Search for American Political Development*". Cambridge: Cambridge University Press.
- O'Sullivan, M. (2017). "*An Analysis of Ludwig Wittgenstein's Philosophical Investigations*". London: Macat.
- Parrish, R. (2002). "Football's place in the Single European Market". *Soccer and Society*, 3 (1): 1-21.
- Parrish, R. and Miettinen, S. (2008). "*The Sporting Exception in European Union Law*". The Hague: TMC Asser Press.

- Parsons, T. (1963a). "On the concept of political power". *Proceedings of the American Philosophical Society*, 107: 232-262.
- Parsons, T. (1963b). "On the concept of political influence". *Public Opinion Quarterly*, 27: 37-62.
- Patton, M.Q. (2002). "*Qualitative Research and Evaluation Methods*". Thousand Oaks, CA: Sage Publications.
- Pedhazur, E.J, and Schmelkin, L. (1991). "*Measurement, Design, and Analysis*". New York: Psychology Press.
- Peltzman, S. (1976). "Toward a more general theory of regulation". *Journal of Law and Economics*, 19: 211-240.
- Peltzman, S. (1989). "The economic theory of regulation after a decade of deregulation". *Brookings Papers on Economic Activity (Microeconomics)*: 1-41.
- Perkins, S. (2000). "Exploring future relationships between football clubs and local government" in "*The Future of Football: Challenges for Twenty-First Football*", Editors: Gardland, J., Malcolm, D. and Rowe, M. London: Frank Cass.
- Picciollo, S. (1989). "*Slicing a Shadow: Business Taxation in an International Framework*" in "*Capitalism, Culture and Economic Regulation*", Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.
- Piketty, T. (2014). "*Capitalism in the Twenty-First Century*". Harvard: Harvard University Press.
- Pilnick, B. (2018). "Are Exeter City supporters the most powerful fans in England?" Available at www.bbc.co.uk/sport/football/44331219 BBC News, 02.06.18 accessed 02.06.18.
- Polanyi, K. (2001). "*The Great Transformation*". Second Edition, Boston: Beacon Press.
- Polsby, N.W. (1963): "*Community Power and Political Theory*". New Haven: Yale University Press.
- Plummer, K. (2001). "*Documents of Life 2*". Second Edition, London: Sage.
- Popper, K. (1985). "*Popper Selections*". Ed: Miller, D.W. Princeton, CA: Princeton University Press.

- Popper, K. (2002). *"The logic of scientific discovery"*. London: Routledge (Original work published 1959).
- Pound, J. (1993). "The rise of the political model of corporate governance and corporate control". *New York University Law Review*, 68 (5): 1003-1071.
- Power, M. (2007). *"Organised Uncertainty"*. Oxford: Oxford University Press.
- Pratt, M.G. (2009). "For the lack of a boilerplate: tips on writing up (and rewriting) qualitative research". *Academy of Management Journal*, 52, 5: 856-862.
- Prior, L. (2003). *"Using Documents in Social Research"*. London: Sage.
- Prior, L. (2008). "Repositioning Documents in Social Research". *Sociology*, 42 (3): 821-836.
- Prosser, T. (1989). "Regulation of Privatised Enterprises in Situations and Procedures" in *"Capitalism, Culture and Economic Regulation"*, Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.
- Prosser, T. (2006). "Regulation and Social Solidarity". *Journal of Law and Society*, 33 (3): 364-387.
- Pruess, H., Haugen, K. and Schubert, M. (2012). *"UEFA Financial Fair Play: The Curse of Regulation"*. Working Paper No.7 Institute of Sport Science: Mainz.
- Ramchandani, G. (2012). "Competitive Balance of the English Premier League (1992-2010) and Ten European Football Leagues (2010)". *International Journal of Performance Analysis in Sport*, 12 (2); 346-360.
- Reade, B. (2011). *"An Epic Swindle. 44 months with a pair of cowboys"*. London: Quercus.
- Rees, P. (2020). "Fan Ownership would give Rugby and Football Clubs Stability, says Think Tank". Available at www.guardian.com/sport/2020/may/26/fan-ownership-rugby-football-clubs-think-tank-onward Guardian, 26.05.20 accessed 29.05.20.
- Reynolds, P.D. (1971). *"A primer in theory construction"*. Indianapolis: The Bobbs-Merrill Co.
- Roan, D. (2015). "Premier League: Football Broadcasting Battle Hot's Up". Available at www.bbc.co.uk/sport/0/football/35099081 BBC News, 21.12.15 accessed 21.12.15.

- Roan, D. (2018). "European Super League would damage English football – UK Government". Available at www.bbc.co.uk/sport/football/46097389 BBC News, 06.11.18 accessed 06.11.18.
- Roan, D. (2019a). "Aston Villa: Premier League scrutinise Villa Park sale". Available at www.bbc.co.uk/sport/football/49600851 BBC News, 05.09.2019 accessed 05.09.19.
- Roan, D. (2019b). "Middlesbrough set to sue EFL over Pride Park sale to Derby County owner". Available at www.bbc.co.uk/sport/football/49687098 BBC News, 13.09.19 accessed 13.09.19.
- Roan, D. (2020). "Newcastle United Takeover: Government Urged to 'Take a Role' in Proposed Takeover". Available at www.bbc.co.uk/sport/football/52414385 BBC News, 24.4.20 accessed 24.4.20.
- Robinson, J. and Clegg, J. (2019). "The Club. How the Premier League became the richest, most disruptive business in sport". London: John Murray.
- Roe, M. (1994). "Strong Managers Weak Owners: The Political Roots of American Corporate Finance". Princeton: Princeton University Press.
- Rohde, M. and Breuer, C. (2016a). "The Financial impact of (Foreign) Private Investors on Team Investments and Profits in Professional Football: Empirical Evidence from the Premier League". *Applied Economics and Finance*, 3(2).
- Rohde, M. and Breuer, C. (2016b). "Europe's Elite Football: Financial Growth, Sporting Success, Transfer Investment, and Private Majority Investors". *International Journal of Financial Studies*, 4 (2): 1-20.
- Ronay, B. (2019). "Sports Washing and the tangled web of Europe's Biggest Clubs". Available at www.theguardian.com/football/2019/feb/15/sportwashing-europes-biggest-clubs-champions-league-owners-sponsors-UEFA Guardian, 15.02.19 accessed 16.02.19.
- Rottenberg, S. (1956). "The Baseball Player's Labour Market". *Journal of Political Economy* 64 (3): 242-258.
- Rosen, S. (1981). "The Economics of Superstars". *The American Economic Review*, 7 (5): 845-858.
- Ross, S. (1973). "The Economic Theory of Agency: Principal's Problem". *American Economic Review*, 63: 134-139.

- Roubini, N and Mihm, S. (2010). *“Crisis Economics: A Crash Course in the Future of Finance”*. London: Allen Lane.
- Rudestam, K.E. and Newton, R.R. (1992). *“Surviving your research: A comprehensive guide to content and process”*. London: Sage.
- Russell, D. (2007). *“Football and the English Society: A Social History of Association Football, 1863-1995”*. Lancaster: Carnegie.
- Saldana, J. (2016). *“The Coding Manual for Qualitative Researchers”*. London: Sage.
- Salomon Brothers. (1997). *“UK Football Clubs: Valuable Assets?”*. Global Equity Research: Leisure, Salomon Brothers: London
- Sandvoss, C. (2003). *“A Game of Two Halves: Football Fandom, Television and Globalisation”*. London: Routledge.
- Sass, M. (2012). *“Long-term Competitive Balance under UEFA Financial Fair Play Regulations”*. Universitat Magdeburg Working Paper, 5: 1-11.
- Sass, M. (2014). “Glory Hunters, Sugar Daddies, and long-term competitive balance under UEFA financial fair play”. *Journal of Sports Economics*, 17(2): 148–158.
- Saunders, M.N.K., Lewis, P., Thornhill, A. and Bristow, A. (2003). *“Research Methods for Business Students”*. Third Edition. Harlow: Pearson Education.
- Schattschneider, E.E. (1960). *“The semi-sovereign people: A realist’s view of democracy in America”*. New York: Holt, Rhinehart and Winston.
- Schubert, M. and Könecke, T. (2015). “Classical’ doping, financial doping and beyond: UEFA’s financial fair play as a policy of anti-doping”. *International Journal of Sport Policy and Politics*, 7(1): 63-86.
- Schumpeter, J.A. (1976). *“Capitalism, Socialism and Democracy”*. London: Routledge.
- Scott, C. (2001). “Analysing regulatory space: fragmented resources and institutional design”. *Public Law*, Summer: 329-353.
- Sekaran, U. (2000). *“Research methods for Business: A Skill Building Approach”*. New York: John Wiley and Sons.
- Self, J. (2014). *“Manchester City no longer lives in the shadow of Sir Alex Ferguson and United – The noisy neighbours are top dogs ahead of massive derby day”*. Available at

www.dailymail.co.uk/sport/football/article-2812326/having-lived-shadow-sir-alex-ferguson-s-united-decades-manchester-city-dogs Daily Mail Online: 29.10.14 accessed 30.12.18.

Self, P. (1972). *Administrative Theories and Politics*. London: Allen and Unwin.

Self, P. (1993). *Government by the Market? The Politics of Public Choice*. London: MacMillan.

Selznick, P. (1985). "Focusing organisational research on regulation", in *Regulatory Policy and the Social Sciences*, Editor: Noll, R. Berkley: University of California Press.

Searle, J.R. (2007). "Social Ontology and Political Power", in *Freedom and Neurobiology: Reflections on Free Will, Language and, Political Power*. New York: Columbia University Press.

Sekaran, U. (1992). *Research Methods for Business: A skill building approach*. New York: Wiley.

Shapiro, B. and Matson, D. (2008). "Strategies of resistance to internal control regulation". *Accounting, Organisations and Society*, 33(2/3): 199-228.

Shleifer, A. and Vishny, R.W. (1997). "A Survey of Corporate Governance". *The Journal of the American Finance Association*, 52 (2): 737-783.

Sieber, S.D. (1981). *Fatal Remedies: The Ironies of Social Intervention*. New York: Plenum Press.

Siggelkow, N. (2007). "Persuasion with Case Studies". *Academy of Management Journal*, 50 1:20-24.

Sikka, P. (2001). "Regulation of accounting and the power of capital: some observations". *Critical Perspectives on Accounting*, 12 (2): 199-211.

Sikka, P. (2009). "Financial crisis and the silence of the auditors". *Accounting, Organisations and Society*, 34 (6/7): 868-873.

Silverman, D. (2010). *Doing Qualitative Research: A Practical Handbook*. London: Sage.

Silverman, D. (2013). *A very short, fairly interesting and reasonably cheap book about qualitative research*. London: Sage.

Simon, H.A. (1947). *Administrative Behaviour: A Study of Decision-Making Processes in Administrative Organization*. Fourth Edition (1997): New York: Schuster and Schuster.

- Sims, P.J. (2018). "The Circumvention of UEFA's Financial Fair Play Rules through the influx of foreign investments". *Northwestern Journal of International Law and Business*, 39 (1): 61-84.
- Slater, M. (2013). "Is fan ownership the answer to football failures?". Available at www.bbc.co.uk/sport/football/21058754 BBC News, 17.01.13 accessed 29.11.17.
- Slater, M. (2015). "Premier League: How football 'made in England' got big in the USA". Available at www.bbc.co.uk/sport/0/football/34949825 BBC News, 30.11.15, accessed 30.11.15.
- Sloan, P.J. (1969). "The Labour Market in Professional Football". *British Journal of Industrial Relations*, 7 (2): 181-199.
- Sloan, P.J. (1971). "The Economics of Professional Football: The Football Club as a Utility Maximiser". *Scottish Journal of Political Economy*, 18 (2): 121-146.
- Sloan, P.J. (2015). "The Economics of Professional Football Revisited". *Scottish Journal of Political*, 18 (2): 121-146.
- Smith, E. (2009). "What Sport tells us about Life". London: Penguin.
- Smith, Sir. J. and LeJeune, M. (1998). "Football: Its Values, Finances and Reputation". The Football Association: London.
- Smith, P. (2012). "For Richer, For Poorer. Rangers: The Fight for Survival". Edinburgh: Mainstream.
- Solberg, H.A. and Haugen, K.K. (2010). "European club football: Why enormous revenues are not enough?". *Sport in Society*, 13 (2): 329-343.
- Spiller, P. (1998). "Agency Discretion and Accountability in Regulation". *New Palgrave Dictionary of Law and Economics*, 1:30-35.
- Spradley, J.P. (1979). "The Ethnographic Interview". New York: Holt Rinehart and Winston.
- Stake, R.E. (1985). "The Art of Case Study Research". Thousand Oaks, CA: Sage.
- Strauss, A. and Corbin, J. (1990). "Basics of qualitative research". Newbury Park, CA: Sage.
- Strauss, A. and Corbin, J. (1998). "Basics of qualitative research: Techniques and procedures for developing grounded theory". Second Edition, Thousand Oaks, CA: Sage.

- Stigler, G. (1970). "The optimum enforcement of laws". *Journal of Political Economy*, 78(3): 526-536.
- Stigler, G. (1971). "The Theory of Economic Regulation". *Bell Journal of Economics and Management Science*, 2(1): 3-21.
- Stigler, G. (1975) "*The Citizen and the State: Essays on Regulation*". Illinois: University of Chicago Press.
- Stiglitz, J. (2010). "*Freefall: America, Free Markets and the Sinking of the World Economy*". New York: W.W. Norton & Company.
- Stone, A. (1982). "*Regulation and its Alternatives*". Washington, DC. Congressional Quarterly Press: Washington.
- Stone, C. (2007). "The Role of Football in Everyday Life". *Soccer and Society*, 8 (2/3): 169-184.
- Stone, S. (2019). "*Blackpool: Simon Sadler on taking over from the Oystons as Seasiders owner*". Available at www.bbc.co.uk/sport/football/49176913 BBC News, 02.08.19 accessed 02.08.19.
- Storker, G. (1998). "Governance theory as five propositions". *International Social Science Journal*, 50 (155): 17-28.
- Storm, R.K. and Nielsen, K. (2012). "Soft budget constraints in professional football". *European Sport Management Quarterly*, 12:2: 183-201.
- Sugden, J. (2002). "Network Football" in "*Power Games: A Critical Sociology of Sport*", Editor: Sugden, J. Oxford: Routledge.
- Sunstein, C. (1990). "Paradoxes of the Regulatory State". *University of Chicago Law Review*, 57: 407-441.
- Sunstein, C. (1991). "*Designing Democracy*". Oxford: Oxford University Press.
- Sutcliffe, G. (2000). "Why Football needs an Independent Regulator" in "*Football in the Digital Age: Who's Game is it anyway?*" Editors: Hamil, S., Michie, J., Oughton, C. and Warby, S. Edinburgh: Mainstream.
- Szymanski, S. (2007). "The Champions League and the Coase Theorem". *Scottish Journal of Political Economy*, 54 (3): 358-373.

- Szymanski, S. (2009). *Playbooks and Checkbooks. An introduction to the Economics of Modern Sports*. Princeton: Princeton University Press.
- Szymanski, S. (2010). "The financial crisis and English football: The Dog that will not bark". *International Journal of Sport Finance*, 5 (1): 28-40.
- Szymanski, S. (2011). *Football Economics and Policy, Volume 1*. London: Palgrave Macmillan.
- Szymanski, S. (2012), "Insolvency in English football: irrational exuberance or negative productivity shocks". International Association of Sports Economists & North American Association of Sports Economists, Working Paper 12-02.
- Szymanski, S. (2014), "Fair Is Foul: A Critical Analysis of UEFA Financial Fair Play". *International Journal of Sport Finance*, (9): 218-229.
- Szymanski, S. (2015). *Money and Football. A Soccernomics Guide*. New York: Nations Books.
- Szymanski, S. and Kuper, S. (2000). *Winners and Losers*. London: Penguin.
- Szymanski, S. and Kuper, S. (2012). *Soccernomics*. London: HaperSport.
- Szymanski, S. and Peeters, T. (2014). "Financial Fair Play in European Football". *Economic Policy*, 29 (78): 343-390.
- Szymanski, S. and Smith, R. (1997): "The English Football Industry: Profit, Performance and Industrial Structure", *International Review of Applied Economics*, 11 (1): 135-153.
- Taleb, N.M. (2007). *Black Swans*. London: Penguin.
- Tapp, A. (2004). "The Loyalty of Football Fans – We'll Support you Evermore?". *Database Marketing and Customer Strategy Management*, 11 (3): 203-215.
- Tapp, A. and Clowes, J. (2002). "From 'Carefree Casuals' to 'Professional Wanderers': Segmentation Possibilities in Football". *European Journal of Marketing*, 36 (11/12): 1248-1269.
- Taylor, D. (2011). "Manchester City Bank Record £400m Sponsorship Deal with Etihad Airways". Available at www.theguardian.com/football/2011/jul/08/Manchester-City-Deal-Eithad-Airways Guardian, 08.07.11 accessed 21.04.18.

- Taylor, D. and Gibson, O. (2011). "Manchester City to test financial fair play with naming rights". Available at www.theguardian.com/football/2011/jul/07/manchester-city-naming-rights Guardian, 07.07.2011 accessed 10.12.18.
- Taylor, M. (2013). "The Association Game: A History of British Football". Oxford: Routledge.
- Taylor, P. (1990). "The Hillsborough Stadium Disaster: 15 April 1989: Inquiry by the Rt. Hon Lord Justice Taylor: Final Report". Home Office Department: London.
- Taylor, P. and Gratton, C. (2000). "The Economics of Sport and Recreation: An Economic Analysis". London: Spon Press.
- Thalen, K. (2004): "How Institutions Evolve: The Political Economy in Germany, Britain, United States and Japan". New York: Cambridge University Press.
- Thaler, R. and Sunstein, C. (2008). "Nudge". London: Penguin.
- Thatcher, M. and Coen, D. (2008). "Reshaping European Regulatory Space: An Evolutionary Analysis". *West European Politics*, 31 (4): 806-836.
- Thomas, G. (2010). "Doing Case Study: Abduction not Induction, Phronesis not Theory". *Qualitative Inquiry*, 16(7): 575-582.
- Thomas, G. (2011). "A Typology for the Case Study in Social Science following a review of Definition, Discourse and Structure". *Qualitative Inquiry*, 17(6): 511-521.
- Thornburg, S. and Roberts, R.W. (2008). "Money, Politics and the Regulation of Public Accounting Services: Evidence from the Sarbanes-Oxley Act of 2002". *Accounting Organisations and Society*, 33 (2-3): 229-248.
- Tongue, S. (2016). "Turf Wars: A History of London Football". Sussex: Pitch Publishing.
- Toussaint, J-P. (Translated by Whiteside, S.) (2016). "Football". London: Fitzcarraldo Editions.
- Turnbull, S. (1997). "Corporate Governance: its scope, concerns and theories". *Corporate Governance: An International Review*, 5 (4): 180-205.
- UEFA. (2010a). "The European Club Footballing Landscape: Club Licensing Benchmark Report Financial Year 2008". UEFA: Switzerland.
- UEFA. (2010b). "UEFA Club Licensing and Financial Fair Play Regulations Edition 2010". UEFA: Switzerland.

- UEFA. (2011). *"The European Club Licensing Benchmarking Report Financial Year 2011"*. UEFA: Switzerland.
- UEFA. (2015). *"UEFA Club Licensing and Financial Fair Play Regulations Edition 2015"*. Switzerland: UEFA.
- UK Parliament Committee. (2016). *"Former Football Association Executives Urge Reform of FA Governance"*. Available at www.committees.parliament.uk/committee/378/digital-culture-media-and-sport-committee/news/104989/former-football-association-executives-urge-reform-of-fa-governance/ UK Parliament Committee, 12.12.16 accessed 10.01.17.
- UK Gov. (2021). "Fan-Led review of football governance". Available at www.gov.uk/government/publications/fan-led-review-of-football-governance UK Government 22.04.21 accessed 23.04.21.
- Van der Burg, T. (2000). "Football and Market Failure". *New Economy*, 7(4): 242-247.
- Van Maanen, J. (1979). "The fact of fiction in organisational ethnography". *Administrative Science Quarterly*, 24: 539-550.
- Vibert, F. (2014). *"The New Regulatory Space. Reframing Democratic Governance"*. Cheltenham: Edward Elgar.
- Vogel, D. (1986). *"National Styles of Regulation"*. Cornell: Cornell University Press.
- Vogel, S. K. (1996). *"Freer markets, More Rules"*. Cornell: Cornell University Press.
- Vopel, H. (2013) "Is Financial Fair Play Really Justified? An Economic and Legal Assessment of UEFA's Financial Fair Play Rules". *Hamburg Institute of International Economics*, 79: 1-30.
- Vrooman, J. (2007). "Theory of the Beautiful Game: The Unification of European Football". *Scottish Journal of Political Economy*, 54 (3): 314-354.
- Wacker, J.G. (1998). "A definition of theory: Research guidelines for different theory-building research methods in operational management". *Journal of Operations Management*, 16(4): 361-385.
- Walters, G. and Chadwick, S. (2009). "Corporate Citizenship in Football: Delivering Strategic Benefits Through Stakeholder Engagement". *Management Decisions*, 47 (1): 55-66.

- Walters, G. and Hamil, S. (2013). "The contests for power and influence over the regulatory space within the English professional football industry 1980-2012". *Business History*, 55 (5).
- Walters, G. and Tacon, R. (2010). "Corporate Social Responsibility in Sport: Stakeholder Management in the UK Football Industry". *Journal of Management and Organisation*, 16 (4): 566-586.
- Walvin, J. (2000). "*The People's Game: The History of Football Revisited*". Edinburgh: Mainstream Publishing.
- Wearing, R. (2005). "*Cases in Corporate Governance*". London: Sage.
- Weber, M. (2009). "*The Protestant Work Ethic and the Spirit of Capitalism*", Editor: Swedberg, R. London: Norton Critical Editions (Original work published 1905).
- Weber, R. (1990). "*Basic Content Analysis*". London: Sage.
- Weick, K.E. (1979). "*The Social Psychology of Organising*". London: Random House.
- Weick, K.E. (1989). "Theory construction as a disciplined imagination". *Academy of Management Review*, 14: 516-531.
- Welford, J., Garcia, B. and Smith, B.M. (2015). "A healthy future? Supporters' perceptions of the current state of English football". *Soccer and Society*, 16 (2-3): 150 years of Association Football.
- Whitaker, G. (2019). "*I can't help falling in love with you: growing up as a football addict*". Worthing: Pitch Publishing.
- Wilks, S. (1989). "Corporate Strategy and State Support in the European Motor Industry" in "*Capitalism, Culture and Economic Regulation*", Editors: Hancher, L. and Moran, M. Oxford: Clarendon Press.
- Wilks, S. (2007). "Regulatory Compliance and Capitalist Diversity in Europe". *Journal of European Public Policy*, 3 (4): 536-559.
- Williams, J. (2012). "Walking Alone Together the Liverpool Way: Fan Culture and the 'Clueless' Americans". *Soccer in Society*, 13 (3).
- Williams, J. and Hopkins, S. (2011). "Over Here: 'Americanisation' and the new politics of football club ownership – the case of Liverpool F.C.". *Sport in Society*, 14 (2), 160-174.

- Williamson, O.E. (1985). *"The Economic Institutions of Capitalism: Firms, Markets and Relational Contracting"*. New York: Free Press.
- Wills, G., Tacon, R. and Aesa, F. (2020). "Uncertainty of outcome, team quality or star players? What drives T.V. audience demand for UEFA Champions League football?". *European Sports Management Quarterly*.
- Wilson, B. (2015). "Manchester City group sells 13% to Chinese investors". Available at www.bbc.co.uk/news/business-34972478 BBC News, 02.12.15 accessed 02.12.15.
- Wilson, G. (1989). "Social Regulation and Explanations of Regulatory Failure". *Political Studies*, XXXII (2): 203-225.
- Wilson, J.Q. and Rachal, P. (1977). "Can the government regulate itself?". *The Public Interest*, 46: 3-14.
- Wilson, J.Q. (1980). "The Politics of Regulation" in "The Politics of Regulation", Editor: Wilson J.Q. New York: Basic Books.
- Wilson, R., Plumley, D.J. and Ramchandani, G. (2013). "The relationship between ownership structure and club performance in the English Premier League". *Sport, Business and Management: An International Journal*, 3(1): 19-36.
- Winch, R.F. (1958). *"Mate-Selection: A Study of Complementary Needs"*. London: Harper.
- Yin, R.K. (1994). *"Case Study Research"*. Newbury Park, CA: Sage.
- Yin, R.K. (2009). *"Case Study Research and Design Methods"*. Fourth Edition, Thousand Oaks, CA: Sage.
- Young, J.J. (1994). "Outlining regulatory space: Agenda, issues and the FASB". *Accounting, Organisations and Society*, 19(1): 83-109.
- Zagnoli, P. and Radicchi, E. (2010). "Football Fan Community as a Determinant Stakeholder in Value Co-Creation". *Sport in Society*, 13 (10): 1532-1551.