

**European Club Capitalism and FIFA Redistribution Models:
An Analysis of Development Patterns in Globalized Football**

Journal:	<i>Sport in Society</i>
Manuscript ID	FCSS-2017-0142
Manuscript Type:	Original Article
Keywords:	International Soccer, TV Rights, FIFA, Big Five, Median Voter Theorem

SCHOLARONE™
Manuscripts

Review Only

European Club Capitalism and FIFA Redistribution Models: An Analysis of Development Patterns in Globalised Football

Abstract

Globalisation has had different implications for professional club football in Europe and the global football landscape governed by FIFA. In club football, Europe is at the top of the financial ladder with club revenues having increased significantly over the last decades. For teams in the “Big Five” leagues, a new inflow of media rights revenues from markets outside Europe has strengthened their position. This pattern contrasts the redistribution of revenues generated by FIFA to football nations on continents other than Europe. The expansion of teams in the FIFA World Cup has also developed in a direction that favours non-European football nations. This paper analyses the reasons behind the different revenue distribution models that have evolved in club football and the broader football landscape governed by FIFA. In club football, the market forces have worked in favour of those having the best product quality, whereas FIFA’s model have favoured weaker continents.

Keywords: Media Rights; International Football; FIFA; Big Five; Median Voter Theorem; Globalisation.

I. Introductionⁱ

The globalisation of football has caused both similarities and differences in international club football and throughout the landscape of national team football governed by FIFA. The revenues have increased significantly in both contexts over the last decades, and the sale of media rights is now the most important source of revenue for both.

Club football revenues began to grow as early as in 1992 when BSkyB's acquired the media rights for the English Premier League (EPL). At that time, the rights were sold for €55 million per season, which quadrupled the value of the former deal (OfCom 2007). Twenty-five years later, the rights were sold for a staggering €2.5 billion. Similar developments – with significant growth in media rights deals – have also occurred in other European leagues. What is interesting is the fact that an increasing share of the growth is now coming from markets outside Europe. A testament to this is the EPL, which will earn €1.6 billion annually from international markets in the period from 2016/17-2018/19. This is more than five times what they earned ten years earlier. The equivalent figure for the Spanish La Liga is €650 million, which is ten times the revenues earned ten years agoⁱⁱ.

FIFA has also benefited from a strong growth in media rights revenues, mainly stemming from the World Cup, which now account for 90-95 percent of total FIFA media income.ⁱⁱⁱ For the period from 2011 to 2014, FIFA's total revenues amounted to US\$5.7 billion, of which 42% came from media rights. This was more than three times what it earned in the period from 1998-2002.^{iv} The European market has been the single most important revenue generator in this regard. About 50% of FIFA's media rights revenues have been generated in Europe, and 80% of this amount comes from the "Big Five" football nations (England, France, Germany, Italy and Spain), even though the World Cups have attracted almost twice as many Asian viewers as in Europe (KantarSport 2010).

While both European club football and FIFA have experienced growth in income from media rights, the distribution of these revenues has differed between the two. In club football, the market forces have pushed the revenue growth towards the clubs in the Big Five European leagues, which are financially prosperous in comparison to clubs from other continents. In the context of national team football, which is governed by FIFA, the flow of the media rights revenue has taken on a more

1
2
3 redistributive approach. First, FIFA has built up substantial reserves, which by 2016
4 amounted at US\$1.048 billion.^v In addition, a significant proportion of income has been
5 spent on programmes such as the Financial Assistance Programme (FAP) or the Goal
6 Project, which has benefited the weaker football nations outside Europe in particular.
7
8

9
10 This paper will analyse the dynamic forces behind these different flows of
11 revenues in international football, giving special attention to media rights. We will use
12 theoretical perspectives from microeconomic theory and the Median Voter Theorem to
13 explain why two different models of distribution of revenues have evolved in European
14 club football and at the FIFA level.
15
16

17
18 First, we investigate the development in media rights values in globalised
19 football, giving emphasis to the Big Five European football nations. Next, we analyse
20 the factors behind the growth in media rights values and explore the forces behind the
21 distribution of the revenues, and how the models governing them differ. We argue that
22 while the market forces have worked in favour of the strongest leagues in international
23 club football and strengthened their positions, football federations from continents other
24 than Europe have used their majority position within FIFA to favour re-distributive
25 revenue models that benefit themselves.
26
27
28
29
30
31

32
33 We also touch on future perspectives of the development patterns identified,
34 such as FIFA's recent decision to expand the World Cup from 32 to 48 teams. The
35 decision – announced by FIFA's new president, Gianni Infantino – was supported by
36 football officials in Asia^{vi} and Africa^{vii}, while European football officials reacted
37 pessimistically to it. The expansion can be seen as a continuation of the policy of Joseph
38 Blatter, who also favoured football federations on continents other than Europe. The
39 concluding sections sums up our argument and offers some brief reflections and future
40 perspectives.
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

II. Growth of Media Rights Revenues in European Club Soccer and National Team Tournaments

International elite football has enjoyed a massive growth in revenues over the years. This is evident at the club level as well as among national federations responsible for their national teams (Solberg 2016). Television and other media rights have played a significant role in this development in the sense that the value of these rights now accounts for a larger share of the total income in professional football clubs and national federations. According to TV Sports Markets (2014), global media rights were estimated at a total of US\$36.8 billion in 2014. Thirty-six percent – or US\$13.1 billion – of this amount was related to football alone.

Europe on top of the financial ladder in international club football

The biggest gainers in club football have been the European Big Five leagues. The largest clubs in these leagues have established themselves at the top of the financial ladder internationally. During the 1997/98 season, they brought a total of US\$894 million in from the domestic markets. Fifteen years later, this amount increased to US\$4.7 billion (Baskerville Communication Corporation 1997; TV Sports Markets 2013).

The figures in Table 1 show that media rights are now a significant contributor to club revenues in the top leagues, whereas lower level leagues still are dependent on other sources of income.

---Insert Table 1 here---

Overall Media Rights Export of the Big Five in European Football

In addition, new revenue streams are now coming from international sales in the top leagues. Table 2 documents that the Big Five Five leagues have not only increased their revenues from external markets, but that they also account for a larger proportion of the total media revenues than they did a few years ago.

---Insert Table 2 here---

This export of televised football to other continents has helped these leagues strengthen their financial position internationally. In several markets, European club football has displaced the domestic football leagues in terms of popularity.

The EPL has been in the driver's seat of the external markets. Since the start of the 21st century, its revenues from external markets have exceeded the collective revenues of the other members of the Big Five Five leagues. In recent years, the Spanish La Liga has become the second most valuable league outside of its own market. The cost of its rights from the 2016/17 season increased from €235 million to €650 million, which was a growth of 177%. The other members of the Big Five leagues have lagged behind the EPL and La Liga in the international markets. However, these leagues have also seen an increase in revenue from the international markets.

Table 3 illustrates how much media companies in the listed markets spend on Big Five football media rights as a percentage of how much they spend on their domestic leagues. For the non-European markets, the figures include media rights spending for the Champions League and Europe League. In contrast to the European Big Five markets, where there is a modest import from other markets, the Asian Market has become a significant additional revenue stream for the European clubs.

---Insert Table 3 here---

Clubs in the Chinese Premier League (CPL) have recently spent substantial amounts on recruiting players. On several occasions, they have even outbid top European clubs. However, the league has still a long way to go before it can compete with the EPL in

1
2
3 international markets. In 2016 and 2017, the CPL will bring in €3 million annually,
4 which is less than 0.2% of what the EPL earns from the international sale of media
5 rights.
6
7

8 The richest clubs in Europe also generate substantial revenues from UEFA club
9 tournaments. The UEFA Champions League tournament stands out as the biggest
10 contributor, delivering the most media rights revenue (Solberg 2016). UEFA itself
11 received US\$1.644 billion from media rights for the 2015/16 season. Of this, the
12 participating clubs earned about 75%. Around twenty-eight percent of this revenue
13 comes from outside Europe.
14
15
16
17

18 The process behind the establishing of UEFA's Champions League in 1992, and its
19 subsequent development, illustrates how the market forces have influenced international
20 club football. The reason why it was established was that media partners invited the top
21 clubs, at that time called the G14, to form a European Super League. The new league
22 would offer the clubs significantly more lucrative media rights deals than what they
23 earned from the domestic leagues and UEFA's tournament at that time.
24
25
26
27
28

29 The national football federations and UEFA were not happy with the idea of such a
30 'break away league'. UEFA's countermove was to restructure the former European Cup
31 for league winners, and dramatically increase the disbursements to the clubs. To make it
32 the money machine it is today, the tournament has been gradually extended, from eight
33 teams to now 32 teams. Over the years, UEFA has also made the qualification system
34 more favourable for teams in the most interesting commercial football markets.
35 Whereas the European Cup for league winners was a knock-out tournament in which all
36 nations had one participating club, the larger football nations can now field a maximum
37 of four clubs, and the smaller nations have to qualify. See Solberg and Gratton (2004)
38 and Solberg (2016) for more details on the history of the league.
39
40
41
42
43
44
45
46

47 **Non-European Continents: The Gainers in FIFA**

48
49 FIFA has also enjoyed strong growth in revenue over the past years, with media rights
50 becoming the main source. The three World Cups in the 1990s generated media rights
51 revenues of US\$310 million combined, which is less than a third of what the 2002
52 World Cup brought in alone (Horne and Manzenreiter 2002). Table 4 shows that FIFA
53 earns 90-95% of its revenue from the World Cup, of which about 50% comes from
54
55
56
57
58
59
60

1
2
3 media rights, which makes the event a “Cash Cow” for FIFA (Tomlinson 2014).
4
5 Around 50% of FIFA’s media revenues from the last four World Cups have come from
6
7 European markets, and for the 2014 World Cup, 80% of it came from the Big Five
8
9 football nations.
10

11
12 **---Insert Table 4 here---**
13

14
15
16 Even though Europe is the single biggest contributor to FIFA in this regard, FIFA has
17
18 distributed its revenues differently from the model used in club football, where money
19
20 streams flow in the direction of the Big Five leagues. By May 2015, a total of US\$1.456
21
22 billion was spent on the Financial Assistance Programme (FAP) and US\$311 million on
23
24 the Goal project.^{viii} In principle, each member nation in FIFA received US\$250,000
25
26 annually from the former programme. On some occasions, such as in 2011 and 2014
27
28 when FIFA earned additional revenue from the World Cups in 2010 and 2014, former
29
30 FIFA President Joseph Blatter doubled the amount. Gianni Infantino, who had become
31
32 FIFA’s president by 2017, has suggested to expand the programme and pay each
33
34 member US\$1.25 million each year.^{ix} These types of (re-)distribution models are, of
35
36 course, more popular in weaker football nations with the lowest income than the model
37
38 being used in club football, which has benefited those at the top of the financial ladder.

39
40 It is important to stress here that European club football also re-distributes revenues,
41
42 which would otherwise concentrate all income in the hand of a small elite of dominant
43
44 clubs. At a national level, almost all of the Big Five leagues allocate significant shares
45
46 of their media rights revenues equally among teams in their leagues. For example, in the
47
48 German Bundesliga 65% of the revenues are distributed equally and 35% are allocated
49
50 by position; in the EPL, 50% is equally distributed, while 25% is distributed by position
51
52 and 25% according to how much the clubs’ matches are shown on television; and in
53
54 France 50% is equally shared, 30% is distributed by position and 20% in relation to
55
56 television coverage (Solberg 2016). However, what remains clear is that the market
57
58 forces are governing the competition between leagues and continents thus
59
60 institutionalising an inflow of revenues towards Europe as shown above. We examine
this below before turning to why FIFA has favoured re-distributive models among
nations.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

For Peer Review Only

III. Factors behind the growth in Media Rights Revenues

There are several reasons behind the strong growth in media rights for football, including factors on both the supply side and the demand side. First, the development in transmission and dissemination technologies have made access to broadcasts, and thus user consumption, much easier. Television companies no longer meet any shortage in frequencies, as was the case before the digital revolution (Todreas 1999).

As pointed out by Solberg (2016), the distribution of channels and frequencies are now abundant. This has triggered competition for content among an increasing number of media companies. According to Hammervold and Solberg (2006), football fans are very willing to pay to see football. Compared to fans of other sports, they seem more dedicated, and their willingness to pay for broadcasts has thus fuelled a development where the majority of live matches in the domestic leagues are now only shown on pay television (Solberg 2016).

Secondly, the production of televised football clearly involves large economics of scale benefits (Gaustad, 2000). The average costs decline the more viewers tune into the programmes. A large proportion of the costs is independent of both the number of viewers and markets in which the matches are shown. The exception is the cost of commentators if the programmes are exported to foreign markets. Therefore, most of the additional revenues from attracting more viewers are net profits. This gives broadcasters that have the most popular products extra incentive to extend further into internal and external markets to recruit more viewers.

Another important factor is that technological innovations have made television viewers more flexible as to when and where they watch matches. It is now possible to watch live football on various devices, such as computers, tablets or mobile phones. Hence, viewing a televised match is no longer restricted to sitting in front of a traditional television screen. This can stimulate demand in itself.

Further, the demand for football, as with all goods, is affected by a quality dimension (Wann et al. 2001). Of course, football fans prefer to watch the best players, clubs, matches, and leagues and tournaments. The Big Five European leagues were at the top of the financial ladder in the 1990s, until the technological innovations in the media began to accelerate. Therefore, they had the best players at that time. Although the

1
2
3 Argentinian and Brazilian national teams were successful, the best South American
4 players were playing for clubs in the big European leagues. Since then, the
5 technological innovations have further strengthened their positions. In every year in this
6 century, the Football Money League (the list of the 20 richest clubs in the world) has
7 only included clubs from the Big Five European nations (Deloitte 2017), a clear sign of
8 how the market forces have worked in favour of the European continent.
9

10
11
12
13 Surveys by Sportcal Insight show that the English Premier League was the most popular
14 football league in China, Japan, South Korea, Hong Kong, Thailand, Singapore,
15 Australia, New Zealand, India, and Nigeria in 2013/14.^x This means it was more
16 popular than the domestic football leagues in the respective nations. Globally, a total of
17 2.3 billion consider themselves as football fans, of which 1.2 billion were fans of EPL.
18 While 18.1 million of these people lived in the UK, 174 million were living in China
19 and 59.2 million in Nigeria. This can explain why television companies in Malaysia,
20 India and Thailand have spent significantly more on acquiring European football media
21 rights than on their respective domestic leagues. This pattern is in contrast to the
22 respective Big Five nations, where there have only been moderate acquisitions of
23 foreign rights. This also explains why the wealthiest football nations have become even
24 wealthier over the last two decades (Solberg 2016).
25
26
27
28
29
30
31
32

33
34 Many football fans have a strong psychological connection to their favourite clubs or
35 national team. It is documented that supporters with a high degree of club identification
36 consume more sport (directly and indirectly), pay more for tickets, spend more on
37 merchandise, and are more loyal in periods when their team is struggling (Melnick and
38 Wann 2004). Football fans have such strong emotional attachments to their clubs and
39 national teams that they can, in many cases, be seen as an extension of their own
40 identities (Chen 2007; Stewart and Smith 1999).
41
42
43
44
45

46 Although identification usually involves a geographical dimension, technological
47 innovations in the media have increased the ability to reach (new) supporters, especially
48 in club football. Sports programmes like football matches have a low cultural discount,
49 a term that reflects the reduction in value of media products when they are shown
50 beyond the home market (Gaustad 2000). Football is in an advantageous position as the
51 most popular sport across the globe, which means that its value has remained at a high
52 level, even when the product has been exported to other nations.
53
54
55
56
57
58
59
60

1
2
3 Investing in multinational squads can also pay off when it comes to international
4 promotion (Wann et al. 2001). Some of the Big Five European leagues have had more
5 foreign players than domestic ones in some seasons. A breakdown of the share of
6 foreign players in the Big Five leagues from 1985 to 2016 is shown in Table 6. In
7 February 2016, the English Premier League had the highest proportion of foreign
8 players (66%), followed by the Italian Serie A (58%) and the German Bundesliga
9 (50%). While there have never been any doubts raised that Latin American players were
10 recruited because of their skills, this has not necessarily been the case for Asian players.
11 Indeed, in some cases, clubs have been accused of prioritising commercial gains over
12 the players' skills (Gratton 2003; Solberg and Turner 2010).
13
14
15
16
17
18
19
20
21

22 **--Please insert Table 5 here--**
23
24
25

26 Part of what attracts people to football matches is the uncertainty of the outcome, which
27 is known as the question of competitive balance in football. This is based on the idea
28 that spectators generally prefer to see a close contest or clubs that are evenly matched.
29 The phenomenon is well-known in sport economics literature (Rottenberg 1956). In
30 European club football, the sale and redistribution of media rights has become the major
31 instrument to maintain a competitive balance (Gratton and Solberg 2007) and it has
32 strengthened the position of the weaker clubs. In recent years, media revenues from the
33 bottom clubs in the Premier League have exceeded those of the top clubs in Germany,
34 Spain, Italy and Spain, excepting Barcelona and Real Madrid. This policy of
35 equalisation has also improved the ability of the Premier League as a unit to recruit
36 players from other nations. Additionally, the clubs have also used other promotional
37 tools such as example pre- and post-season tours to other continents. The growth in
38 media rights from other continents indicates that all these efforts have paid off. The
39 English Premier League and the Spanish La Liga, which have been most successful
40 leagues in international markets, have each rescheduled their kick-off times for some
41 matches to better suit audiences in Asia and the Americas in particular (TV Sports
42 Markets 2015).
43
44
45
46
47
48
49
50
51
52
53
54

55 Internal league redistribution may have increased the commercial value of the
56 leagues at international markets. If twenty clubs can recruit players from strong
57
58
59
60

1
2
3 markets, this may be a more efficient way of increasing the commercial value of the
4 league compared to only a handful of elite clubs being able to afford the best players.
5
6 This may, explain why the majority of European leagues have converted from
7
8 individual to collective sale procedures. The Italian Serie A (in 2009) and the Spanish
9
10 La Liga (in 2017) were the last of the Big Five to go in this direction.
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

For Peer Review Only

IV. The factors behind the different developments in FIFA's distribution models

The above sections have outlined how and why the European Big Five leagues have strengthened their positions financially and in sporting terms in contrast to leagues on other continents. In short, this has happened due to a growing influx of media rights revenues coming from and at the expense of leagues outside of Europe. The national European leagues take redistributive approaches internally, which is a way of making them more competitive internationally and putting them at the top of the globalised football entertainment industry. The concentration of wealth in the European leagues that results from this contrasts the allocation of media rights revenues by FIFA. FIFA's redistributive models have favoured weaker football nations outside Europe.

To understand why FIFA has moved in this direction, we will use the Median Voter Theorem (Black 1948; Downs 1957) as a guiding tool. As mentioned in the introduction, we argue that political factors have a great influence on FIFA's distribution of revenues. The Median Voter Theorem assumes that voters – at the end of the day – vote their own pocket book, which means that their main objective is to maximise their own utility. On the other hand, electorates – political candidates – develop policies in correspondence with their voters' preferences in order to get elected or stay in office, thereby maximising *their* own utility (Persson and Tabellini 2000).

Further, the Theorem is based on the assumption that each voter can place all election alternatives along a one-dimensional scale, and that their preferences are single-peaked (Black 1948). The latter means that each voter considers one outcome as being better than all the others. The further away the alternative outcomes are, the less they are preferred (Congleton 2004). Seen from the side of the electorates, they offer political solutions to specific problems that match their voters' preferences. According to this approach, a "majority rule voting system" will result in an outcome that is most preferred by the median voter (Gerber and Lewis 2004).^{xi} This is the voter (in our case a FIFA member nation) whose preference separates the other voters into two equal groups when they are arranged in accordance with their preferences.

The Median Voter Theorem has received criticism from various scholars over, for example, the voter paradox (C. K. Rowley 1984), the problem of multidimensional

1
2
3 preferences (Riker and Ordeshook 1973), and its very narrow and general assumptions
4 that do not easily apply to a more “relaxed” empirical reality (Gerber and Lewis 2004).
5
6 However, the Median Voter Theorem applies well to the questions raised in this paper
7
8 due to the problem’s straightforward character and the interests of the actors involved.
9
10 In principle, decisions regarding revenue distribution models can be taken by direct
11 voting procedures, but also indirectly by representative voting where member nations
12 vote on candidates who maximise their utility by developing or complying with policies
13 in accordance with the median voter’s preferences.
14
15

16
17 The theoretical framework has been applied by many empirical studies that have
18 focused on, for example, US federal, state and local spending, and US Congress
19 elections (Congleton 2004). Other examples in the literature focus on issues related to
20 the amount of resources the public sector spends on specific projects, or where the
21 public sector has to decide between alternative projects (see foreexample: Congleton and
22 Bennett 1995; Congleton and Shugart 1990).
23
24
25
26

27 In this context, FIFA’s development projects, which are the result of indirect voting
28 and direct elections, are a concrete example of how FIFA electorates have maximised
29 their own utility by developing policies that suit the median voters among the
30 organisation’s member nations. This makes the Median Voter Theorem relevant in
31 understanding how FIFA has chosen to redistribute its revenues in recent years.
32
33
34
35

36 There are many examples of how João Havelange and Joseph Blatter have influenced
37 FIFA in this regard. Joseph Blatter is the president who was central in providing
38 financial aid to member associations. His role in the Goal Project has been viewed by
39 observers as part of his commitment to further democratisation in football (Darby 2002;
40 Eisenberg 2006), but also (and according to some scholars) as a way to buy himself
41 power (Sugden and Tomlinson 2017).
42
43
44
45

46 The Financial Assistance Programme and the Goal Project, which are based on a
47 distribution model that benefits the poorest nations, were an important part of Blatter’s
48 policy (Tomlinson 2014). An alternative to his approach could have been a distribution
49 model based on the principles used in international club football, where the market
50 dominates and revenues are distributed to teams in the top European leagues. Such a
51 model would have benefited Europe, particularly the Big Five football nations, which
52
53
54
55
56
57
58
59
60

1
2
3 are the largest financial contributors to FIFAs growing media rights income, as Table 4
4 illustrated.
5

6
7 According to Sugden and Tomlinson (2003), FIFA's redistribution model was a tool
8 that kept Blatter in office for 17 years – which is quite an achievement given the well-
9 known accusations of corruption against his organisation. Before Blatter, João
10 Havelange also actively assisted poorer football nations with various kinds of
11 programmes to gain support for his presidency (Tomlinson 2000; Sugden and
12 Tomlinson 1998a).
13

14
15 According to Meier and Garcia (2015), the increased revenues from sponsorships
16 and media rights in FIFA “(...) were used to grant substantial development aid to
17 member FAs, which served to attract even more members” (Meier and Garcia 2015, 5),
18 thereby consolidating the leadership's position. “In return, the financial dependence of
19 smaller FAs on FIFA's support heavily benefited the power of FIFA executives and the
20 role of FIFA as a governing body itself” (5).
21
22

23
24 It is important to keep in mind that the majority of FIFA's members earn relatively
25 small incomes and many are dependent on financial aid from FIFA (Sugden and
26 Tomlinson 2003; Tomlinson 2014; Bayle 2015). Therefore, the median member is a
27 nation whose wealth is moderate and significantly lower than the football associations
28 in the top European football nations. This has a direct impact on the elections, which are
29 ultimately the consequence of FIFA's expansion strategy, which was deliberately
30 planned and executed by Havelange and Blatter respectively. Together, they increased
31 the number of FIFA member nations from less than 100 in 1974, when Havelange took
32 office, to 209 in 2015.
33
34

35
36 The median voter (among the FIFA nations) and their preferences have changed over
37 the years. In 1950, 46% of the delegates came from Europe, but in 2015 only 25% were
38 European nations. On the other hand, 39% of the delegates came from Africa, Asia and
39 Caribbean/North America in 1950, and this proportion had risen to 65% by 2015. By
40 working together, the Asian and African nations only need five votes from, say, the
41 Caribbean nations to have the majority in the FIFA elections.
42

43
44 FIFA's Financial Assistance Programme and the Goal Project can make a big
45 difference to the football associations from these continents. Many of the nations from
46 these continents do not have a realistic chance of qualifying for or being successful in
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 the World Cup, but in the elections, their votes count as much as the votes from football
4 nations such as Germany, Italy and Spain. From their point of view, FIFA (namely,
5 Havelange and Blatter) have ensured a counterbalance to the European dominance in
6 international football, and what can be termed ‘football imperialism’.
7
8

9
10 Sugden and Tomlinson’s extensive work on FIFA football politics (Tomlinson 2000;
11 Sugden and Tomlinson 1998b; Sugden and Tomlinson 1997; Sugden and Tomlinson
12 1998a; Tomlinson 2014) can help to illustrate why FIFA has encouraged revenue
13 redistribution models and thus given rise to a new median voter. They stress that, to
14 Third World countries in the decades following the 1960s, FIFA was seen as “(...) *a*
15 *vehicle for forces of resistance to imperialism, as a champion of the Third World*”
16 (Sugden and Tomlinson 1998a, 228) – a point that is still relevant to understanding the
17 preferences of the member nations. Their analysis is convincing, and highly relevant to
18 the theoretical approach presented here, because it supports the theoretical frame with a
19 corresponding empirical argument.
20
21
22
23
24
25
26

27 According to Sugden and Tomlinson (1998a), globalisation, commercialisation and
28 the development of new (media) technologies (structure), combined with the actors
29 (agency) who exploited the development to their own benefit, paved the way for a new
30 balance of (democratic) power in FIFA due to mutual and interdependent interests:
31
32
33

34 “*The structure of world relations as they have unfolded during the last century [the*
35 *20th century, ed.], and the generic conditions of exploitations and dependency [in the*
36 *relation between the First and Third World, ed.], created opportunities for individuals*
37 *to use FIFA and the confederational sub-structure as sites for the construction of*
38 *personal fiefdoms, while at the same time appearing to carry forward FIFA’s global*
39 *mission [of bringing football to all world nations, ed.]” (Sugden and Tomlinson 1998a,*
40 *228).*
41
42
43
44
45

46 Sugden and Tomlinson (1998a; 1998b; 2014; 2017) present Havelange and Blatter as
47 Machiavellian and paternalistic rulers of FIFA, running the organisation as their own
48 enterprise, and who knew how to get – and stay – in(to) office by using emerging
49 nations in the Third World to leverage support for their own presidencies.
50
51
52

53 Blatter, according to Tomlinson (2000; 2014), was handpicked by Havelange to
54 replace himself as president, and it remains clear that the strategies laid out under
55 Havelange were continued under Blatter’s presidency.^{xiii} Several media interviews with
56
57
58
59
60

1
2
3 football officials from continents other than Europe also confirm that Blatter has been
4 credited for the continuation and further development of the strategies developed under
5 Havelange, which have benefited the low-income football nations – and Blatter himself
6 – in accordance with their respective (economic) preferences.
7
8

9
10 Kalusha Bwalya, who by 2005 had served as a long-standing FIFA committee
11 member and the Confederation of African Football, and who also is president of the
12 Zambian FA, said in an interview with The Guardian, "*Blatter has done a lot of good*
13 *things for Zambia in particular and Africa in general. He is a good man and the best*
14 *candidate. I was skeptical about the people who came in because they did not know*
15 *what they wanted to do; maybe they were sent by other people. Sepp Blatter is*
16 *trusted*".^{xiii}
17
18
19
20
21

22 Kwesi Nyantakyi, the president of the Ghana Football Association and a
23 Confederation of African Football executive committee member, expressed similar
24 sentiments in The Daily Mail: "*Blatter has done a lot for the continent. It is he who has*
25 *set up the financial assistance programs and who through the Goal project has built*
26 *infrastructure in all of the countries. Voting for other than him would be blasphemy*".^{xiv}
27 Similarly, Amaju Pinnick, president of the Nigerian Football Federation, said to the
28 BBC: "*Without Blatter, we wouldn't enjoy all the benefits we enjoy today from FIFA.*
29 *What Blatter pushes is equity, fairness and equality among the nations. We don't want*
30 *to experiment*".^{xv}
31
32
33
34
35
36
37

38 Alexander Mercouris, international affairs editor for Russia Insider Magazine,
39 summarised some of the conflicting interests in FIFA, and the role that Blatter has
40 played in their manifestation: "*Blatter has basically broken with the duopoly that*
41 *Europe and Latin America traditionally had in the sport. He has made it more global*
42 *and he has brought in people from Africa and Asia, and they are grateful to him, and*
43 *they support him (...). The Europeans who, together with the Latin Americans, have*
44 *tended to see football as their thing, are obviously less than pleased, and that's why they*
45 *are so strongly united in their opposition to him*".^{xvi}
46
47
48
49
50
51

52 It seems clear that a more market-driven revenue distribution model – similar to the
53 one that benefits Europe in international club football – is not part of the poorer football
54 nations' preferences. Instead, it is in their (economic) interests to sustain the current re-
55 distributive model FIFA's context.
56
57
58
59
60

1
2
3 A similar pattern favouring less wealthy football continents has characterised the
4 recent decision to expand FIFA's World Cup. Table 7 shows the average distribution of
5 teams between the continents from the early years of the tournament to the present, and
6 further ahead to 2026. Although the number of teams from Europe has grown steadily,
7 the proportion of European teams has been reduced. The same applies to South
8 America. In contrast, Africa and Asia have enjoyed growth, both nominally and in
9 percentages.
10
11
12
13

14
15
16
17 **---Insert Table 6 here---**
18
19

20
21 Before the expansion from 16 to 24 teams in 1982, many European football officials
22 feared that an increase of the number of teams, particularly from other continents,
23 would lower the standard of play and, hence, decrease the interest in the tournament,
24 thus reducing the potential financial gains from it (Sugden and Tomlinson 1997).
25
26
27

28
29 By declaring a proposal, which has been accepted by the FIFA counsel, to expand
30 the World Cup to 48 teams, FIFA's new president, Gianni Infantino, clearly followed in
31 the footsteps of Blatter by favouring the median voter. Major football nations, including
32 France, Germany and England, were worried about the consequences for this flagship
33 global tournament. As was the case in the 1980s, the fear was that expanding the World
34 Cup would devalue the tournament in sporting as well as economic terms due to the
35 inclusion of many weak football nations. Smaller football nations, on the other hand,
36 from Asia, Latin America and Africa were excited about having a greater chance to
37 qualify for the prestigious tournament.^{xvii}
38
39
40
41
42
43

44 Further, the European Club Association (ECA), which represents more than 200
45 clubs, opposed the change and argued that the number of games played in a year was
46 already at an "unacceptable level": "*We urge FIFA not to increase the number of World*
47 *Cup participants,*" the ECA chair, Karl-Heinz Rummenigge, said.^{xviii} More games and a
48 longer tournament means higher risk of player injuries and longer periods of releasing
49 players for national team preparations and games, all elements that holds potential
50 economic consequences for the clubs.
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

An official decision on how the 16 extra places will be allocated has not been taken at the time of writing this paper. However, the figures presented in Table 7 are predicted as being the most likely distribution.

For Peer Review Only

V. Conclusion and Future Perspectives

This paper has analysed the different patterns of media rights revenue distribution in elite club football and within FIFA. In club football, Europe, in particular the Big Five leagues, has strengthened its position as a financial gainer with a larger proportion of revenue coming from external markets, partly at the expense of the domestic leagues in those regions. The main reason for this is technological innovations in the media, which from a global perspective have been driven by market forces and have benefited those who were already in front when new technologies made broadcasting to international markets cheaper and more attractive.

Europe's domination in the international professional club context contrasts the continent's standing in relation to FIFA, where different presidents have used their support for and expansion of FIFA to include and benefit more member nations from Africa and Asia. Politics and, some would even argue, corruption (Sugden and Tomlinson 2003; Sugden and Tomlinson 2017) have created a disparity whereby the world's largest football nations (in Europe) are contributing the most revenue to FIFA, but are receiving less in return. Blatter and Havelange used their redistribution model and the expansion strategies they pushed forward as deliberate tools to help strengthen their positions as presidents. The new FIFA president appears to be going in the same direction by meeting the preferences of the median voter. By analysing the factors behind the growing media rights revenues and their allocation through the lenses of microeconomic theory and the Median Voter Theorem, this paper has illustrated how this works theoretically, and therefore has shown how two different distribution models have developed in globalised football.

Future perspectives

FIFA is currently in a state of flux and disequilibrium. Joseph Blatter's withdrawal from office on the grounds of the FBI's and the Swiss authorities' investigations into corruption in FIFA could potentially see a new balance of power emerging among the FIFA member nations. This means that Europe could increase its pressure for a larger share of FIFA's revenues in accordance with its dominance in club football. It will most likely take some time to solve FIFA's affairs and establish a new equilibrium in terms of political influence among the FIFA members. Whether the shift in leadership will

1
2
3 alter the distribution of power and revenues between Europe and other continents will
4 depend on the result of the current process in reforming the organisation.
5

6
7 However, due to the abovementioned reasons, it is unlikely that any fundamental
8 changes will happen without a change in the voting system. The preferences of the
9 median voter are still likely to belong to the poorer football nations outside Europe.
10 When analysing how the FIFA policies have changed over time, it is important to
11 remember that the median voter in 2017 is different from the median voter when the
12 World Cup consisted of only 16 teams. This ultimately demands a significant
13 redistribution of funds, together with an overall system preference for “emerging
14 nation-friendly” presidents due to a fear of model changes should a pro-European – and
15 more market friendly – president take the position. The newly elected president, Gianni
16 Infantino, seems to fit this agenda.
17
18
19
20
21
22

23
24 Seen from the point of view of international football’s development in general, it is
25 not necessarily a problem that FIFA’s distribution model has taken another path than the
26 one that governs international club football. Redistributing revenues to poorer football
27 nations on other continents can be fruitful and help develop their federations, clubs and
28 national teams for the good of their regions, and the sport in general. In contrast, the
29 European club market approach seems to allocate an increasing amount of resources on
30 one continent only, and particularly to elite clubs in the Big Five football nations. One
31 can question if this is for the overall good of the game.
32
33
34
35
36

37
38 Closely connected to this, however, is the problem of corruption. While
39 redistribution can benefit football on poorer continents, buying votes from specific
40 countries and letting leading officials from national or continental federations use their
41 positions for personal gain – as seems to have been the case on several occasions in the
42 former FIFA cases of corruption (see: Sugden and Tomlinson 2017) – is highly
43 problematic, and contrasts the good governance principles expected to be followed by
44 international sports organisations (Geeraert 2015; Pielke 2013).
45
46
47
48

49
50 If funds for development programs end up in private pockets or are used for other
51 purposes than intended, then the positive potential of FIFA’s redistribution models and
52 development programmes quickly begins to fade away. Seen from an overall
53 perspective, this must be the most important concern regarding the future development
54 of globalised football. Not only for the Europeans – who over the years have been the
55
56
57
58
59
60

1
2
3 most dissatisfied opponents of FIFA governance and redistribution models – but for all
4 of the FIFA member nations.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

For Peer Review Only

VI. References

- Baskerville Communication Corporation. 1997. *Global TV Sports Rights*. Thousand Oaks: Baskerville Broadcasting Corporation.
- Bayle, E. 2015. "‘FIFA-Gate’: An Opportunity to Clean up International Sports Governance." *Soccer & Society*. Routledge, 1–2. doi:10.1080/14660970.2015.1066574.
- Black, D. 1948. "On the Rationale of Group Decision-Making." *Journal of Political Economy* 56 (1): 23–34. doi:10.1086/256633.
- Chen, J.-L. 2007. "Managerial Factors Affecting Team Identification." The Florida State University.
- Congleton, R. D. 2004. "The Median Voter Model." In *The Encyclopedia of Public Choice*, edited by C. Rowley and F. Schnieder, 707–12. New York: Springer US. doi:10.1007/978-0-306-47828-4_142.
- Congleton, R. D., and R.W. Bennett. 1995. "On the Political Economy of State Highway Expenditures: Some Evidence of the Relative Performance of Alternative Public Choice Models." *Public Choice* 84 (1–2): 1–24. <https://search.proquest.com/docview/194640691?accountid=12870>.
- Congleton, R. D., and F. Shugart. 1990. "The Growth of Social Security - Electoral Push or Political Pull?" *Economic Inquiry* XXVIII (1): 109–32.
- Darby, P. 2002. *Africa Football and FIFA. Politics, Colonialism and Resistance*. London: Frank Cass Publishers.
- Deloitte. 2017. "Planet Football Football Money League." *Planet Football: Football Money League*. Manchester. <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/sports-business-group/deloitte-uk-sport-football-money-league-2017.pdf>.
- Downs, A. 1957. *An Economic Theory of Democracy*. New York: Harper Collins.
- Eisenberg, C. 2006. "FIFA 1975-2000: The Business of a Football Development Organisation." *Historical Social Research / Historische Sozialforschung* 31 (1): 55–68.
- Fédération Internationale de Football Association. 2003. "FIFA Financial Report 2002." Zurich. http://resources.fifa.com/mm/document/affederation/administration/01/59/94/46/financial_report_2002.pdf.
- . 2015. "FIFA Financial Report 2014." Zurich. https://www.fifa.com/mm/document/affederation/administration/02/56/80/39/fr2014weben_neutral.pdf.
- . 2017. "FIFA FINANCIAL REPORT 2016." Zurich. http://resources.fifa.com/mm/document/affederation/footballgovernance/02/87/89/44/fr2016digitale_n_neutral.pdf.
- Gaustad, T. 2000. "The Economics of Sports Programming." *Nordicom Review* 21 (2): 101–13. <http://www.ekospor.com/Sports-Economics/The Economics Sports Programing.pdf>.

- 1
2
3 Geeraert, A. 2015. "Sports Governance Observer 2015."
4 http://www.playthegame.org/media/3968653/SGO_report_web.pdf.
5
- 6 Gerber, E. R., and J. B. Lewis. 2004. "Beyond the Median: Voter Preferences, District Heterogeneity, and
7 Political Representation." *Journal of Political Economy* 112 (6): 1364–83. doi:10.1086/424737.
8
- 9 Gratton, C. 2003. "Everton Football Club and China." In *Sport in the Global Market Place*, edited by L.
10 Trenberth. Palmerston North, New Zealand: Dunmore Press.
11
- 12 Gratton, C., and H. A. Solberg. 2007. *The Economics of Sport Broadcasting*.
13
- 14 Hammervold, R., and H. A. Solberg. 2006. "TV Sports Programs - Who Is Willing to Pay to Watch?"
15 *Journal of Media Economics* 19 (3): 147–62. doi:10.1207/s15327736me1903_1.
16
- 17 Horne, J., and W. Manzenreiter. 2002. "The World Cup and Television Football." In *Japan, Korea and*
18 *the 2002 World Cup*. Oxon: Routledge.
19
- 20 KantarSport. 2010. "2010 FIFA World Cup South Africa: Television Audience Report." London.
21 <http://www.fifa.com/mm/document/affederation/tv/01/47/32/73/2010fifaworldcupsouthafricatvaudiencereport.pdf>.
22
- 23 MacInnes, P. 2017. "How Will a 48-Team World Cup Work? Fifa's Plan for 2026 Explained." *The*
24 *Guardian*. <https://www.theguardian.com/football/2017/jan/10/48-team-world-cup-fifa-plan-2026>.
25
- 26 Meier, H. E., and B. Garcia. 2015. "Protecting Private Transnational Authority Against Public
27 Intervention: Fifa's Power Over National Governments." *Public Administration*, n/a-n/a.
28 doi:10.1111/padm.12208.
29
- 30 Melnick, Merrill J, and Daniel L Wann. 2004. "Sport Fandom Influences, Interests, and Behaviors among
31 Norwegian University Students." *International Sports Journal* 8 (1): 1–13.
32 <http://webinfo.ndnu.edu:8080/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=11913208&site=ehost-live&scope=site>.
33
- 34 OfCom. 2007. "Summary of UK Sports Rights: Annex 10 to Pay TV Market Investigation Consultation."
35 https://www.ofcom.org.uk/_data/assets/pdf_file/0025/54187/annex_10.pdf.
36
- 37 Persson, T., and G. Tabellini. 2000. *Political Economics: Explaining Economic Policy*. *Journal of*
38 *Chemical Information and Modeling*. 1sted. Vol. 53. Massachusetts: Massachusetts Institute of
39 Technology.
40
- 41 Pielke, R. 2013. "How Can FIFA Be Held Accountable?" *Sport Management Review* 16 (3): 255–67.
42 doi:10.1016/j.smr.2012.12.007.
43
- 44 Riker, H. W., and P. C. Ordeshook. 1973. *An Introduction to Positive Political Theory*. Englewood Cliffs:
45 Prenticehall.
46
- 47 Rottenberg, S. 1956. "The Baseball Players' Labor Market." *The Journal of Political Economy* 64 (3):
48 242–58. doi:10.2307/1061172.
49
- 50 Rowley, C. K. 1984. "The Relevance of the Median Voter Theorem." *Zeitschrift Für Die Gesamte*
51
52
53
54
55
56
57
58
59
60

- 1
2
3 *Staatswissenschaft (ZgS)* 140 (März 1984): 104–26.
- 4
5 Solberg, H. A. 2016. “The Battle for Media Rights in European Club Football.” In *When Sport Meets*
6 *Business: Capabilities, Challenges, Critiques*, edited by U. Wagner, R. K. Storm, and K. Nielsen,
7 92–107. London: Sage Publications.
- 8
9 Solberg, H. A., and C. Gratton. 2004. “Would European Soccer Clubs Benefit from Playing in a Super
10 League?” *Soccer & Society* 5 (1): 61–81. <http://dx.doi.org/10.1080/14660970512331391004>.
- 11
12 Solberg, H. A., and P. Turner. 2010. “Exporting Sports Rights to Overseas Markets: The Case of
13 European Football.” *Sport in Society* 13 (2): 354–66. doi:10.1080/17430430903523119.
- 14
15 Stewart, R., and A. Smith. 1999. “The Special Features of Sport.” *Annals of Leisure Research* 2: 87–99.
16 doi:10.1080/11745398.1999.10600874.
- 17
18 Sugden, J., and A. Tomlinson. 1997. “Global Power Struggles in World Football: FIFA and UEFA,
19 1954–74, and Their Legacy.” *The International Journal of the History of Sport* 14: 1–25.
20 doi:10.1080/09523369708713981.
- 21
22 ———. 1998a. *FIFA and the Contest for World Football: Who Runs the Peoples' Game?* Cambridge:
23 Polity Press.
- 24
25 ———. 1998b. “Power and Resistance in the Governance of World Football.” *Journal of Sport & Social*
26 *Issues* 22 (3): 299–316. doi:0803973233.
- 27
28 ———. 2003. *Badfellas: FIFA Family at War*. Edinburgh: Mainstream Publishing Company.
- 29
30 ———. 2017. *Football, Corruption and Lies. Revisiting Badfellas, the Book FIFA Tried to Ban*. London
31 & New York: Routledge.
- 32
33 Todreas, T.M. 1999. *Value Creation and Branding in Television's Digital Age*. Westport: Quorum Books.
- 34
35 Tomlinson, A. 2000. “FIFA and the Men Who Made It.” *Soccer & Society* 1 (1): 55–71.
36 doi:10.1080/14660970008721248.
- 37
38 ———. 2014. *FIFA: The Men, the Myths and the Money*. New York: Routledge.
- 39
40 TV Sports Markets. 2013. *The Football Media Money League*. November. Sport Business Group.
- 41
42 ———. 2014. “TVSM Global Report 2015.” London.
- 43
44 ———. 2015. “TV Sports Markets.” *TV Sports Markets* 19 (15). [https://www.sportbusiness.com/tv-](https://www.sportbusiness.com/tv-sports-markets/tv-sports-markets-1915)
45 *sports-markets/tv-sports-markets-1915*.
- 46
47 Wann, D. L., M. J. Melnick, G. W. Russell, and D. G. Pease. 2001. *Sport Fans: The Psychology and*
48 *Social Impact of Spectators*. New York: Routledge.
- 49
50
51
52
53
54
55
56
57
58
59
60

ⁱ Parts of this paper draw on previous work by one of the authors. This includes especially section II and II, which are elaborations of [author] (2016).

ⁱⁱ TV Sports Markets (2016), 20 (12)

ⁱⁱⁱ About 90-95% of FIFA revenues come from the World Cup.

^{iv} FIFA Financial Reports (2003) and (2015).

^v FIFA Financial Report (2017).

^{vi} <http://www.nation.co.ke/sports/football/Asia-backs-48-team-World-Cup-says-Fifa-boss-Gianni-Infantino/1102-3479324-4qv8lxz/>

^{vii} http://sports.opera.com/www.posir.pl?sport=football&page=news&view=article&news_id=900909&localization_id=www

^{viii} For a further examination of the Goal project, please refer to Eisenberg (2006).

^{ix} <https://www.wsj.com/articles/fifa-elects-gianni-infantino-to-succeed-sepp-blatter-as-president-1456506510>

^x https://issuu.com/markdaviestlcf/docs/sportcal_premier_league_in_numbers

^{xi} Given the condition that all voters who are entitled to vote, do vote (C. K. Rowley 1984).

^{xii} The ‘impressive’ success in the Paris 1998 elections, where Blatter claimed victory after the first ballot (111 against Lennart Johansson’s 80), put further weight behind this argument (Tomlinson 2000; Tomlinson 2014).

^{xiii} <http://www.theguardian.com/football/2015/may/28/sepp-blatter-fifa-africa-zambia>

^{xiv} <http://www.dailymail.co.uk/wires/reuters/article-2928093/Africa-solidly-Blatter-officials-say.html>

^{xv} <http://www.bbc.com/news/world-africa-32928984>

^{xvi} <http://www.rt.com/news/263253-ali-blatter-support-standoff/>

^{xvii} <http://www.mirror.co.uk/vauxhall/fifas-48-team-world-cup-9603991>

^{xviii} <http://www.bbc.com/sport/football/38326076>

Letter of response regarding the paper: “Why has Europe Failed to (Re-)gain Momentum in the World of International Soccer Politics? An Argument on Power and Revenue Distribution Models in International Soccer”

<p>I thank the authors for the opportunity to review the manuscript. I appreciate the topic and believe that understanding distribution models is of vital importance. However, I do have some concerns with the manuscript and the fit in this journal, as well as the depth of discussion.</p>	<p>First of all, we would like to take the opportunity to thank you for the constructive comments on our paper. We agree to the majority of your suggestions and have revised the manuscript accordingly. We believe that the argument is much more consistent now. After revising the paper, we feel that the original strength of the paper has remained, while its weaknesses have been overcome. In the below sections, we have addressed all the concerns point by point.</p>
<p>Introduction:</p> <p>In general, I enjoy the introduction as a bit of historical contextualization. There are some questions here, however.</p> <ol style="list-style-type: none"> 1. You note that the new president intends to expand the World Cup, thereby increasing the number of countries that are members of FIFA. However, the connection is not clear. Not all members of FIFA make the World Cup, so that doesn't expand the membership, it simply allows more countries to be involved with the World Cup – a fine point, but a different one than what is made here. 2. I'm not seeing the underlying point being drawn out very clearly here. Leagues, only interested in league health would not inherently care about the other leagues. They are a group of 20, for example, that only care about the group of 20 and the growth of the group. So, the basis of asking why they have strengthened market power at the expense of the other countries' leagues, is pretty clear. With FIFA, you need the other countries to participate, so now your “league” involves other countries. You can argue how revenues are spread, but growing the market to infringe upon other markets with international football and league football is not the same thing. I think this bares out utilizing the Median Voter Theorem you describe later. I think you just need to reframe the lead-in here to acknowledge the vast difference in the systems at play here. 	<p>Thank you for this comment! Reading over the first section again, we agree on this.</p> <p>In order to address your concerns, we have now rewritten and arranged the introduction to make the argument of the paper clearer and to help the reader understand that it is the differences between the European club and the FIFA contexts – in regard to how the media rights revenues are distributed - we are trying to ascertain. The new introduction accounts for comments 1 & 2.</p> <p>One brief comment, though: Our use of the median voter theorem is relevant because it helps to explain the redistributive nature of FIFA. In contrast to international club football, which to a much larger extent lets the market forces drive the distribution of revenues, the FIFA context of national team football is governed by policy processes that favour the preferences of the median voter, i.e. the poorer nations.</p> <p>The revised draft has made this argument more clear.</p>

<p>Part 2:</p> <p>Again, here I think the information is good, but there is some depth of analysis lacking.</p> <p>1. The introductory paragraph is hard to comprehend. It needs to be restructured. You start out football specific, then go broader media rights, then back to football. It needs to be easier to follow for the readers.</p>	<p>Thank you for this comment. We have worked on the introduction to this section of the paper to make it work better. We believe that we have addressed your concerns in this regard.</p>
<p>2. I don't like the way you start out the "Europe: The King.." Part. "The biggest gainers in this regard..." Is confusing to me in part because there is no transition into the new section and it flows from the previous in a way. So maybe just get rid of this subheading.</p>	<p>We thank you for this comment, and agree. We have revised the start of this section in order to make it work better.</p>
<p>3. In the introduction you note that you will first describe the developments in international football and within FIFA focusing on media rights, but I don't see that play out. There is a brief not on it, but no depth of discussion. My point here is that, in the end of the manuscript you speak to the social and political reasons for votes, etcetera, but you don't lay out any real theory on that other than voting in ones best interest. What grew media? What is going on globally during this time, international relations, domestic relations?</p>	<p>We agree on this and have now expanded section III to explain the factors behind the development in media rights.</p>
<p>4. There is no real attempt to provide any sort of socio-historical context for why exactly the European leagues have been able to grow. Simply providing how much they have grown is interesting, but this paper needs more of a deep dive into what has made the growth happen. This is a lot of my concerning regarding how the readership will respond to this manuscript.</p>	<p>Thank you for this comment. We agree, and have provided a much deeper analysis on this issue in Section III.</p>
<p>5. In general, it is unclear how the model used in club football is different than the model used by FIFA. The clubs in FIFA number over 200 and they distribute seemingly even amounts of money to those countries, but some exceptions have garnered more money for developing nations, hence a redistribution model. What is absent is an understanding for how the leagues divide money up amongst themselves. That is the comparison here. The article should show whether</p>	<p>Thank you for this comment. We agree that this should have been made clearer in our previous draft, and we have now made this clearer. We have fleshed out the similarities and differences between the two systems: Internally the European leagues holds re-distributive elements, which strengthen their abilities to compete in the globalised market between continents, which are governed by market forces.</p>

<p>or not Swansea City receives the same amount of money as Chelsea from media rights. Then, you would compare member to member in both cases. I feel like there is something I must be missing here.</p>	
<p>6. There is not a clear analysis for why the European clubs are complaining about the number of participants. It is not explained how that would impact the European clubs. Would an additional European club not have the opportunity to make the World Cup as well? I don't know, but I should know that based on the information that should be provided. I know there is not an official decision as you note, but what exactly are the European countries complaining about?</p>	<p>Thank you for this comment. This should have been made clearer, and we have now added some more information on the problems faced by the Europeans.</p>
<p>Part 3:</p> <p>This part reads as though you are simply listing possibilities regarding differences. The broadcast and Internet parts are explained well, but then it goes into time zones after an explanation of languages, then domestic versus international players in a league, then technological innovations. There is no flow and just a listing of ideas without any depth.</p>	<p>We have extended and edited this section significantly, and find that it is more coherent and flows better.</p>
<p>Part 4:</p> <p>Again, my main problem is that yes voters will vote for their own pocket book, but I still don't understand how that indicates FIFA and club football are going the opposite directions. Those in Italy or Germany don't vote on the issues in the EPL, for example. However, they would vote on FIFA issues. Or, Nigeria is not voting alongside Arsenal, but they are alongside England.</p> <p>Also, there is a ton of information on FIFA here, fair enough and good information, but nothing on club soccer. The examples used, however, for me, indicate a clear desire to be in the "market driven distribution model" but with the distribution divided among the FIFA members. What's missing is a breakdown of league distributions. The Bundesliga pays 65% equally to clubs with the last</p>	<p>The Median Vote Theorem is mainly included in order to explain the distribution models in the context of FIFA. Microeconomic theory is used to understand the development of Europe's dominance in the market-driven area of international club football.</p> <p>Further, we had added information on the distribution of revenues in the European leagues as requested.</p>

<p>35% being divided according to league positions. Therefore, it looks different from FIFA, but that isn't present in the article. The EPL does 50, 25, 25, but again that isn't present in this article.</p>	
<p>Conclusion:</p> <p>There needs to be more here in terms of explaining the social and political issues you bring forward at the end. Again, if this were simply a paper on FIFA that looked at the social and historical, as well as the median voter theorem, then it is easier to accept. However, the lack of detail regarding revenue in the different leagues leaves me wanting a lot more.</p>	<p>As the paper stands in the revised form, we think that conclusion sums up the information and analysis quite well. We summarise the main elements and reflect over future perspectives. Overall, we believe the paper has a nice flow, and thank you for the comments, which have been addressed. We believe that all of your comments have helped us improve the paper to benefit of the readers.</p>

Table 1: Total revenues/media rights proportion – Elite leagues 2013/14-seasonⁱ

	Total revenue (€ million)	Media rights: percentage of total
English Premier League	3898	54%
German Bundesliga	2275	32%
Spanish La Liga	1933	49%
Italian Serie A	1699	59%
French Ligue 1	1498	40%
Dutch Eredivisie	439	18%
Belgian Jupiler League	284	29%
Austrian Bundesliga	161	18%
Danish Super League	149	18%
Scottish Premier League	147	31%
Swedish Allsvenskan*	133	16%
Norwegian Tippeliga	173	11%

Source: Deloitte – Annual Review of Football Finance 2013/14, June 2015; *2013 season

ⁱ Reproduced from [author] (2016).

Table 2: Media rights – Big Five European leagues: Domestic market/International markets
(€ million)ⁱ

	Period 1	Period 2	Period 3	Period 4
England	800 / 311 (72% / 28%)	796 / 591 (57% / 43%)	1299 / 908 (59% / 41%)	2211 / 1573 (58% / 42%)
Spain	435 / 65 (85% / 15%)	471 / 123 (74% / 26%)	532 / 235 (75% / 31%)	1031 / 650 (61% / 39%)
Italy	793 / 70 (91% / 9%)	817 / 91 (89% / 11%)	858 / 117 (88% / 12%)	1150 / 186 (86% / 14%)
France	642 / 8 (99% / 1%)	668 / 17 (97% / 3%)	607 / 33 (95% / 5%)	727 ⁱⁱ / 80 ⁱⁱⁱ (91% / 9%)
Germany	320 / 18 (94 % / 6%)	322 / 53 (85% / 14%)	470 / 71 (83% / 13%)	534 / 160 (77% / 23%)

Source: TV Sports Markets: The Football Media Money League, November 2013; TVSM: Vol. 18(7); 18(11); 18(22); 19(10); 19(14); 19(15); 19(23); 20(18) and 20(20). The periods are somewhat different and are therefore not fully comparable. England periods: 2007/08-09/10; 2010/11-12/13; 2013/14-15/16; 2016/17-2018/19. France periods: 2005/06-2007/08, 2008/09-2011/12; 2012/13-2015/16. Italy periods: 2009/10; 2010/11-11/12, 2012/13-14/15; 2015/16-2017/18. Spain periods: 2006/07-08/09, 2009/10-2012/13; 2013/14-2014/15; 2015/16-2019/20. Germany periods: 2006/07-2008/09, 2009/10-2011/12, 2012/13-2014/15; 2015/16-2016/17.

ⁱ Reproduced from [author] (2016). Please note that the displayed periods are not identical.

ⁱⁱ Period: 2016/17-2019/20.

ⁱⁱⁱ Period: 2018/19-2023/24.

Table 3: Media rights spending on club football tournaments from the Big Five European leagues, as a percentage of domestic leagues (2014/15 season). The non-European markets also include UEFA's Champions League and Europa Leagueⁱ

Asian Markets	
Malaysia	900%
India	800%
Thailand	700%
Korea	300%
Japan	100%
South American Markets	
Latin America	21%
Top 5 European markets	
France	16%
Italy	2.7%
Germany	1.3%
Spain	1.3%
UK	1.2%
Other European markets	
Nordic countries	77%
Netherlands	70%
Greece	39%
Belgium	22%
Turkey	5%

Source: SportBusiness Intelligence. European top club competitions include the UEFA Champions League and Europa League, English Premier League, Spanish La Liga, German Bundesliga, Italian Serie A and French Ligue 1. "Other European markets" compares only the domestic league spending with the other top four European Leagues, so it excludes the UEFA Champions League and Europa League. Latin America includes the domestic leagues of Brazil, Argentina, Chile, Ecuador, Paraguay, Uruguay, Colombia, Venezuela and Peru.

ⁱ Reproduced from [author] (2016).

For Peer Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Table 4: FIFA revenues and sources (US\$ million)

	1998-2002 ⁱ	2003-2006 ⁱⁱ	2007-2010	2011-2014
Media rights:				
Europe	464 (46%)	589 (45%)	1289 (54%)	1167 (48%)
Asia / North Africa	536	713	504	604
South / Central America			329	356
North America / Caribbean			211	245
Rest of the World			72	54
Total media rights:	1000	1301	2405	2426
<i>FIFA total revenue</i>	<i>1812</i>	<i>2629</i>	<i>4189</i>	<i>5718</i>

Source: FIFA Financial Reports, 2002, 2006, 2010, 2012, 2014.

ⁱ Exchange rate 01.07.2002: CHF1 = US\$ 0.6749.

ⁱⁱ Exchange rate 01.07.2006: CHF1 = US\$ 0.81202.

Table 5: Total share of foreign players in the Big Five Leagues

1985/86	1990/91	1995/96	2000/01	2005/06	2010/11	2015/16
9,1%	14,7%	18,6%	35,6%	38,6%	42,8%	46,7%

Source: <http://www.football-observatory.com/IMG/sites/mr/mr12/en/>

For Peer Review Only

Table 6: FIFA World Cup – Average distribution of teams by continent

	1934 – 1978	1982 – 1994	1998 – 2018	2026 (expected)
Africa	0.46 (2.9%)	2.25 (9.4%)	5.17 (16.1%)	9 (19.1%)
Asia	0.61 (3.8%)	1.75 (7.3%)	4.33 (13.5%)	8.5 (18.1%)
Oceania	0.18 (1.1%)	0.56 (2.3%)	0.5 (1.6%)	1 (2.1%)
Europe	10.35 (64.7%)	13.63 (56.8%)	14.08 (44%)	16 (34%)
North and Central American and Caribbean	1.15 (7.2%)	2.06 (8.6%)	3.33 (10.4%)	6.5 (13.8%)
South America	3.25 (20.3%)	3.75 (15.6%)	4.58 (14.3%)	6 (12.8%)
	16 teams	24 teams	32 teams	48 teams

Sources: FIFA.com; (MacInnes 2017).