

Intro

Good afternoon. I'd like to begin by thanking the Commission for inviting me to speak as part of this panel, and to you the delegates for remaining until the end to hear my remarks!

Before talking about the role of fans in football and its benefit for the governance of the game, the clubs, associations and the leagues, I should say a little about me and the organisation I work for.

SD

Supporters Direct was created in England 10 years ago as part of the discussion about resolving some of the problems the incoming government identified with English football back in 1997.

Since we started, we have expanded to work in Scottish football, and have also given assistance to fans in Northern Ireland and the Republic of Ireland.

We have also begun working in Rugby League, and have also assisted fans in Rugby Union.

We have helped form over 150 supporters groups across the UK in these sports, which have been joined by over 100,000 responsible sports fans.

SD Europe

Two years ago we launched a study against a backdrop of the European Sports Review and European Parliament's Report on the future of professional football in Europe, which identified that there were organised groups of fans in many

European countries who wished to become involved in the running of their clubs and needed advice and support.

For two years now, SD Europe (as experts in ownership and governance) have been helping give advice and support to fans across Europe who wish to become involved in the ownership, management and governance of their clubs.

We're working with groups in 14 countries including Italy, Germany, Spain, Portugal, Sweden and Israel,

we liaise with UEFA who have funded our work so far, the European Commission and other pan-European bodies, Leagues and National Football Associations.

We believe this helps create partners in dialogue, which would benefit most importantly the groups, but also the clubs and the national football associations.

Good governance

Now, we're here to talk about good governance in sport and if we talk about good governance in football in particularly, a crucial part is the involvement of supporters in club management.

Who are the fans?

Let me just clarify what I mean by supporters or fans.

Some of you here today, especially those of you representing the clubs think of the worst most poorly behaved fans in clubs.

We know that some clubs around Europe have had or have problems with fan groups who have been linked to extreme political, violent or crime groups.
Football is different – fans are not consumers!

The groups we're working with are not violent, racist or homophobic or those for whom football is just one of many leisure choices.

For them football is a part of their identity.

They have an emotional and personal commitment which transcends any commercial relationship between consumer and product.

Because of this special relationship between a club and its supporters, we believe that clubs are cultural institutions rather than simply commercial entities.

The value of clubs

The value of the club is more than the team on the pitch or its stadium.

As much as the financial capital fans and others bring, any football club has an enormous reserve of social capital, which is invested by generations of supporters in the community the club plays in.

I'll give you an example: **Liverpool FC**

We all know that when the American owners bought the club for almost €400 million, they didn't just buy Anfield or Steven Gerrard.

They bought 117 years of history – good and bad, which has been built up by the players and the fans.

Value of fans – social capital

We have heard a lot about finances and accounts, but it is hard to represent social capital on the balance sheet but we believe it's the key value of every club.

But because it is intangible, and because fans are known for their loyalty, this creates a problem for the game, and a problem for fans.

In normal life, if we are not happy with a service, or a product, we change our consumer habits.

But in football, fans are known for their loyalty regardless of the quality.

What else explains why Manchester United were still the best supported team in England despite not having won a championship for 25 years?

Fans not consumers

But because fans do not exercise their consumer choices, clubs have little incentive to listen to their fans in the way in which a car manufacturer would listen to its customers if its sales started declining.

The normal way in which companies and consumers give and receive feedback in a market does not operate.

This can be bad for fans who are ignored, and bad for clubs, which do not respond to fans views.

This is why we believe supporters not only should be represented in the decision making within a club because they are the major long-term 'cultural investors', they should also be involved to help give the club feedback to help it make the best choices.

With all due respect to everybody we've heard in the last two days, doing well in their own leagues, we all know clubs don't always get it right and in a system of competition and cooperation clubs have the capacity to damage not only their own interests but others within their sports too.

UEFA Licensing

This is why we believe that the licensing approach led by UEFA is to be commended, and we applaud the leadership they have shown for some years on this.

At the same time we commend the leagues clubs and associations who have engaged with UEFA's approach and increased their own regulatory oversight.

We believe that events like this today show that the real debate has moved on.

The question is not *whether* regulation is required but *what* regulations actually look like.

We believe that this question is another way of stating 'what does a good European club do and look like?'

With a system already in place through UEFA, we know that a good club has for example a first class stadium, excellent media facilities and a club secretariat.

With UEFAs next generation licence to ensure financial fairplay, a good club will also soon have to balance its books or break even.

However, at this point we want to stress that another dimension of what a good club looks like is the dimension it works with supporters – how well clubs liaise with its fans.

This can aid the work in ensuring clubs make the best possible choices.

We believe in subsidiarity, that decisions should be made at the appropriate level. It is appropriate that leagues, associations and UEFA set guidelines – no-one else can.

But it is also right that the decisions should be made by clubs. We believe fans have a major role to play in supporting the efforts of leagues, associations and UEFA by supporting those who want to see good governance at a club level.

Those charged with piloting clubs receive the guidance from above them, but will benefit all if there is a supportive climate around the club helping them make the right decisions.

Many have the idea that fans want instant success. They do not care about the longer term, especially in financial matters. We believe that this is unhelpful.

Fans are the ones who ultimately deal with the major consequences when their clubs have problems.

The responsible fans who we work with support that approach, and the authorities would benefit hugely from engaging with the majority of reasonable, responsible supporters.

SD Europe licensing suggestions

We led a workshop on club licensing at the last *European Football Fans Congress* in July this year, which was organised by our partners *Football Supporters Europe*.

And we made some suggestions about how fans could be involved in UEFA club licensing regulations and we hope they will be received favourably.

We suggest for example to extend the German model of fan liaison officers across Europe, develop a handbook for security officers to raise standards and make suggestions of how to increase transparency and democracy at clubs.

We think the time is right for initiatives such as this.

National FAs' Survey

In an unpublished survey conducted by UEFA, all national football associations agreed that it is important to improve dialogue with supporters and two-thirds think it is very important to improve this dialogue.

Nearly half of all national associations believe that it is definitely a good thing for supporters to have a say in the running of the club if they are organised properly and are representative.

And we help improving the dialogue between clubs and fans and governing bodies to enable supporters to become more serious and responsible partners.

We believe that if the game can be bold enough to open up themselves to a dialogue than those fans would have to ensure that they would be responsible, transparent and democratic.

We can help set standards for fan groups in areas of ownership, governance and accountability and help ensure they do not become unrepresentative, especially of extreme or violent political opinion.

EU – active citizens

I should add that the idea of empowering fans by giving them a meaningful role is not something that just helps sport.

Fans are citizens, and without responsible democratic citizens, the Europe that we have been building for over the last 50 years cannot progress.

Outro

I want to end by thanking the commission for inviting me to both attend this event and speak to you this morning.

In this, they show that they understand these points and we take great encouragement for their understanding of the role supporters have to play in resolving some of the big issues facing football.