

## #GAMECHANGERS FREQUENTLY ASKED QUESTIONS

Progressive thinking and bold leadership require us to think beyond today and tomorrow.

For far too long FIFA, regional confederations and national associations have ignored their responsibility to clubs, players and fans, preferring a laissez-faire attitude to progressive reform.

No other sport operates a transfer system where players are sold like commodities. To believe that the status quo is the best we can do to organize our sport is wrong and ignores the rights of footballers around the world.

*We need to develop with all football stakeholders a bold vision for our future that is fairer and benefits the whole football industry. Removing the failing transfer system and eliminating speculative player investment would contribute directly to a more sustainable game. However, we are aware that there are many concerns which we want to address:*

### 1. A reduction of transfer fees only increases player salaries and benefits the already highly paid players:

No other sport or industry operates a transfer market system like football. The system has encouraged exorbitant fees, secretive financial transactions and repeatedly fails players. The annual median salary of a professional football player is \$43,000 (FIFA TMS, 2012). However, research shows that many players do not receive their agreed pay and are confronted with financial difficulties after their short career. While removing transfer fees might in some cases result in higher salaries for elite players it would also bring more stable jobs for their less well-known peers and create a more sustainable environment for clubs.

### 2. Problems with the current system should have been discussed by football stakeholders:

A few people have dominated football governance behind closed doors for decades without any outside oversight. The so-called football family has sheltered behind the perceived autonomy of sport. Internal discussions involving FIFA and other regional confederations, clubs and player unions seeking progressive reform of the system have been ongoing for several years and failed to deliver any meaningful result.

### 3. The decision to challenge the transfer system creates uncertainty and puts a functioning system at risk which has created continuous growth in over a decade:

Football's revenue started growing before the Bosman ruling in 1995 and the implementation of the modern-era transfer system in 2001. The current system has fostered commercial abuse and facilitated exploitation by third-parties who have sought enormous personal gain from professional football without contributing to its development. Furthermore, secretive transactions have also left football open to

money laundering and failed to redistribute income effectively among clubs. Therefore the potential benefits of an industry reform far outweigh the risks. Though reform involves a certain amount of uncertainty, this should not prevent us from making the right decisions for the future.

**4. FIFPro fails to answer what the transfer system should be replaced with and how this alternative would function and guarantee a better future for our game:**

Ultimately industry reforms need to be discussed and agreed by all stakeholders and will be the outcome of a collective agreement between the different actors. All stakeholders have a responsibility to work together to achieve this. What we would say is that football should not be afraid of a free market. It is also clear we need a more transparent regulatory structure, which is fairer, which respects the rule of law and which meets the modern needs of the football industry. The structure should include: (1) fair employment market rules established via collective bargaining, (2) more quality jobs for players supported by more sustainable clubs and (3) transparent governance that is accountable to players, clubs and fans.

**5. Contractual stability has a high value for team sports. A registration system which allows players to switch teams without restrictions threatens the existence of the game:**

Respecting contracts is important in employment relations. Binding contracts are beneficial for both clubs and players. However, absolute stability undermines competition and disregards players' liberties as workers. Access to labour markets and the freedom of movement reflect the right of every employee to change his employer. The breach of a contract, an irreparable break-down in relations, a lack of career opportunities or personal reasons can be just reasons for every employee to seek a new job. Protected periods, transfer windows and other restrictive rules need to be realigned with the principle of free movement. We understand the need to protect the sporting integrity of football but a new registration system should balance that with the right of workers to free movement.

**6. Abolishing the transfer system will leave many academies with fewer resources as a consequence of the end of the payment of education compensation at the time of each transfer:**

Training of young players lies at the heart of the game. The consequences of spiraling transfer fees increases pressure on clubs to sell their best talent at an early stage. Funding for talent should be based on a stable source of revenue, rather than relying on compensation generated by speculative management and unpredictable transfer income. At the same time clubs should not be prevented from signing contracts – and players should not be restricted in their movement – because of disproportionate compensation fees loosely based on the cost of training. A new sustainable solution must be developed that benefits young players, supports the social role of clubs and respects freedom of movement.



**7. Abolishing the transfer system will ruin many small and medium-sized clubs that rely on the transfer system for the bulk of their income:**

Football's financial resources are growing, yet financial management is volatile. Speculative investments are a consequence of the transfer system and have resulted in many clubs operating at near-bankruptcy. In addition the redistributive effect of the transfer system is very limited. Solidarity payments to lower-league clubs represent as little as 1.8% of overall transfer fees, according to research published in 2013. There is a need for increased revenue-sharing and more solidarity between professional clubs. The current system leaves small and medium -sized clubs seeking to be competitive with little alternative than to rely on revenues generated from speculative player transfers. Greater financial solidarity among clubs and a more sustainable redistribution of revenue would benefit clubs, players and fans.

**8. The abolition of the transfer system will require the creation of an alternative model just as constraining and just as unfair:**

Many of the problems football faces are directly or indirectly related to the transfer system. No other sport operates such a transfer system where players are sold like commodities. To believe that the status quo is the best we can do to organise our sport is wrong. Fairer employment market rules are not about creating a level playing field between all clubs – differences between big and small clubs will always exist - but we need to create a better environment which will help to protect player's rights, the integrity of the football and its sustainable growth.