

7. Regulation and management of European sport leagues

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1. LEARNING OBJECTIVES

- Understand the need to regulate team sport leagues, given their unique economic and competitive characteristics.
- Analyze Swiss professional football's regulatory system, a multifaceted framework comprising economic, legal, political and social dimensions.
- Assess the effectiveness of revenue sharing, financial sustainability and club licensing regulations in maintaining competitive balance.

2. INTRODUCTION

Global sport has a complex, multifaceted organizational structure involving stakeholders ranging from associative bodies to commercial entities and public institutions. These players operate across multiple levels, from local to international, to harness sport's economic value, symbolic power and leadership role (Bayle, 2020; Chappelet, 2018; Freeburn, 2018). A prime example of this complexity is the Olympic system, which Chappelet (2016) described as a 'total system' encompassing more than 20 key stakeholders, each with distinct roles within their respective sports. This complex landscape increases the difficulty of regulating world sport and guiding its evolution, with regulation being defined as 'any intervention within the framework of an appropriate and measured action aimed at maintaining or re-establishing a state deemed desirable or acceptable of a political, economic or social system' (Houlihan et al., 2009, p. 175).

This chapter focuses on the international sport system led by the International Olympic Committee (IOC) and the Union des Associations Européennes de Football (UEFA), European football's governing body. Sitting at the head of European football's pyramidal governance structure, UEFA sets rules and jurisdictions for the sport across Europe. Swiss professional football operates within this hierarchical framework and therefore has to navigate multiple

levels of regulation to ensure its integrity, competitiveness and alignment with national and international standards. The present chapter explores the economic, legal, political and social regulatory mechanisms Swiss professional football uses to achieve these objectives.

3. CONCEPTS AND ANALYTICAL MODELS

3.1 Peculiarities of Sport Leagues

Professional team sport has several characteristics that sets it apart from traditional industries; these include joint production, a rank-order-tournament structure and the implications of the uncertainty of outcome hypothesis (Kahn, 2000; Neale, 1964; Rottenberg, 1956).

3.1.1 Joint production

Team sports inherently involve joint production. Unlike industries such as automobile manufacturing, where a company can produce a marketable product independently from its competitors, teams within sport leagues are mutually dependent (Dietl et al., 2011). This interdependence is crucial because an athlete or club cannot produce a marketable game or championship alone. For instance, a football match requires two teams who are competitors on the pitch but economically interdependent. Although clubs compete for on-field success, they also cooperate; that is, they engage in cooptition, because the value of the product (the game) depends on them collaborating within a regulatory framework.

Teams do not independently agree on competition rules; rather, they abide by the rules set by national, continental and world governing bodies (e.g., La Liga, UEFA, FIFA), who regulate everything from competition format to financial governance. This regulatory oversight ensures consistency and fairness while also protecting the sport's integrity. Team sport's unique economic complementarity arises from the fact that teams must follow established rules while relying on each other to deliver a compelling product in the form of exciting matches or competitions. Thus, a team's economic value is not isolated; it is produced jointly by all the teams within a league. This joint value production requires both balanced competition and cooperation under a common regulatory system (Neale, 1964).

3.1.2 Rank-order tournament

Team sport leagues are rank-order tournaments (Dietl et al., 2012; Szymanski, 2003), as no team can improve its standing without adversely affecting the other teams' position. In this type of competition, sporting success often correlates with economic success, leading to intense competition for top talent that

can escalate into bidding wars and lead to overinvestment in talent acquisition (Whitney, 1993). Given these dynamics, regulations are needed to maintain a level playing field and prevent destructive competition.

3.1.3 Uncertainty of outcome hypothesis

A critical distinction in team sports is between economic competition and on-field competition. Although teams strive to dominate their opponents and maximize wins, a championship's attractiveness often hinges on competitive balance, as, according to the uncertainty of the outcome hypothesis (see Neale, 1964; Rottenberg, 1956), fans are drawn to games with unpredictable outcomes and championships that are closely contested. In contrast to most economic sectors, where achieving monopoly status can enable an organization to maximize profit, in the sport sector, the presence of an overly dominant team can reduce profits by reducing a championship's appeal and overall demand. Therefore, for a team to contribute to a valuable product, it needs strong rivals and a league that effectively coordinates championships to ensure competitive balance and uncertain outcomes (Fort & Quirk, 1995).

3.2 Regulatory Objectives

The need for professional sport teams to collaborate with competitors to produce an attractive product and thereby ensure their market viability has enabled the professional team sports industry to obtain unique exemptions from standard antitrust regulations (Dietl et al., 2011; Kahn, 2000). However, these exemptions also mean that team sport leagues require specific regulations, tailored to a league's needs and dynamics and aimed at meeting two primary objectives: maintain a league's competitive balance and ensure its financial stability (Budzinski, 2018).

One of the most common regulatory mechanisms for protecting competitive balance is redistributing resources from wealthier, large-market clubs to smaller, less-affluent ones to prevent financial disparities from undermining the league's overall competitiveness. For example, the Swiss Super League shares 50 percent of its TV rights and 50 percent of its commercial rights equally between all its clubs to ensure a more equitable distribution of revenue (see Section 3.3.2). The English Premier League, the world's most lucrative football league, has adopted a similar approach, redistributing 50 percent of its TV rights equally between its 20 clubs, regardless of a club's size or popularity. It allocates an additional 25 percent according to how often a club's matches are broadcast in the United Kingdom (UK) (known as 'facility fees'), and the remaining 25 percent according to each club's final league position ('merit payments'). This system means that the most popular clubs, which attract the largest audiences, share a substantial proportion of the league's revenue with smaller clubs, thereby helping to sustain a more competitive league (Premier

League, 2016). Moreover, the sums involved are considerable, as the Premier League's latest broadcasting deal is worth £6.7 billion over four years (from the 2025/2026 season).

UEFA has applied a similar resource-sharing model for its European competitions since the 1999/2000 season, distributing a percentage of its revenue from its men's club competitions to clubs that did not qualify for the group stages or that did not participate at all. These 'solidarity payments', which clubs are 'obliged' to invest in youth development programmes and local community initiatives, are intended to help level the playing field across clubs and leagues (UEFA, 2024).

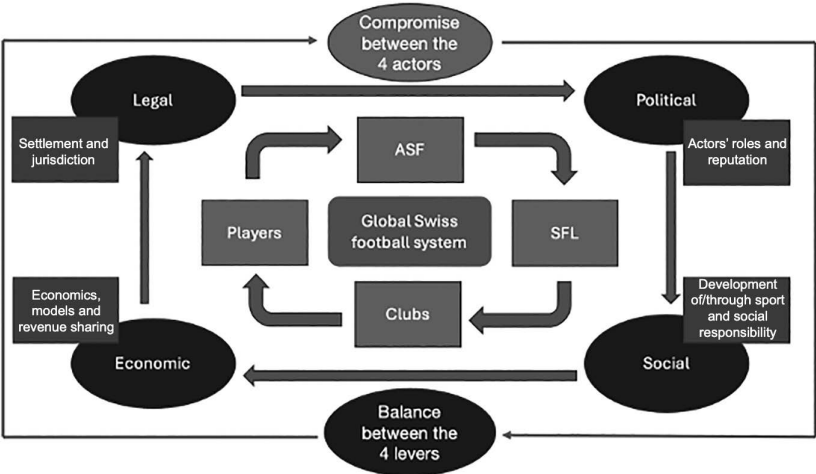
Resource redistribution is essential so as to prevent a few teams from dominating a league or competition, which could lead to fans losing interest and decrease a league's overall competitiveness. Without such interventions, market forces could result in a few clubs concentrating talent and resources, thereby greatly reducing outcome uncertainty. Fans are generally more engaged when outcomes are unpredictable and games are more competitive (Dietl et al., 2017; Fort et al., 2016; Zimbalist, 2003), so maintaining a degree of uncertainty is vital to a sport's appeal and commercial success.

The second primary objective of regulation in professional team sports is to ensure clubs' and leagues' financial stability (Dietl et al., 2013). Regulations aim to prevent destructive competition, particularly in bidding wars for talent. Without regulatory limits, clubs might use unsustainable spending to acquire top players, leading to financial instability and even insolvency. Financial stability is not only crucial for individual clubs but also for a league's overall health, as a league with financially stable clubs is more likely to be competitive, attractive to investors and capable of long-term growth (Szymanski, 2003).

UEFA's Financial Sustainability regulations, which evolved from its Financial Fair Play regulations, are the primary mechanism for ensuring European football clubs' financial stability. These rules limit clubs' spending relative to their revenue with the aim of preventing them from accruing excessive debt or engaging in reckless financial practices. By enforcing these limits, UEFA seeks to maintain European clubs' long-term financial health and thus preserve competitive balance.

3.3 Regulation in Swiss Professional Football

Like many sports worldwide, Swiss professional football operates within a complex regulatory framework that ensures fair play, financial stability and legal compliance (Mustafi et al., 2024). The SELP model (Figure 7.1), which recognizes four dimensions of team sport regulation — social, economic, legal and political — provides a useful framework for analyzing the various levers used to regulate Swiss professional football.



Source: Adapted from Mustafi et al., 2024.

Figure 7.1 The SELP model of regulation

These levers concern the four main actors within Switzerland’s professional football system — Swiss Football Association (SFA), Swiss Football League (SFL), players and clubs — and shape the environment in which Swiss football operates. Their aim is to ensure the various actors’ behaviours are compatible with the greater interests of Swiss professional football, while respecting clubs’ and players’ needs and freedoms. To achieve this, the system’s four key actors must agree upon a regulatory system that serves all the stakeholders’ interests while complying with national and international standards.

3.3.1 Political regulation

Political regulation in Swiss professional football extends beyond its basic governance structure to encompass a comprehensive and intricate system that delineates the roles, responsibilities and interactions of national and club-level governing bodies. As in many other professionalized sports, domestic football league governing bodies (e.g., SFL) are separate from their country’s football federation (e.g., SFA). This division of responsibilities allows for specialized oversight and is therefore a crucial aspect of Swiss football’s political regulation. Thus, the SFA focuses on football’s broader governance and development, sets Swiss football’s strategic direction and ensures compliance with international standards, whereas the SFL focuses on operational management,

notably the day-to-day operation of professional competitions (for more details about the SFA and SFL, see Section 4). Dividing responsibilities in this way promotes effective governance, as it meets both the sport's strategic needs and the professional leagues' operational requirements, and results in Swiss football being well-managed at all levels, from grassroots to elite.

In contrast, the smaller scale and resources of semi-professional sports, such as European basketball and volleyball, often result in a single entity taking charge of promoting and regulating the sport and organizing competitions. For example, Swiss Basketball oversees all aspects of the sport, including governance and competition management. This structural distinction between professional and semi-professional sports is crucial for maintaining the integrity, competitiveness and efficient functioning of Swiss football and other sports within the country.

A recent reform aimed at enhancing the Super League's and Challenge League's competitiveness provides a good example of this governance in action. In 2023, the SFL asked Switzerland's 20 professional clubs to vote on a proposal to expand the Super League from ten to 12 teams. The ensuing debate revealed the diversity of interests within Swiss football. Clubs opposing the change raised concerns about reduced ticket revenue due to fewer home matches and having to share TV rights among more teams. Conversely, those in favour cited the need to break the dominance of a few clubs (since 2004, only three clubs have won the Super League) and to provide smaller teams with more opportunities to compete at the highest level. Some clubs that had initially opposed or supported the reform ended up changing their positions as they formed informal alliances and partnerships with larger, more influential clubs. This decision-making process highlights the dynamic interplay between the actors in Swiss football and the need to balance different interests to promote the sport's long-term success.

3.3.2 Economic regulation

Swiss professional football's economic regulation includes revenue sharing, UEFA's Financial Sustainability rules and the SFL's club licensing rules. These mechanisms are crucial for maintaining the league's competitive balance and financial health.

Swiss professional football's revenue-sharing mechanisms have been shaped by the fact that clubs rely on a wide variety of revenue sources. For example, in 2023, Super League clubs' revenue sources were distributed as follows: ticket sales (29 percent), sponsoring and advertising (20 percent), national broadcasting rights (19 percent), commercial revenues (12 percent) and other sources of revenue (20 percent) (Swiss Football League, 2024b; UEFA, 2022). This breakdown is key to understanding the financial dynamics within the league and the importance of revenue distribution in maintaining competitive balance.

By redistributing financial resources from more affluent clubs to clubs with more precarious finances, Swiss football's revenue-sharing model reduces economic disparities between clubs and helps smaller clubs to remain competitive and financially viable. The model involves redistributing income from two main sources: broadcasting rights and sponsorship.

To maximize earnings from broadcasting rights, the SFL negotiates these rights collectively in the name of all its member clubs (Swiss Football League, 2024a) and then redistributes the resulting revenues to the clubs. The amount each club receives is determined by a carefully crafted formula that incorporates factors such as a club's performance in the league, its historical standing and the size of its audience. This formula aims to distribute revenues fairly by balancing rewarding clubs for their success and performance with the need to ensure that smaller clubs receive a sufficient share. Achieving the right balance is essential for maintaining a degree of competitive parity across the league and preventing a few rich clubs from dominating the league.

For example, each season from 2023/2024, the SFL will redistribute CHF25.5 million in TV and marketing rights to the 22 Super League and Challenge League clubs, with the 12 Super League clubs sharing CHF20.6 million and the ten Challenge League clubs sharing CHF4.9 million (Swiss Football League, 2024a). The amount a club receives is calculated on the basis of its league position at the end of each season. Thus, the winners of the Super League and the Challenge League receive, respectively, CHF2.19 million and CHF0.53 million, but the bottom clubs in each league receive only CHF1.44 million and CHF0.40 million.

The SFL uses a similar mechanism to share the revenues it earns from its league-level sponsorship deals. This shared revenue stream provides smaller clubs with essential funds and helps to maintain a degree of financial equality across the league. However, the redistribution of league-level sponsorship revenues does not preclude individual clubs from negotiating their own sponsorship agreements, and any revenues they generate from these deals remain within the club. Allowing clubs to obtain their own sponsors provides an additional layer of financial stability and opportunity for clubs of all sizes.

In summary, Swiss professional football's revenue-sharing mechanism is a fundamental aspect of the league's economic structure. It not only ensures a more equitable distribution of financial resources, it also contributes to the league's overall health and competitiveness. By reducing the financial gap between the larger and smaller clubs, this system promotes more balanced and unpredictable competition, which is essential for the league's attractiveness and long-term sustainability. The care taken to calibrate this mechanism, considering both performance and need, exemplifies Swiss professional football's commitment to fostering a fair and competitive environment.

UEFA's Financial Sustainability regulations, whose introduction marked a significant change in European football's economic governance, form the second component of Swiss football's economic regulation. Designed to ensure clubs' long-term stability and sustainability and to encourage them to take a more holistic approach to financial management, the current framework addresses the limitations of UEFA's original Financial Fair Play rules and adapts them to football's changing financial landscape (Dimitropoulos & Scafarto, 2021; Peeters & Szymanski, 2014). The new regulations' 'sustainability and cost control' mechanism gives clubs greater flexibility compared with the FFP's strict break-even requirement by allowing them a higher spending threshold, as long as they have credible and reliable revenues to back their expenditure. This change acknowledges the diverse financial capabilities and models of clubs across Europe and offers a more tailored approach to monetary control.

The new regulations also focus on clubs' overall debt and liabilities, shifting the emphasis from short-term spending to long-term financial health. To prevent clubs from accumulating unsustainable liabilities, they may not incur debts greater than a certain percentage of their revenue. This rule aims to prevent financial crises that could threaten not only the existence of individual clubs but also the stability of the entire football ecosystem.

Appropriate principles for controlling expenditure and debt are particularly important for Swiss clubs, many of which have much smaller budgets and face greater financial challenges than their counterparts in larger European leagues. As a result, they must focus on long-term stability and cost control. UEFA's Financial Sustainability regulations give Swiss clubs the flexibility to adapt their spending according to their revenue models, while the emphasis on debt management prevents them from falling into unsustainable financial practices that could jeopardise their operations. Moreover, the Financial Sustainability regulations increase transparency and accountability by requiring clubs to provide more detailed financial information. It is essential for Swiss clubs to meet these transparency requirements in order to keep their UEFA licences and continue taking part in European competitions. By adhering to these financial guidelines, Swiss clubs both protect their financial health and help maintain the integrity and sustainability of European football.

The SFL's club licensing system complements UEFA's Financial Sustainability regulations, as clubs wishing to obtain a licence to play in Switzerland's professional leagues must meet a comprehensive set of criteria aimed at ensuring that they show financial responsibility, operate with a certain standard of professionalism and possess a suitable infrastructure (Sorrentino & Quin, 2023). These criteria cover four key aspects of a club's operations: financial health, infrastructure, youth development and administrative abilities.

In the case of financial health, clubs must show sound financial management and stability, which includes demonstrating their ability to meet their financial obligations (e.g., paying players and staff) and to maintain solvency. The licensing process includes a thorough review of each club's financial statements and projections to ensure it is operating within its means and has a viable business plan. In terms of infrastructure, a club must have adequate match-day and training facilities, and its stadium must meet safety and comfort standards for fans and players. Training facilities must be of sufficient quality to allow clubs to develop players. Youth development is an equally important criterion, reflecting the SFL's commitment to the future of Swiss football. Clubs must have robust youth academies and development programmes capable of providing young players with high-quality training and education, thereby ensuring a steady stream of talent for clubs and national teams. Finally, clubs must show that they have the administrative capabilities, organizational structure and personnel to operate effectively. This includes having qualified staff in key positions, such as management, finance and medical services, to guarantee that the club is run professionally and transparently.

The SFL's club licensing system illustrates its commitment to maintaining high standards throughout Swiss football. By enforcing these criteria, the SFL ensures that clubs are financially stable, well-equipped and well-run, and thus able to contribute positively to Swiss football's development and reputation at home and abroad.

3.3.3 Legal regulation

Legal regulation in Swiss professional football mostly covers player transfers and contracts. As such, it plays a central role in ensuring fair and transparent dealings within the sport and in safeguarding the rights and interests of both clubs and players. The resulting legal framework is essential for maintaining the integrity and professionalism of Swiss football.

Swiss football has a complex player transfer system, governed by a blend of national and international regulations. FIFA's Regulations on the Status and Transfer of Players provides a comprehensive framework for player transfers throughout the world (Parrish, 2015), covering aspects such as the timing of transfer windows (periods when players can be bought and sold), player registration processes and rules to ensure that transfers are transparent and orderly. FIFA's regulations also include a solidarity mechanism that rewards clubs for investing in nurturing young talent by guaranteeing them a proportion of the fee paid during subsequent transfers of players that they helped to train. Swiss football's transfer system complies with these regulations, although they have been adapted to the Swiss context.

Recognizing the need to encourage clubs to develop local talent and to allocate resources to training players eligible for the national team, rather

than simply purchasing talent from abroad, the ASF and SFL began applying UEFA's homegrown players rule at the start of the 2007/2008 season. Under this rule, Super League clubs' 25-player squads had to include at least six 'homegrown' players, and only five foreign players were allowed on the field at any given time (although matchday team sheets could include up to 18 non-homegrown players; later reduced to 17). The ASF and SFL tightened these rules the following season, increasing the minimum number of homegrown players in each squad to eight. These changes had a significant impact on both the national team and individual clubs, as they gave homegrown players, particularly younger players, more playing time in the Super League (Mustafi & Bayle, 2022).

Player contracts within Swiss football are subject to Switzerland's labour laws and FIFA's regulations, which together form a comprehensive and stringent legal framework (Czarnota, 2013). As well as complying with broader legal standards, this framework aims to balance the interests of clubs and of players by requiring contracts to clearly set out terms such as contract duration, so both parties are fully aware of the length of their commitment. The regulations also require contracts to clearly describe how a player will be remunerated (wages and other financial considerations) and conditions under which the contract may be terminated.

The SFL has taken a leading role in overseeing this aspect of legal regulation by, for example, drawing up standardized contracts that can be used as a template to streamline the contractual process. These standard contracts include all necessary legal provisions and ensure clarity and fairness in establishing player-club relationships. They also simplify the contract negotiation process, reduce potential disputes and advise all parties of their rights and obligations.

Swiss professional football's legal framework for player transfers and contracts is a testament to the sport's commitment to fairness, transparency and professionalism. Complying with national laws (e.g., labour laws, contractual regulations) and international rules (e.g., FIFA's rules on player transfers and contracts) means that Swiss football's operations are legally sound and consistent with best global practices. This legal framework is essential to Swiss football's integrity, as it creates a stable and fair environment for clubs, players and other stakeholders.

3.3.4 Social regulation

Social regulation refers to actions that promote the development of sport for the benefit of participants and society as a whole (Bayle, 2020). It can originate from the highest governing bodies (e.g., FIFA, UEFA) or from national federations (e.g., SFA). For example, the UEFA Foundation for Children uses sport to support humanitarian projects promoting children's rights in areas such as access to sport, children with disabilities, conflict victims, gender equality,

environmental protection and infrastructure development, both in Europe and beyond.

Social integration and social responsibility are prominent components of the SFA's and SFL's strategies. As one of Switzerland's leading sport organizations, the SFL is committed to demonstrating professional football's benefits for society. Although clubs are not formally obliged to participate in social initiatives, the SFL actively encourages them to support causes such as organ donation and combatting homelessness. Promoting the social inclusion of people with disabilities is another important issue for the SFL, one which it has taken more coercive action by requiring professional clubs to improve stadium accessibility and to have a designated person to address the needs of people with disabilities.

3.4 Conclusion

Swiss professional football has a comprehensive regulatory framework covering all four dimensions of sport regulation: economic, legal, political and social. Economic regulation, which includes revenue sharing, financial sustainability and club licensing rules, is pivotal in maintaining financial stability and the league's competitive balance. Legal regulation, particularly the rules governing player transfers and contracts, fosters fair and transparent sport dealings. Political regulation, chiefly orchestrated through the SFA's and SFL's governance structures, is essential for effectively managing Swiss football. By aligning with national and international standards, it ensures that Swiss football follows global best practices. Finally, social regulation focuses on football's ability to promote social integration, social inclusion and community building, primarily by making football accessible to all, including those in challenging circumstances.

This multi-dimensional regulatory framework is crucial for the health and progression of Swiss professional football. As well as helping Swiss football to remain entertaining and competitive, it guarantees its financial viability, legal compliance and robust governance. This regulation will undoubtedly evolve in response to changes in the international football landscape, as continuous refinement is vital to maintaining Swiss football's position at the pinnacle of sporting excellence and integrity.

3.5 Implications for (Future) Sport Managers

Sport managers must have a thorough understanding of their sport's regulatory framework. The interconnected nature of regulation means that managing a sport club is not just about complying with rules but also about navigating the power dynamics between stakeholders, including other clubs, leagues and

governing bodies. Sport managers must take a strategic approach to balancing financial constraints, legal obligations and social responsibilities, while ensuring their club remains competitive on the field.

In this complex environment, managers must also recognize that every decision concerning a regulatory framework shapes a sport's landscape. These frameworks, from revenue distribution to transfer rules, are designed to maintain a league's competitiveness and financial stability. As regulations evolve, sport managers who effectively engage with these frameworks and leverage them to their club's advantage will play a key role in ensuring their sport's continued success and sustainability.

4. MOST TYPICAL ACTORS, INSTITUTIONS OR ORGANIZATIONS

Swiss Football

Swiss football's governance structure is built upon a multi-layered regulatory framework that ensures alignment with national and international standards while promoting the sport's development and sustainability at all levels. At the top of this hierarchy is European football's governing body, UEFA, which requires its 55 member associations, including the SFA, to comply with its statutes and regulations. UEFA generates significant revenue from its quadrennial flagship event, the UEFA European Championship, and redistributes these earnings to its member associations. Additionally, UEFA redistributes income from its annual club competitions to participating clubs. This financial model solidifies UEFA's position as European football's leading regulatory authority. Swiss football is governed in accordance with UEFA's rules and standards.

The SFA is Swiss football's overall governing body and supervises the sport at all levels, from grassroots to professional leagues. It sets Swiss football's strategic priorities, which are to develop homegrown talent, promote the sport across all demographics and ensure football is accessible to all, across the entire country. The SFA also oversees compliance with international regulations, particularly those established by UEFA, which is vital for maintaining Swiss football's integrity and enabling Swiss teams to compete in international competitions.

The SFL plays a more operational role, managing Switzerland's two professional leagues: the Super League and Challenge League. It organizes professional competitions, enforces regulations to ensure competitive balance and manages the leagues' commercial affairs. This includes negotiating broadcasting rights and sponsorship agreements, which are critical for Swiss football's financial health. The SFL's governing body includes representatives from member clubs, ensuring decisions reflect a wide range of perspectives.

Swiss football has a three-tier regulatory system, with different regulations for professional, semi-professional and amateur clubs. For example, to prevent professional clubs becoming financially unstable or going bankrupt, which could undermine their league's integrity, Super League and Challenge League clubs must be limited companies. This rule does not apply to semi-professional clubs (Promotion League and 1st League Classic) or amateur clubs. Furthermore, amateur football is run on a regional basis by Switzerland's 13 regional football associations. This structure ensures effective governance and regulation across all levels of football in Switzerland, from grassroots to elite.

5. INSIGHT-INTERVIEW

David Barras, Digital Content Manager/Deputy Head of Communications, Swiss Football League.

Interviewer: Could you briefly describe your role within the SFL and outline your main responsibilities?

David Barras: I've been with the SFL for nearly two decades — 19 and a half years, to be exact. My responsibilities include managing our website, curating content and handling player and match statistics over the weekends. I also serve as deputy to the head of communication.

Interviewer: In your opinion, is the regulation of Swiss football, particularly in terms of transfers, young players and foreign players, adequate?

David Barras: The SFL has consistently endeavoured to provide opportunities for Swiss players, particularly promising young talent. While some clubs fully embrace these initiatives, others could improve their engagement.

Interviewer: Switzerland's current revenue-sharing model allocates 50 percent of its income based on team rankings and distributes the remaining 50 percent equally among all teams. Do you think this distribution method should be reassessed? Should we consider a new approach to reallocating TV rights and sponsorship earnings managed by the league?

David Barras: I believe there is general satisfaction with the current model, as it strikes a balance and avoids undue favouritism towards either larger or smaller clubs. And the solidarity within the system works well. The main issue is that revenue amounts are perceived as insufficient, but that ties back to the constraints of the Swiss market.

Interviewer: Looking forward, do you see the league's societal involvement continuing in the short-to-medium term?

David Barras: Absolutely. From everything I've seen and heard, there's a desire not only to continue but to increase our societal contributions. A lot has been achieved in recent years, and the goal is always to do as much as possible within our resource limitations.

Interviewer: Is there an obligation for clubs to engage in societal activities, or is it voluntary? How does the league support these initiatives?

David Barras: Our role is more about facilitation — we make recommendations and provide resources, encouraging clubs to undertake social projects. While we strongly advocate for community engagement, we do not mandate it. The clubs are free to choose their level of involvement, and we support them in these endeavours by offering everything they need to implement projects effectively.

6. IMPLICATIONS FOR PRACTICE

The above analysis of Swiss professional football's regulatory framework offers key insights for stakeholders involved in managing and operating professional team sport organizations. These insights are crucial for not only upholding a league's integrity, competitiveness and financial stability, but also for guiding future sport managers and practitioners. The analysis also provides sport management students with a solid foundation for understanding the complexities of sport governance and regulation and reveals principles that practitioners can build on to ensure the long-term success of their clubs and leagues. The five main takeaways for sport management students and practitioners are:

6.1 Strategic Revenue Sharing and Financial Management

The mechanisms for sharing broadcasting rights and sponsorship revenues underline the importance of strategic financial management by leagues and their clubs. While clubs must diversify their revenue streams to become more financially robust, it is also important to refine revenue distribution models to balance competition and ensure that smaller clubs receive adequate financial support. This strategy prevents a few clubs from concentrating power and wealth and fosters a dynamic, unpredictable league.

6.2 Compliance with Financial Sustainability Regulations

Financial sustainability rules require clubs to adopt a comprehensive approach to financial management. Consequently, it is important to understand the delicate balance between a club's growth ambitions and the need for long-term financial health. Clubs must engage in prudent financial planning, which

includes avoiding excessive expenditure on new players, and adopt investment strategies that prioritise long-term development.

6.3 Effective Legal and Contractual Management

Regulations governing player transfers and contracts highlight the need for transparent and equitable practices and the importance of ensuring contracts are negotiated and drawn up in line with national and international standards. Hence, to protect the rights and interests of both clubs and players, sport managers must have the legal knowledge needed to navigate the complexities of player contracts and transfer rules.

6.4 Investment in Infrastructure and Youth Development

The SFA's club licensing criteria underscores the importance of investing in sound infrastructure and strong youth development programmes. Clubs should invest in high quality training facilities to foster a steady stream of talent needed for long-term success. As well as benefiting individual clubs, these investments improve a sport's overall standard and competitiveness within a country.

6.5 Using Football to Promote Social Inclusion

Football is no longer just a sport, it is a powerful tool for fostering social inclusion and building communities. Indeed, many football governing bodies, including UEFA and the SFL, integrate social responsibility into their regulations and practices. The resulting frameworks encourage (and sometimes mandate) clubs to support societal goals, such as ensuring accessibility for people with disabilities, achieving gender equality in sport and encouraging physical activity among youth. By participating actively in community outreach and social responsibility initiatives, clubs and leagues can promote social cohesion and help people to develop a sense of community.

In summary, Swiss professional football's regulatory framework is a guide to best practices in sport management. By understanding and applying these principles, clubs and leagues can ensure their success and longevity and make a meaningful contribution to a sport's broader development and ethical standards.

7. COMPLEMENTARY MATERIAL

- *The European Club Finance and Investment Landscape*. This UEFA report provides the most authoritative and most comprehensive review of

European football's financial landscape. It offers insights into European clubs' business models, enables comparisons across leagues and clarifies financial sustainability practices. As such, it is of interest to sport management students, club administrators and policymakers. <https://ecfil.uefa.com/2023>.

- *Swiss Football League Licensing Manual*. This document describes Swiss football's club-licensing criteria, divided into six main areas: legal, infrastructure, sporting, administrative, financial and safety. It guides Swiss professional clubs and sport managers through the criteria clubs must meet to obtain a licence to play in Switzerland's professional leagues, and is a vital resource for ensuring compliance with the league's professional standards. <https://assets-eu-01.kc-usercontent.com/3668e732-8a21-0181-1c69-be073a63937a/817d5e19-c846-48db-bc4f-fb08f88e7cf7/Manuel%20des%20licences%20SFL.pdf>.
- *The Swiss Football Association's Strategic Plan*. This plan describes the SFA's strategic objectives for 2021–2025, notably in areas such as developing talent, upgrading infrastructure and improving governance. It describes Swiss football's long-term goals and provides a roadmap for aligning with international football governance and development strategies. As such, it is of interest to students, sport managers and strategic planners. https://org.football.ch/fr/portaldata/28/Resources/dokumente/fr/01_statuts_et_domaine_disciplinaire/ASF__Strategie_Broschuere_FR.pdf.

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