UEFA urged to make 'substantial increase' in payments to non-elite European clubs

By Matt Slater Apr 21, 2023

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The body that represents Europe's domestic leagues has called on <u>UEFA</u> to make a "substantial increase" in the amount of money it dishes out to clubs that do not play in its highly lucrative club competitions.

European football's governing body currently distributes about five per cent of the almost £3.2billion (\$3.98bn) it earns from the Champions League, <u>Europa League</u> and Europa Conference League every year in "solidarity" payments to the 650 top-flight clubs that do not play on the European stage, an average payment of £220,000 per club.

This compares to the £55million that Champions League clubs receive on average and almost £10million that goes to clubs that compete in the other two midweek competitions.

These sums have been rising rapidly for years and are set to jump again when the next cycle of media contracts starts in the 2024-25 season, which is when the Champions League changes to a 'Swiss model' league format and more games, teams and match weeks are added to all three UEFA club competitions.

These changes are expected to boost the competitions' combined revenues by about a third, which should mean more money for everyone, participants and non-participants.

But European Leagues, which represents 39 leagues in 33 countries, has been warning UEFA for years about the impact its annual payments are having on domestic competitions, where the competitive balance has been skewed by the compounding effect of UEFA prize money, and it is greatly concerned that even more of it, post-2024, will turn national leagues into foregone conclusions.

Its remedy is to double the solidarity share of the pot to 10 per cent, which would triple the amount of money non-participating clubs get to £660,000. Champions League clubs would still get almost £64million each on average, with participants in the Europa League and Europa Conference League earning around £11million each.

"We know the revenues are going to increase but we think it is fair and balanced to ask for a share of 10 per cent for the non-participating clubs, which means, more or less, a doubling of the percentage," said <u>European Leagues managing director Jacco Swart</u> in the press conference after the organisation's 46th general assembly in Prague on Friday.

"But we very much acknowledge that the participants in UEFA club competitions deliver the value. So we cannot say that all the additional revenue should go to non-participants."

The clubs that play in the Champions League most seasons will be relieved to hear that, as many of them believe UEFA already hands over too much of the money their global brands and huge fanbases bring into the organisation every year.

The organisation that represents their interests, the European Club Association, believes the real share of the pot that is allocated to solidarity payments is closer to eight per cent, as it includes the 3 per cent of the total revenues that is shared between the more than 100 clubs that fail to progress beyond the qualifying rounds of the three competitions.

It also thinks the £175million that UEFA retains in order to dish out in development grants, plus the additional sums which subsidise the Women's Champions League prize fund, take the total given to non-participants to more like £440million, or 14 per cent of the amount the three competitions bring in.

Furthermore, the ECA would point out that expanded the three competitions to 36 teams each from 2024-25 onwards means the number of participants will increase from 96 to 108, and that it has lobbied UEFA to tweak the solidarity-distribution formula to help clubs in smaller markets more than ones that already benefit from large domestic media-rights deals.

And if it really wanted to start a row, the ECA might make the point that the bigger and sexier domestic competitions, such as the <u>Premier League</u>, do not make solidarity payments to smaller national leagues, despite the fact that their fixtures do clash at weekends.

All that said, UEFA is aware that the success of the Champions League, in particular, has given a relatively small number of clubs a huge financial advantage in their domestic competitions, and those competitions not only play a fundamental role in creating the meritocratic narrative that underpins the Champions League, they give the competition the space it needs to thrive by not scheduling games in the same midweek time slots.

This is why European Leagues president Claus Thomsen believes a better way of thinking about solidarity is to view it as "compensation".

"It is a lot about protecting the competitive balance and, if it's about protecting the competitive balance, the funds must end up with the non-participating clubs," Thomsen told reporters in Prague.

"It's nice to use the phrase solidarity but compensation is more appropriate, because it is a compensation for the value delivered.

"The UEFA club competitions build on values created by all domestic competitions, including by those who don't participate. So it's fair that they are compensated for the value they deliver — that is essential."

UEFA has not responded on whether it agrees with European Leagues on increasing the solidarity share.

What Thomsen, who runs the Danish league, and his counterparts are willing to discuss, though, is a way of tying these payments to "specific projects", such as youth development. But they also believe these payments should be made exclusively to professional clubs and not used more generally, as this only dilutes their impact.

While the bosses of Europe's domestic leagues appear to have made their peace with UEFA's decision to expand the number of Champions League matches by 50 per cent, they are not so sanguine about <u>FIFA</u>'s desire to stage a 32-team Club World Cup every four years.

"The world does not need more club competitions in the international match calendar," said Thomsen.

"It is detrimental because there is no room. It's not good for the players. If you need to pay for a new tournament, then it takes money away from another tournament. I haven't heard that the media companies have had rising incomes lately, I've heard the opposite. So it's not good."

He believes FIFA should instead concentrate on helping the development of league football outside Europe.

"We need to make everything sustainable," Thomsen added. "We do not need endless growth. We need sustainability and to protect the culture and the communities around football."

FIFA has not responded to a request for comment on the Club World Cup.

One topic that was not discussed — publicly, anyway — at the general assembly was the fact that European Leagues itself has experienced some shrinkage, as <u>Spain</u>'s <u>La Liga</u>, one of its most prominent members, has recently left.

In his resignation letter, La Liga president Javier Tebas accused the organisation of failing to stand up for domestic football against the never-ending demands of the elite clubs, the growing influence of state-backed teams and increasing financial dominance of the Premier League.

He has taken his personal battle against those windmills to a new organisation called the Union of European Clubs, which launches in Brussels on Monday.