

# Will the Soccer Bubble Burst?

by Theodore Dalrymple



Measured by the size of its audience, soccer's World Cup is far the most important sporting event in human history. More than a quarter of the world's population watches the final of the competition, and a half has watched at least some of the matches. It is the greatest spectacle in the world.

The game has changed out of all recognition in my lifetime. When I was a small boy in England, I would go with a friend and stand on terraces of a stadium in a crowd of up to 70,000, having paid an entrance fee (in purely nominal terms) of 14 cents. A ticket to watch the same team play today – in a much more comfortable stadium – would cost \$70.

In those days, professional footballers had a maximum wage that was roughly equivalent to a skilled worker's wage. They were stars only on the pitch, their lives off the pitch being both unknown and of no particular public interest. After the

match was over, they would catch the bus home. The younger ones who were away from home lived in lodgings run by landladies.

Now, to be selected for a major team is virtually to become a millionaire overnight. The sums of money involved in the game are immense. The services of the Brazilian star, Neymar, were bought by Paris Saint Germain (PSG, owned by the Qatari royal family) for about \$250 million. Neymar himself is paid about \$45 million a year.

The game itself has evolved since my childhood. The players are faster, fitter and much more skilled. They no longer play on pitches that become a sea of mud in the rain, the ball sticking almost immovably in puddles once it had landed in them. The ball itself, of sewn leather, became heavy and sodden in those days, and many of the players whose position in the team led them to head it (as permitted in the rules of the game) later suffered from dementia caused by repeated trauma, as boxers do.

The enormous salaries paid to professional footballers causes a variety of reactions. They turn the footballers, who are not generally known for the brilliance of their thoughts, into celebrities. Their appearance anywhere launches a thousand cameras, and their doings, such as crashing Ferraris into a tree half an hour after they have bought them, is an inexhaustible source of gossip in celebrity magazines. (They go out and buy another one.)

However, almost everyone who reflects on such things is made uneasy by their pharaonic salaries – to say nothing of their non-salary incomes from endorsements and advertising. What do their incomes, earning more in a week than ten teachers in a year, tell us about our society's scale of values? Even the most laissez-faire liberals sometimes feel uneasy at such colossal rewards for an activity which, while entertaining and exciting, is not, or at least ought not to be, an important

part of the world's work. Very few people are immune from the feeling that something is out of kilter.

I am myself somewhat confused on the issue, with no very clear view of it. That is why, recently, I bought a short book (readable at a sitting) in a French bookshop called [\*Is Football Going to Explode? – For a Regulation of Football's Economic System\*](#), by a researcher at a left-wing French think-tank, Richard Bouigue, and an economics teacher at a school of sports management, Pierre Rondeau. Both of them football enthusiasts, they approach the problem from a social-democratic rather than from a Marxist angle. They are not fanatical egalitarians.

Their criticism of the current situation is two-fold: first that the present economic model of football is unsustainable and might lead to a collapse, and second that it is socially unjust.

In 2011, the governing body of European football (and Europe is overwhelmingly the leader in football, if in nothing else), noticing that football clubs were running up enormous debts principally to buy the services of players and pay them vast salaries, decreed that henceforth clubs would not be allowed to spend more in a year than they earned in television rights, sales of produce, entry fees, and so forth. This led to, or at least was followed by, a sharp reduction in indebtedness, from 65 per cent of turnover in 2008 to 40 per cent in 2015.

But this, of course, does not mean that they are out of the woods. A rise in interest rates would be harmful to them, but even worse, the television rights upon which they very largely depend for their income, and which rose 600 per cent between 2000 and 2016, might fall back: but their contractual obligations to their players (and which are 80 per cent of their costs) would remain the same. Collapse into bankruptcy would result.

For the moment, all is going swimmingly. Since the whole world is now run on the oldest and most durable of political philosophies, namely that of bread and circuses, the latter are flourishing. But the model of football, in which expenses might soon far outstrip receipts, suggests a bubble economy: and bubbles, as we know, have a tendency eventually to burst.

The authors suggest a policy to obviate this danger (they implicitly believe in the precautionary principle, since so far the anticipated disaster has not happened). They suggest that there should be an imposed limit to footballers' salaries, though not a totally inflexible one: if a club wanted to pay more than the limit it could do so, but only by paying a tax which would be dedicated to improving training for the great mass of amateur players – from whom, of course, future professional players would be drawn. The tax, which would be progressive, would simultaneously limit expenses and discourage grossly inflated salaries while performing a valuable social service. It would not lead to further inflation because the clubs that paid it would still be under the obligation to spend no more than they received in income.

I am not economist enough to know whether the tax would work as intended and have no undesirable unintended consequences. Nor do I know whether the soccer bubble will inevitably burst. Certainly, the game would continue to be played, albeit in different circumstances, in the event of an economic catastrophe. The need for distraction springs eternal in the human breast and may even increase in times of distress.

In any case, I sense (though I cannot prove) that the authors' motivating interest is in social justice more than in economic sustainability and unsustainability, and to their concept of social justice I will turn in a subsequent article.

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