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The acronym FFP may not mean much to the casual football supporter, but to front-office officials and owners of football’s richest clubs, these three letters could mean doomsday. Financial Fair Play, FFP, was created by the European Football governing body UEFA to regulate, monitor, and improve the economic and financial capacity of football clubs. John W. Henry, principal owner of Liverpool Football Club and the Boston Red Sox, has been a vocal supporter of FFP since its inception and said the following in an interview with the Tomkin Times, "The mandate of financial fair play in Europe is for clubs to live within their means."¹ Since FFA was implemented in 2011 by UEFA, major clubs across Europe have been subjected to internal investigations and point deductions including the likes of Juventus, Manchester City, Everton, Paris Saint-Germain, and other high-profile clubs. The issue of Financial Fair Play is much deeper than just a way to keep football clubs from going bankrupt. It is also a system put in place to try and keep the playing field somewhat level between European giants and smaller clubs. In the past few years, point deductions and penalties have been handed out to clubs that violated the FFP guidelines, but what purpose do these penalties serve? Is a point deduction the most ethical and effective way to punish a club for playing outside of the rules? In this essay, I will examine multiple cases of Financial Fair Play violations and break down the ethical dilemmas that the situation produces by using sources of philosophy.

Before diving into the first case of financial rule-breaking, I first want to explain how Financial Fair Play works. As stated earlier, the purpose of FFP is to ensure that football clubs are not spending significantly more than they are making in order to guarantee the club has a secure financial future. Prior to the implementation of FFP, many clubs in European football were losing money. Former UEFA president Michel Platini had the following to say when implementing the new legislation, “Fifty per cent of clubs are losing money and this is an increasing trend. We needed to stop this downward spiral. They have spent more than they have earned in the past and haven't paid their debts. We don't want to kill or hurt the clubs; on the contrary, we want to help them in the market.”² FFP ensures that a club is not exploiting the deep pockets of the owner and putting the club at an unfair advantage in terms of player purchases while also making sure that clubs are not taking on debt they can not afford in order to achieve on-field success. There is only so much money that a club can make between sponsors, player sales, prize money, ticket sales, merchandise, and more. So by ensuring that each club generates more money than they spend, it prevents a super rich owner from using their seemingly unlimited funds to buy all of the best players in the world and then win everything there is to win. Now that the basics of FFP have been laid out, I want to focus on a few recent cases of violations.

Three major clubs that have had recent trouble following the FFP guidelines are Manchester City, Everton, and Juventus. Each of these cases is unique and I will look to examine each of them beginning with the biggest club in Italy. Serie A giants Juventus were the center of

¹ https://www.theguardian.com/football/2012/aug/09/liverpool-john-henry-uefa-financial
financial attention for the entirety of the 2022-2023 season. During the season, Juventus was deducted 15 points for false accounting relating to their transfer activity. For those who might be unaware of the significance of a point deduction, it can be summarized as the removal of points in the league standings that were earned by the club by winning or tying games (3 points for a win, 1 point for a tie, and 0 for a loss). The major reasons for the initial point deduction for Juventus were due to ‘financial irregularities’ and ‘false accounting’ relating to past player transfers. This deduction was later reduced to 10 points and a large fine after a plea bargain. However, Juventus president Gianluca Ferrero had the following to say about the situation, "We do not share the interpretation that has been given of our defense, and we remain firmly convinced of the legitimacy of our actions and the validity of our arguments." This 10-point deduction dropped Juventus out of the top 4 in the league table and pulled them out of contention for the Champions League. But who is truly punished by these sanctions? When a team is deducted points, many innocent people who had no involvement in the violations are negatively impacted including coaches, players, and fans.

The second case of FFP violations comes from Everton Football Club. Everton is the most recent club to be punished for breaking the financial rules. Recently, Everton saw a change in ownership when 777 Partners purchased the club. After the purchase, the new owners self-reported a series of financial violations from the 2021-2022 season that were committed by the previous owners. On November 16th of 2023, Everton was handed a 10-point ban that dropped them to second to last in the league and put them in the relegation zone. The following statement was released by the Premier League about the situation, “Following a five-day hearing last month, the Commission determined that Everton FC’s PSR Calculation for the relevant period resulted in a loss of £124.5million, as contended by the Premier League, which exceeded the threshold of £105 million permitted under the PSRs. The Commission concluded that a sporting sanction in the form of a 10-point deduction should be imposed. That sanction has immediate effect.” This case is particularly interesting and raises a new set of ethical and philosophical questions since Everton is the only club to self-report their financial violations, and even though the violations were committed by previous owners they are still the quickest to receive punishment. One of the major contributing factors to the losses during the period was the groundbreaking on major stadium renovations that are now at risk of not being completed with the club facing FFP punishments and possible relegation from the Premier League. With the recent punishment handed out to Everton, the spotlight has grown on Manchester City.

Manchester City was the most successful club in Europe last year winning the treble- Champions League, Premier League, and FA Cup. Even though they were only the second English club to ever achieve the treble, many see their historical season with a large asterisk. Manchester City is facing sanctions for over 100 financial violations that took place from 2009 to 2019, during which they won three league titles. The allegations facing Manchester City are set to be the largest punishment handed out to a football club since the FFP rules were put in place. The violations are currently being investigated by an independent commission so no information will be available until they provide their recommendation for how the violations should be dealt with. The implications of the Manchester City situation will have lasting impacts on the future of FFP.

5 https://www.premierleague.com/news/3045970
as it appears many rules were explicitly violated in order to achieve tremendous on-field success. All three of these scenarios propose unique ethical dilemmas that can be examined using ethical paradigms and supporting philosophers.

I am going to begin the ethical analysis of the recent Financial Fair Play violations by examining the situation from the perspective of Utilitarianism. Utilitarians believe that the ends justify the means and that one should act in a manner that creates the most good for the most people. The philosopher who is credited with the creation of modern utilitarianism is Jeremy Bentham. To apply his concepts to the FFP situation, we must decide what exactly is the outcome that creates the most good for the most people. When a club like Everton is punished for violating FFP regulations, who is negatively affected, and who benefits? Although it is easy to focus on the punishment and its impact, the root of the issue that led to the punishment was the decisions made by club executives to knowingly break financial regulations. The previous owner of Everton that was responsible for the violations made a decision that the best outcome for the club was to break the financial rules. When making this decision, if they were doing so based on Utilitarian ideology, they felt that the reward for overspending outweighed the punishment that could ensue if caught. However, I believe if the owner was truly operating based on Utilitarian values they would have decided to follow the rules because the potential consequences of getting caught would create the least good and result in the majority of the people involved in the club getting hurt in some manner. Because football fandom is so important to the sport of football itself, the outcome that creates the most good is the one that would not harm the fans of the club.

An argument could be made that the good experiences that the fans of Manchester City had as a result of their tainted victory provide a more intense good than the good felt from following the rules. However, I feel as though the bad that comes with having the past victories looked at with speculation and experiencing a point deduction provides a bad experience that outweighs the original good from victory. John Stuart Mill is a philosopher and student of Jeremy Bentham whose ideas can provide some clarity on how to act based on Utilitarianism. Mill provided the framework for Rule Utilitarianism which can be applied to the FFP situation. An analysis of Mill’s Rule Utilitarianism provided by Northeastern University professor Stephen Nathanson, “It says that we can produce more beneficial results by following rules than by always performing individual actions whose results are as beneficial as possible. This suggests that we should not always perform individual actions that maximize utility.” Therefore the owners of the football clubs that violated FFP should have acted according to the rules as it would have resulted in the least amount of pain. Even though it would have been painful to be less successful because less money would have been spent on new players that would have made the team better, the team would have been better off following the rules because the pain of a point deduction punishment is greater and more widespread.

Utilitarianism provides an argument against the actions of the clubs that violated FFP, but there is also an ethical ideology that could support the actions of those who broke the rules based on philosophy created in the 1800s. I believe that Nietzschean Ethics would support the decisions made by the clubs to break financial rules. Created by Friedrich Nietzsche, Nietzschean Ethics can be best summarized as not being limited by the widely accepted social rules when striving for greatness. Essentially, Nietzschean Ethics supports the quest for achievement and excellence, even if some people are hurt as long as the achievements are pushing society forward and

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6 https://iep.utm.edu/util-a-t/
creating progress. To relate to the FFP situation under Nietzschean Ethics, the Manchester City scenario would be morally permissible because they ended up creating one of the greatest teams in football history and therefore pushed the sport forward. The violations were necessary to create something bigger that would not have been allowed within the confines of the rules. Sure some people may not like the way that the excellence was achieved, but the result of the excellence has a greater importance than the people negatively affected by the punishment. Nietzschean Ethics believes most people in society are weak and are sheep. They do not want to push society forward. All beings contain the “will to power”. So, those people who choose to break the financial rules for the sake of pushing the sport forward are ethically justified according to Nietzschean because they are doing so to try and shift the conception of what is possible or to reach a new level of excellence.

Another point that needs to be considered in this scenario of FFP infractions is the punishment that goes along with it. Who should be punished and how should the punishment be carried out? The primary method of punishment is currently a point deduction, but is that the most effective deterrent for the behavior that FFP looks to eliminate? These questions are the basis for where to begin the analysis of penalties as sanctions and as prices. The purpose of punishment is to deter the offender from repeating the undesirable behavior, but is this achieved through a point deduction? If Manchester City won a historic treble in 2023 but received a point deduction in 2024 as a result of their rule-breaking, one might say that they got what they wanted in terms of the glory and excellence that they achieved through winning the treble. Essentially, the point deduction is just the price to pay for the glorious season they had the year prior while all of the allegations were floating around. Who is punished the worst when a point deduction is incurred? Truthfully it's the players and fans that feel the punishment the strongest. From a monetary standpoint, the owners who bend the rules do not experience significant repercussions. Instead, the repercussions are more greatly placed on those who did not influence the decision to violate FFP. True sanctions for the crime would be to force those who broke the rules to step down from their position or to sell to new ownership, otherwise, the punishment is more of a price to pay rather than a true punishment.

Financial Fair Play is in place to protect football clubs against themselves and to create a more level financial playing field. It promotes fair play in football and helps to maintain the integrity of the game. By breaking these FFP rules, an individual is disrespecting the game itself. Personally I would tend to agree with the Utilitarianism viewpoint when it comes to analyzing the scenario. The outcome that creates the most good is the one that aligns with the values of the game and doesn't look to use money to be superior. Therefore, the ethical way to act would be to not break FFP regulations. When it comes to the punishment for those who break the rules, I feel that the wrong people are being punished for the rule-breaking. Instead of taking away points from the club and punishing the loyal fanbase and the hardworking players, heavily fine the offenders and remove them from their position as they have no place in the game of football if they are going to undermine rules that seek to protect the game. Eventually, clubs would stop breaking the FFP rules because they know that it would mean they lose control and ownership over the club.

As the sport of football continues to grow across the globe, it will become increasingly important to uphold the integrity of the game and the front offices of football clubs. The correct answer to
how to deal with every breach of the rules is unknown, but by using guiding principles of Utilitarianism the ethically correct way to act becomes clearer. The best outcome is the one where the majority of football players and fans are happy, so all decisions of whether to follow or break Financial Fair Play rules should be made with those values in mind.
WORKS CITED


