

A FOOTBALL ECONOMY

It is not entirely clear what the total size of the English Premier League economy is, but its income tax and national insurance contribution alone is thought to be worth more than **£1.3 billion per year** to the British government. Some of the revenues flowing into the game come from places like Abu Dhabi and Russia – important injections into the British economy over the 22 years since the Premier League's inception. Yet it is television that has had the most profound effect. Lightning-fast growth has seen domestic broadcast revenues grow from £633,000 per game, when the first deal with BSkyB was struck back in 1992, to £6.53m today. On top of this, overseas broadcasting rights bring in vast revenues too. For instance, in 2013, NBC in the United States paid US\$250m for the right to show Premier League games for three years. As a result, the league is now broadcast in 212 countries, with a cumulative audience of almost 5 billion people per season. This means that around 70% of the total population of the world's televised sport market watches Premier League games, while nearly one third of all Premier League viewers are now thought to be in Asia. Each live Premier League game can have a global audience of more than 12m people, which greatly exceeds viewership of Italy's Serie A (4.5m), Spain's La Liga (2.2m), and Germany's Bundesliga (2m). This popularity is reflected in the sums paid for domestic television contracts: the Premier League's £3 billion again dwarfing the Serie A (£721m), La Liga (£511m) and Bundesliga (£417.4m) deals. For example, in the 2013/2014 season, champions Manchester City received payments totalling nearly £98m from the league. Cardiff City, who finished the season in last place and were featured on TV the joint-fewest times, said goodbye to top-flight football with almost £64m.

The flipside

The mind-boggling sums of money would tend to suggest so. But the league is criticised and derided by critics for perpetuating greed, sanitising a once-proud social institution, *destroying the heart and soul of English football*, and creating a football elite that has **excluded** and alienated **too many people**. Just how much money leaks out of the UK to other countries is a serious question; after all, people who earn millions tend to have very good accountants. Former Chelsea and Netherlands player Winston Bogarde still serves as the poster boy for Premier League waste and excess. Reputedly paid £2m a season by the London club, he played just nine times in four years with the Blues and quickly disappeared back to the Netherlands at the end of his contract.

Trickling down?

This level of expenditure has not only fuelled wage and transfer inflation in English football's top-flight but also further down the country's league structure. This trickle-down effect has caused severe problems for many of English football's clubs. Indeed, there have been 168 club "**insolvency events**" since the league was founded in 1992. If the Premier League is the pinnacle of English football, then there is a very long, unstable and precariously positioned tail. *Simon Chadwick* - Prof. Sport Business Strategy - Coventry University. ft