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**ATINER's Conference Paper Series
CBC2014-1357**

**The Economy of Football in the Global
World: The Economic Evaluation of the
2014 FIFA World Cup in Brazil**

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This paper should be cited as follows:

Kuyucu, M. (2014) "The Economy of Football in the Global World: The Economic Evaluation of the 2014 FIFA World Cup in Brazil", Athens: ATINER'S Conference Paper Series, No: CBC2014-1357.

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URL Conference Papers Series: www.atiner.gr/papers.htm

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ISSN: **2241-2891**

09/02/2015

The Economy of Football in the Global World: The Economic Evaluation of the 2014 FIFA World Cup in Brazil

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Abstract

Football, being one of the most popular assets of the entertainment industry experiences a rapid increase in its economic value in the global environment. FIFA, organizing the world cup every four years, has the privilege to be the architect of a big economic market within the football industry. The world cup is not only a competition of the countries in the football environment but also a great show which creates an economy of a large scale. This paper examines the history of the FIFA World cup up to 2014 and its current economic value. It makes a conceptual research of the world cup, its history and its economic components and how these components create a global economy. In addition, it examines the markets centered in the 2014 World cup and specifically, in the areas of sponsorship, value of footballers, value of technical manager and stadiums. It also examines how the world cup creates a consumption society via bets and selling technology. Research questions regarding the economic value of the teams which participated to Brazil 2014 and the economic investment of the host country are set and answered. The paper also delivers a brief examination of the investment done by the country football teams in the world cup 2014 to achieve success and underlines the correlation of "*money*" and "*success*" in the global football economy. Pertaining to this last point, the basic guideline followed by this study is the following: Do really money brings success in the world cup or is it all at the hands of the footballers and their coaches?

Key Words: Global Football, Economy of Football, World Cup 2014 Brazil, FIFA 2014.

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Introduction

Today, football is not considered as just a game. Football, as of its extent, is an industry with high economic volume. As football has been embraced by large masses and even become a lifestyle for some, a gigantic industry emerged. It was defined as football industry and football has transformed into something more than a regular game in the sense that it has extended media, political and sociological dimensions.

Football industry has moved beyond the local economies and become a part of the global economy as a result of the globalization process. The share of the football industry in the global economy has grown rapidly, reaching more than billions of dollars while employing thousands of people and influencing many other economic sectors. Nowadays, the football industry is one of the most significant global industries affecting several other related industries such as media, raw material production, health industry and tourism.

The major factors in the emergence of this global football industry are the global scale football tournaments, which are organized by UEFA and FIFA and the management mentality of the European Football Clubs.

The World Football Championship or the World Cup, organized by FIFA on a global scale, is one of the most important organizations that demonstrate the global power of the football industry. This organization has shown that football is not just a game that is played on the field by revealing the contributions of football to the global economy. In this research project, the global economic aspect of football is discussed and the economic volume of FIFA World Cup 2014, which was organized in Brazil, is analyzed in order to answer the following question: "*What are the different aspects of the recent World Cup's impact on the global economy and how does it contribute to the global economy?*".

This paper examples how the global economy benefits from football. In the first part of the paper there is a historical research about the football industry term based on literature. This part gives a brief explanation of the factors effecting the football industry and how this turns football to a global industry. The paper gives statistical examples about global football industry and figure outs the value of this. In the second part of the paper there is a research on the 2014 Football World Cup's economic value. This part evaluates all the data collected from difference sources including news agencies, press and other media and makes an induction. The economic value of the world cup 2014 is analyzed statistically in deep.

History of Football

Football is a sports game played between two teams of eleven people in which players try to throw a standardized spherical ball without using their hands and arms into the opposing goal (Aladanlı and Çördük 2009).

There have been many different assumptions about the history of football. While some claim that it was first emerged in China, others assume that Ancient Greeks were the inventors of football. In the first volume of Mahmud al-Kashgari's famous *Diwanu l-Lugat al-Turk* (Compendium of the languages of the Turks), which is a very important document that sheds light on Turkish history, it is clearly stated that Turks also played a game, which resembles to football. Being called as *tepük*, this game was played between two mixed teams of men and women and its rules were substantially similar to that of football. Human figures playing with a ball are depicted on various wall paintings belonging to the Ancient Egyptian Era, showing that football was also played in those times (Aladanlı and Çördük 2009). However, despite all that information, it is accepted that it was in the 12th Century England that football, as we know it today, started to be played. Therefore England is widely accepted as the motherland of football. For about six hundred years, the rules of the game were not formally determined. Usually, it was played by crowded groups lacking any type of order and there were times that football was banned by the kings, for one reason or other. Finally, in 1846, at Cambridge University, England, during a meeting attended by representatives from other schools, some rules were set regarding the football game. In 1862, some new rules were added to the ones written at Cambridge University. It was decided that the number of players in a team would be 11, players were banned to interfere with the ball using their hands or arms and rules for the offside position were set in this period (Aladanlı and Çördük 2009). Nottingham County, the first football club of the world, was established in England in 1862. With the football tournaments being held between the schools in the beginning of the game's modern history, this sport started to become popular among the young students (Taşğın 2000).

The spreading of football to the world began with the establishment of the first professional league and the setting of the rules of the game. In 1879, a football player was brought from Glasgow to Darwen for a transfer fee and good job offers -this was the first sign that football would become a profession. In 1889, The Football Association (FA) legalized professionalism in football (Güneş 2010).

The meeting held in Paris on the 21st of May 1904, in which FIFA (International Federation of Association Football) was founded, was a milestone in the world football history (Güneş 2010). FIFA organized the first world football championship in 1930. In 1954, the Union of European Football Associations (URFA) was founded and began to organize the European Champion Clubs' Cup in 1956 and European Cup Winners' Cup in 1963.

With the widespread use of television, the development of the advertising industry and the ease of transportation, politics and monopolistic capitalism began to rule football by the 1960's with the football teams and players gradually becoming a part of the international commercial structure. According to Erdoğan (2008), football has lost its local character on the basis of both the economics and the synthesis of the teams. It has transformed into a field, which fuels the dreams of "*making fast money*" of the children of the working class.

In terms of the intellectual context, it has become one of those areas that the economic and the political power centers ground their "*divide-and-rule*" strategies.

After the 1970s, there has been a significant increase in the audience of the football stadiums. This emerging interest in football led to the rise in the quality of the football game and to the development of new tactics. The remarkable developments that took place in European football resulted in Latin American football experiencing a downturn in the popularity it used to enjoy. As of the 1991-1992 season, FIFA set a new series of rules in order to speed up the game and to allow for more goals to be scored. By the 1980s, football has already become a full industry as a result of the huge audiences, the construction of new stadiums, football club's efforts to increase their revenues, the advertising and sponsorship agreements as well as the formalization of broadcasting rights market.

Football Industry

It is an undeniable fact that modern football is not just a game, but also an industry that creates an ever-growing economy. Therefore, it is necessary to examine the process that football underwent in becoming an industrial commodity.

Football industry has its basis on the creation of game-related final products and services by exploiting the production factors of the football game as well as the profit margins of the marketing of these outputs to the consumers (Güngör 2014).

The prevailing capitalist relations and the fact that sports had taken an industrial form in the last quarter of the 20th century, led to radical changes in the organizational structure, the form and the social relations of sports. Sports, as a popular field within the consumption culture, was not shaped as a concept free from the "*close and destructive*" contact with the values of capitalist order, just like it was the case of various forms of the popular culture.

When the basic characteristics of industrial football are considered, it can be said that the industrialization process was accompanied by the following three main factors (Akşar 2005). In other words, industrialization was the other side of the coin of emerging changes in:

- ✓ Audience profile.
- ✓ Nature of sources of income.
- ✓ Behavior patterns of consumers.

Sports clubs that continue to grow into industrial actors, professional sportsmen, producers of sports equipments, sports media, sponsors and governments contributed to the material exploitation of sports. It was seen very clearly that sports, particularly football, is linked to consumption culture very strongly. The role and significance of commercialized sports in the emergence

of private life, the development of consumer logic among the sports fans and the maximization of consumption being the ultimate goal are all remarkable aspects of the commercialization of modern football. The changes in the production relations determined the structures of sports and sports games, however some games continued to assert themselves within all production modes. Game, as an element that creates gratification, has become a part of the consumption culture along with capitalism (Çoban 2008).

Football began to lose its existential meaning and was transformed into "*new football*" with its rapidly industrialized dimension within the globalization era. In the process of time, football's place in social life started to change along with its essence. Fans were pulled away from the fundamentals of the game, their love for the game was degraded to its consumption dimension and finally they were transformed into customers. In this process of transforming the fans to consumers, various products begun to be sold to them through advertising. Consequently, fans, as customers, have become important economic participants in the football industry by buying not only the products but also the stocks of their favorite teams (Talimciler 2008).

In an economy with a turnover of over 500 billion dollars, branding is an essential process in order to gain a bigger share from the market. Higher levels of recognition and the ability to use the global commercial mechanisms are vital in branding. Within the context of football branding, the teams' colors and logos as well as the emotions they elicit to fans are started to be used for the purpose of the profit maximization through uprising consumption.

Football teams show that they are the representatives of the industrial system through the brands that they advertise, thus legitimizing the consumption culture. Jersey ads (i.e., advertisings made on the field during the game or via communication tools) contribute to the globalization of the brands and the increased influence of brands and consumption culture on the society (Çoban 2008).

Factors Affecting the Development of the Football Industry

Football and Sponsorship: Football, in addition to being a sports activity, is a huge commercial field today. It helped a great variety of companies either directly or indirectly related to sports to reach large masses to advertise their products. Football broadcasts became important sources of income both for the football clubs and the television companies. Advertising and sponsorship are among the key factors that played important roles in the development of the football industry. This new institutionalization, which leads to the further growth of the "*cake*" of the football industry, allows the industry to reproduce itself as well. These institutions financially support the football clubs and associations in all areas (whether sportive or financial) and at the same time promote their brands and reach billions of people (Akşar 2005). The first examples of advertising and sponsorship in football showed up in the beginning of the 1900s. Football cigarette cards of the 1920s were an important

step in the formation of the future tobacco market. Beginning from the 1930's, football players started to appear in advertisements of men's products. In England, FA started to make sponsorship agreements in order to organize new tournaments at the end of the 1930's (Aydın et al. 2008). One of the major factors in the industrialization of football is the sponsorship revenues. Sponsorship could be defined as organizing activities that are demanded and desired by large masses and/or providing financial support to the ones who initiate such activities. Sponsorship, which makes the greatest contribution to the industrial football by allowing it to reproduce itself and therefore to become even more industrialized and widespread, started to occupy a larger part in football thanks to the recent legal regulations. Basically, sponsorship is the commitment made to cover all or part of the sportive or cultural contest/show in return for the mention of the brand name during the event (Akşar 2005). Sponsorship and advertising revenues are important for the football clubs, which operate on the basis of the institutional logic, or more than that, which have become institutions themselves. This situation transforms football fans to consumers and football to a marketing activity. Here, the aim is to fulfill the requirements of the sponsorship and the advertising agreements through the marketing of the values and symbols of football, being commoditized in the faces of the star football players (Monaco 2002). In summary, values and symbols of football, particularly star players, are commoditized and transformed into products that can be bought and sold.

Football and Television: Beginning with the 1980s, making profit out of television business started to be even more important and therefore, the significance of football for television increased. Football programs are widely demanded as they have a guaranteed audience and bring significant revenues. An undeniable fact in support of the above argument is that the highest rated programs in the history of television have been broadcasts of football games (Şeker and Gölcü 2008). There is no doubt that television is one of the most important contributors to the industrialization of football. Television, while working as a distribution channel of the industrial football, it also allows it to create the revenues which in turn will reassure its popularity and reproduction. There is a functional correlation between television and football. Socially, television has been the main tool for the football to create a consumption pattern. Economically, television is the most important production factor for the new football economy in reproducing itself. In return for the role television played in the development of modern football, football made contributions to the qualitative development of television (Akşar 2005). Football has become even more powerful together with television. Since a part of television channels' advertising revenues were transferred to the football clubs, a mutual dependent relationship has been created between the clubs and television. Football is reproduced by several different program formats such as live broadcasts of the games, discussions on the games, football magazine programs, shows on betting games, football documentaries and above all the main news bulletins. As a consequence of this, the demands and/or practice of making changes in football organizations, playing times and even the rules of

the game, so that they could be more suitable for television broadcasts, has become a regular subject of debate (Şeker and Gölcü 2008). In the union of football and television, television has a leading quality in terms of presenting football. Television, with the "*media professionals*" it employs, gives football an identity quite different than the game played on the field. Football, as every other program on TV, is reproduced in the manner that brings forward funny and dramatic elements (Arik 2008). Today, the function of TV broadcasts of football games is beyond simply being a broadcast of a 90-minute game. The Champions League is a good example in this sense. Before the games' beginning at 21:45, advertisements of the sponsors of the tournament are shown. The football field is surrounded by the advertisements of these sponsors. After the game, players and coaches make statements to the press standing in front of the logos of the sponsors. In the mean time, the important and conflicting positions of the game are showed over and over. Now, what the audience is watching is something beyond a game; it is a show (Talimciler 2008). As discussed above, broadcasting institutions enjoy huge advertising and marketing opportunities by virtue of the mass power of football. In parallel with the developments in the world, the situation is also the same for Turkey. TRT (Turkish Radio and Television Corporation) received its highest ratings ever with the live broadcast of Turkey-Brazil semi-final at the World Cup 2002. 82,2% of the viewers watched TRT during the game (Arik 2008). This example demonstrates the audience reach that television could obtain through football. Another remarkable point in the interaction of football and television is that, football gave acceleration to the development of pay TV. Live broadcasts of football games resulted in the increased demand for the encrypted channels and digital platforms. Pay TV is based on the principle that viewers make a separate payment for their desired TV channel or program and therefore, they became active and conscious consumers who are willing to pay extra money. In this respect, it is not a coincidence that in 1980's, the first pay TV broadcast was the broadcast of a sports game (Arik 2008).

Bosman Ruling and the Liberal Revolution in Football: What is defined as Bosman ruling played a significant role in the industrialization of football because from then on, football players were considered to be products of capital. This decision on the free movement of players accelerated football globalization (Talimciler 2008). When Belgian footballer J. Marc Bosman wanted to be transferred from FC Liege Club to French Dunkirk Club, Liege, in an effort to prevent him from leaving, asked for a very high transfer fee. When the transfer came to a deadlock, Bosman started a legal struggle, which ended with the Bosman ruling of the European Court of Justice in Luxembourg in 1995. With this ruling, players who are out of contract received the right to make contracts with another club. The free movement right given to the players, particularly to the foreign players, led to revolutionary developments in football (Akşar 2005). In 2001, with the decision of FIFA, Bosman ruling entered into force worldwide and as a result, the mobility of labor increased in the globalizing football industry. The Bosman ruling made it a necessity to consider football as an economic activity.

Football and Institutionalism (Incorporation): Revenues generated from the marketing of club activities have a significant part on the income obtained from equity capital. In this strategy, it is the football clubs that sell the players. Again it is them who sell the broadcast rights of their games and market their stadium and jersey ads. Football clubs aim to increase their revenues by establishing companies that operate in different fields of activity. The goal is to convert the performance, name and colors of the club into money (Genç 1999) The gradual increase in the amount of money required to manage football clubs as well as to create a new football team forced clubs to seek new sources of income. For this reason, the concept of institutionalism in football attracted much attention lately (Üçışık 1999). Football clubs need profitable undertakings in order to be able to sustain their activities. Today, football clubs concentrate their efforts in obtaining profit and revenues from many different sources such as ticket sales for the games, advertising revenues, sales of players, business centers, club stores and franchising. In this way and by using their equity capital, they get listed on the stock market for economic growth (Genç 1999). With the industrialization of football, big football clubs chose the path of corporatization in order to ensure their existence in this industrial development and to obtain a bigger share of the market. The benefits of corporatization could be examined under two main titles: one being the institutionalization and professionalization, and the other one being the efforts to increase the club revenues (Akşar 2005). The reasons for the corporatization of the football clubs are shown in Table 1.

Table 1. *Causes of Corporatization of the Football Clubs*

1. The difficulty of managing large budgets as an association.
2. Institutionalization and professionalization.
3. Public offering.
4. Engagement in commercial activities that cannot be done by the associations.
5. Provision of fund resources to the sports clubs that they are affiliated with.
6. Application of the corporate governance principles in order to comply with the criteria which were required by UEFA for licensing since the 2004/2005 season.
7. Becoming an international brand.
8. Ability to get loans.
9. Access to different resources in order to bear the increased costs that are the results of the growing competitive environment and to benefit from the tax advantages.

Source: Devocioğlu et al. 2012.

Characteristics of the Football Industry

Today, football is regarded as an industrial branch and therefore the football economy comes to the forefront. As a result of the transformation of the show quality of football to an industrial quality, it has become a commercial business and football clubs have been transformed into economic organizations. In order to continue to exist and to increase their power, football empires began a quest of generating revenues from sources other than the show

itself. Accordingly, clubs with millions of dollars of budget attracted the attention of financial investors. As a result of this increased investors' interest, football clubs begun to get listed in the stock market, made public offerings and obtained considerable amounts of revenues (Akşar 2005).

As football becomes industrialized, the economic value it creates grows. This economy also affects the sub-sectors of football. Football industry, created by a game of 11 people running after a ball, affects the economy of many other sectors as well. The sectors affected by the football industry are listed in Table 2.

Table 2. Sectors Affected by the Football Industry

Food Sector	Textile-Clothing Sector	Shoemaking Sector
Entertainment Sector	Betting Games	Printing and Press House
Leather Sector	Advertising	Rubber Sector
Electronics, Computer and Games	Automotive	Machine and Metal
Repair and Sub-Industry	Furniture	Construction
Transportation, Freight, Logistics	Wholesale and Retail	Tourism
Agriculture	Health	Media
Insurance	Human Resources Services	Education
Culture (film, visual arts, graphic design etc)	Souvenirs	Banking and Finance
Toys	Forest Products Industry	Paper and Paper Products
Energy, Electricity, Water, Gas	Printing and Publishing (records, CD)	Jewellery
Chemical and Dyeing Industry	Communication	Glass, Porcelain, Ceramics
Real Estate, Accommodation	Internet Services	

Source: Compiled by the Author.

The main feature that differentiates the football industry from others is that other sectors, most notably media advertising and sponsorship, are affected by it. The industries of media, advertising and sponsorship, which are affected directly, create a new set of economic phenomena that influence several other industries, demonstrating the magnitude of the football economy's market impact (Table 3).

As a result of the transformation of the show quality of football to an industrial one, football became a commercial business. This qualitative change and development has managed to create its own economy. Industrial football, creating its own financial values, succeeded in spreading these financial values almost everywhere on earth with the help of globalization. Many of the scholars doing research on this topic, indicate that football market is the most effective market of our day and the game has turned out to be a very important source of income.

Table 3. *Factors Affecting Football Market and their Interaction Areas*

	Ticket Sales	Transfer/Commerce of Players	Sponsor/Advertising	TV Broadcast Rights	Licensed Product Sales	Immovables	Stadium
Type of demand	Individuals	Other teams	Companies	Broadcasting institutions	Individuals, companies	Companies	Event organizers
Need of demand	Entertainment, emotional	Other teams	Informed, aware	Viewing/audience	Fan groups, supporter	Commercial fields	Art activities
Competition	Other sports and entertainment activities	Other teams	Other media	Other tools: film, video, news, show	Other producers	Other fields	Other places
Critical Success factors	Departmentalization, total quality, satisfaction, price, communication	Negotiation, financial support	Public relations, quality analyses, promotion	Shape, price, quantity measurements and analyses	Finding distribution partners, e-commerce	Price, financial plans, partners	Service area, price, quality of the stadium services, organization, support and activities
Approach	Emotional	Rational, Emotional	Rational	Rational	Rational Emotional	Rational	Rational
Competence				Marketing, communication, broadcasting	Branding, Marketing, Communication	Financial marketing	Organization, Technical market
Relationship Type	Independent	Player representative, manager	Player representatives, manager	Independent	Independent	Independent	Independent participation

Source: Evren 2011.

Global Football Industry

Football, as the most attractive sports worldwide, has become a very important global economic market creating a huge added value. An indicative example is the one of the, market value of the English Football Club, Manchester United, which is higher than the gross national product of several small countries.

When revenues of global football clubs are reviewed, it can be seen that they can be classified under 3 different titles:

- ✓ Broadcasting Revenues: Revenues generated from the broadcast of the games on television, radio and internet.
- ✓ Commercial Revenues: Revenues from advertising and sponsorship agreements and from the sales of licensed products.
- ✓ Gate Revenues: Revenues from the ticket sales.

The annual review of football finance by Deloitte Sports Business Group shows that the financial and commercial growth of football is still an ongoing process. The football clubs with the highest revenues worldwide in the 2012-2013 season and their revenues are shown in Table 4.

Table 4. *The Football Clubs with the Highest Revenues Worldwide*

Rank	Team	Revenue (million Euros)
1	Real Madrid	518.9
2	Barcelona	482.6
3	Bayern Munich	431.2
4	Manchester United	423.8
5	Paris Saint-Germain	398.8
6	Manchester City	316.2
7	Chelsea	303.4
8	Arsenal	284.3
9	Juventus	272.4
10	AC Milan	263.5
11	Borussia Dortmund	256.2
12	Liverpool	240.6
13	Shalke 04	198.2
14	Tottenham Hotspur	172.0
15	Internazionale	168.8
16	Galatasaray	157.0
17	Hamburger SV	135.4
18	Fenerbahçe	126.4
19	AS Roma	124.4
20	Atletico Madrid	120.0

Source: <http://www.galatasaray.org/kulup/haber/19085.php>.

When the global football economy is analyzed, it could be seen that English, German, Spanish and Italian clubs are ranked at the top. In 2013, six English, four German, three Spanish, three Italian, two Turkish and one French

team were among the top 20 of the global football economy. Germany has increased its ranking significantly in the list of Global Football Money League. The main cause of this revenue increase is the remarkable improvements made to the stadiums. which are the most important assets of the clubs.

The European football market, which could be defined as the locomotive of the football industry, gets the biggest share of the "*cake*" being the rising star of the football industry in financial terms. The European football market, with an increase of 4% (6 billion Euros), reached to 16.9 billion Euros in terms of revenues in the 2010/11 season. The greatest factor in this growth was the increase in the broadcast revenues (Güngör 2014).

The broadcast revenues generated an income of more than 4.1 billion Euros with an increase of 3% compared to last year. Five major European Leagues (Bundesliga, La Liga, Ligue 1, Premier League and Serie A) showed an increase of 181 million Euros (2%) in revenue and reached 8.6 billion Euros in total. In parallel to this increase in revenues, the fees of the players have increased by 2% and the prices of football players exceeded 5.6 billion Euros. The European football contributes to the growth of global football industry with the revenue it generates and the added value it creates (Güngör 2014).

The source of the great impact of worldwide organizations becomes clear when the economic value created by the global football industry is analyzed. The economic market around football created by the FIFA World Cup and the UEFA Champions League has a first-degree influence on the development of global football industry.

FIFA World Cup: FIFA World Cup, in which national football teams compete, has become the second biggest global sports organization after the Olympic Games. It is one of the leading economic and sportive global activities of our day. The entire global economy, particularly the economy of the country hosting the tournament, is considerably affected by the World Cup before, during and after the event takes place (Table 5). With the industrialization of football, big football organizations such as the FIFA World Cup, are responsible for the transformation of football from a sub-cultural sport to a global media entertainment.

Table 5. Economic Conditions of the Countries Hosting the World Cup

	Economic Growth (1 Year Before)	Economic Growth (During the World Cup)
Uruguay 1930	0.8	13.7
Italy 1934	-0.7	0.4
France 1938	5.8	-0.4
Brazil 1950	6.1	4.8
Switzerland 1954	3.5	5.6
Sweden 1958	4.5	0.5
Chile 1962	4.8	4.7
England 1966	2.3	2.0
Mexico 1970	6.1	6.6
Germany 1974	4.6	0.5
Argentina 1978	6.0	-4.4
Spain 1982	8.8	-0.5
Mexico 1986	2.2	-3.1
Italy 1990	2.9	2.0
USA 1994	2.7	4.0
France 1998	1.9	3.6
South Korea 2002	3.8	7.0
Japan 2002	0.2	-0.3
Average	3.7	2.6

Source: Akkaya 2008.

Another major contribution of football to the global economy is the broadcast revenues. It was predicted that, the broadcast revenues of FIFA would be 3.14 billion Euros for the 2014 World Cup Brazil. It is foreseen that FIFA will obtain a revenue of 3.7 billion Euros from the 2018 World Cup in Russia. The broadcast revenues of tournaments tend to increase in time. As it is seen in the table below, while the amount of revenues was 95 million Francs in 1990, it reached 1.5 billion Francs in 2006 (Table 6).

Table 6. FIFA World Cup Broadcast Revenues

FIFA World Cup	TV Broadcast Revenues (Swiss Francs)
1990	95 million
1994	110 million
1998	135 million
2002	1.3 billion
2006	1.5 billion

Source: Akşar 2005.

The World Cup organizations have contributed in the development of tourism industry as well. Statistics issued by the World Tourism Organization following the 2010 FIFA World Cup portrayed the impact of the World Cup on the tourism industry in South Africa. According to these statistics, South Africa, with more than 8 millions of foreign tourists in 2010, has been one of the fastest growing tourist destinations in the world. There has been an increase of 15% in the number of foreign tourists while tourism revenues reached 9 billion dollars with an increase of 4% (Güngör 2014).

The Champions League: National football games are played under the rules national football federations. Football matches within the Olympic games and the World Cup Organizations are regulated by FIFA. Additionally, each continental confederation organizes competitions within their realm of authorities. The Champions League and the UEFA Cup held by UEFA are among the top organizations that are followed worldwide.

Up to the present, none of the tournaments organized on club level has gained neither the attention nor the economic value of the Champions League. The Champions League has become the league of elites -or the league of the rich- with its budget reaching approximately 1 billion dollars in Europe. Today, if the national league champions cannot succeed in participating the Champions League, their successes are shadowed. Participation in the Champions League allows the football clubs not only to generate incomparably high revenues depending on the teams' success, but also to increase the brand value.

Table 7 shows the global economic impact of the Champions League in the period 2009-2011. The big economic value that is created only by the final competition of the organization is of great importance in showing the economic value of the whole tournament.

Table 7. *The Economic Impact of the UEFA Champions League Final (Euro)*

	2011	2010	2009
Activity associated with hosting the final	52 Million	50 Million	45 Million
Windfall for the club winning the final	126 Million	120 Million	110 Million
Activity associated with the city of the winning club	18 Million	17.5 Million	15 Million
Windfall for the club losing the final	73 Million	70 Million	65 Million
Activity associated with European sport economy	100 Million	94 Million	75 Million
Cumulative economic impact	369 Million	351.5 Million	313 Million

Source: Chadwick 2011.

The Economic Evaluation of the 2014 FIFA World Cup Brazil

It was declared on the official website of FIFA that the 2014 FIFA World Cup 2014 yielded a revenue of 4.5 billion dollars. 60% of this revenue was obtained from the broadcast rights and approximately 40% was from the sponsors. Big international companies such as Coca Cola, Emirates, Hyundai-Kia Motors, Sony and VISA were among the sponsors of 2014 FIFA World Cup. FIFA, while spending 2 billion dollars of this revenue, reported its expenditure at the level of 2.5 billion dollars. FIFA spent 1 billion dollars on several investment projects in Brazil and 576 billion dollars on the "workforce" of football (Sönmez 2014a) (Table 8). This 576-million-dollar-worth workforce is segmented as shown in Figure 1.

Figure 1. *The Payments of FIFA to the World Cup Finalists*

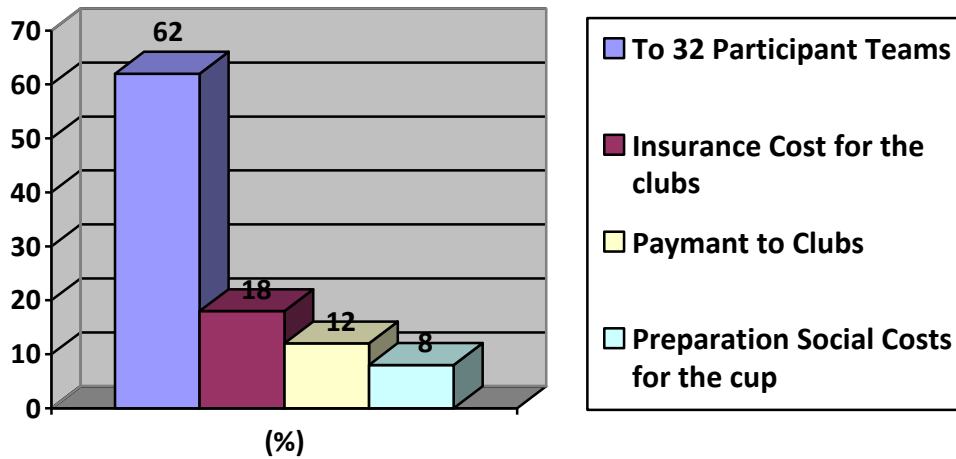


Table 8. *Economic Contribution of FIFA to the Workforce in the World Cup*

Stage	No. of Teams	Payment per Team
Participation Fee	32	1.5 million USD
Group Stage (losers)	16	8 million USD
Round of 16 (losers)	8	9 million USD
Quarter Finals (losers)	4	14 million USD
Fourth Place Team	1	18 million USD
Third Place Team	1	20 million USD
Runner Up	1	25 million USD
Winner	1	35 million USD
Insurance Money		100 million USD
Fees to clubs whose players play in the World Cup		70 million USD
Total		576 million USD

Source: (Sönmez 2014a)

Even though Brazilian sports community says that 2014 FIFA World Cup Brazil is associated to remarkable, financial contributions to the national economy, independent sources argue just the opposite. Chris Gaffney, a visiting Professor at Universidade Federal Fluminense, stated his disagreement with the statement made by the government in which new job opportunities were claimed to be create thanks to the World Cup. According to Gaffney, "*the investments they made were not sufficient enough to create new jobs. Ordinary Brazilians do not benefit from the money spent, it only is beneficial for the rich and multi-national companies*". Economists claimed that, although the World Cup made some contributions to the Brazilian Economy, it also increased the inflation rate and the public debt (Yüksel 2014). The defenders of the argument that Brazil benefited from the World Cup assert that 2 million tourists would visit Brazil because of the World Cup. It is also claimed that, following this football organization, 7.7 million tourists would visit Brazil, which regularly hosts approximately 5.5 million tourists per year. It is also claimed that, in 2018 and a long time after the World Cup, the number of tourists would increase to 8.95 million. Specialists projecting on this subject predict that tourism revenue of Brazil, which was 8.73 billion dollars until the end of 2014, would increase up to 10.65 billion dollars in the following years (Tansu 2014).

When the costs of the 2014 FIFA World Cup are analyzed, it was seen that the highest expenditures were made for the stadiums. While the whole construction expenses amounted to 10.5 billion dollars (Yeldan 2014) Brazil spent 3.5 billion dollars solely for the stadiums.

Media was another industry that was economically influenced by the World Cup. TV channels competed for the broadcast rights of the matches and spent huge budgets to obtain them. The total broadcast revenue of the 2014 FIFA World Cup was 1.7 billion dollars. The broadcast revenues of the last five world cups are shown in Table 9.

Table 9. *TV Broadcast Revenues of the World Cup Tournaments*

Year	Budget (Billion USD)
1998	0.1
2002	1.6
2006	1.7
2010	1.1
2014	1.7

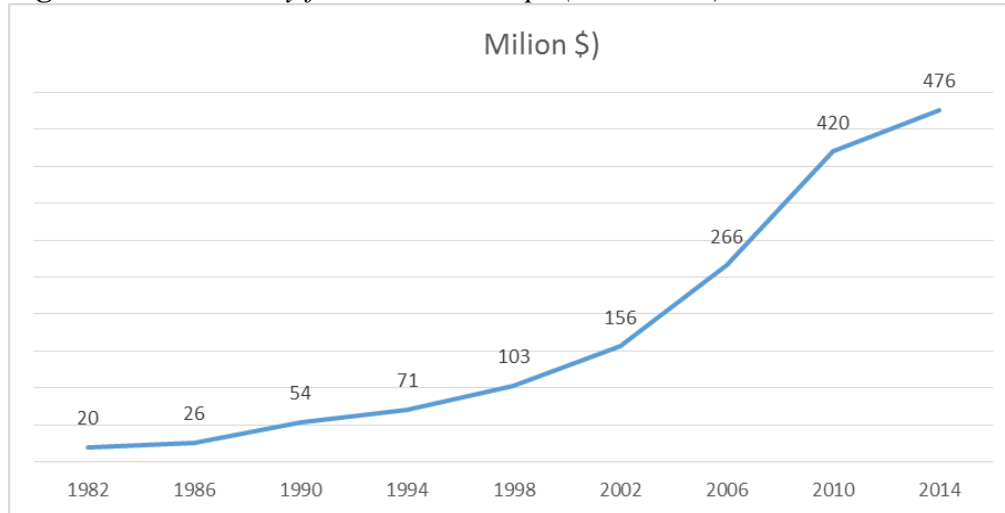
Source: Habertürk 2014.

The economic value of the prize money paid in the World Cup increases with every new organization. For example, in 1982, the prize money was 20 million dollars while it became 476 million dollars in 2014 (Kuburlu 2014) (Figure 2).

The interest and demand of football fans for the tournament has been one of the factors increasing the economic value of the organization throughout history. In 1982, 2.1 million of people watched the tournament in Spain while this number increased to 2.3 million in the 1986 FIFA World Cup in Mexico

and 3.5 million in 1990. Although there was a slight decrease in the number of audience in the 1998 FIFA World Cup in France, in 2006 3.3 million of people watched the tournament from the tribunes in Germany. For the 2014 FIFA World Cup Brazil, 3 million of tickets were printed.

Figure 2. Prize Money for the World Cups (1982-2014)



Another factor contributing in the uptrending value of the organization has been the investments made by the advertising industries. Adidas and Nike were the two brands that made the biggest investments in the 2014 FIFA World Cup. Nike, which has the 17% of market share worldwide with a turnover of 25 billion dollars, and Adidas, which has the 12% of market share worldwide with a turnover of 20 billion dollars, were the two brands that made the highest sponsorship investments. Nike became the jersey sponsor of 10 countries while the relevant number was 9 for Adidas and 8 for Puma. Other sponsors were brands such as Puma, Lotto and Burrda, Sony, Hyundai, Visa, Emirates and Coca- Cola (Table 10).

Table 10. Main Jersey Sponsors of the Teams Participated in 2014 FIFA World Cup

Nike	Adidas	Puma
Brazil	Germany	Italy
USA	Spain	Switzerland
Greece	Colombia	Cote D'ivoire
Croatia	Bosnia-Herzegovina	Algeria
England	Argentina	Cameroon
Portugal	Japan	Ghana
Korea	Russia	Uruguay
Austria	Mexico	Chile
France	Nigeria	
Holland		

The total cost of the stadiums used in the 2014 FIFA World Cup Brazil was about 3.5 billion dollars. Estadio Nacional was the stadium with the highest investment among them. The stadiums used in 2014 FIFA World Cup and their values are shown in Table 11 (Habertürk 2014).

Table 11. *Stadiums used in the 2014 FIFA World Cup*

Name of the Stadium	Cost	Capacity
Estadio Nacional	627 million dollars	69,432
Maracana	470 million dollars	76,804
Arena De Sao Paulo	367 million dollars	61,606
Mineirao	311 million dollars	58,259
Arena Fonte Nova	309 million dollars	51,708
Arena De Amazonia	300 million dollars	42,374
Arena Castelao	232 million dollars	60,348
Arena Pantanal	255 million dollars	39,859
Arena Pernambuco	238 million dollars	42,583
Arena Des Durnos	179 million dollars	38,958
Beira - Rio	148 million dollars	42,991
Arena Da Baix Da	146 million dollars	38,533

When the history of the organization is reviewed, it can be seen that there has been a steady increase in the economic value of the stadiums used. While only 9 stadiums were used in the USA for the World Cup 1994, in 2014 the number of stadiums used was 14. The number and the economic value of the stadiums for the respective years are presented in Table 12.

Table 12. *Number and Costs of Stadiums used for the World Cups*

Year	Hosting Country	No of Stadiums Used	Total stadium Cost (million Euro)
1994	USA	9	500
1998	France	10	603
2002	South Korea	10	1.687
2006	Germany	12	1.905
2010	South Africa	10	2.120
2014	Brazil	12	3.500

Source: Akşar 2005.

Portuguese, 80-million-dollars-worth football player Cristiano Ronaldo was the highest paid player in the World Cup in Brazil. According to an article published in Forbes magazine, the total earnings of the top ten players of the countries that participated in the World Cup was 323 million dollars (Arman 2014). The earnings of these players are an indicator showing how much global football business has grown (Table 13).

Table 13. *The World's Highest-Paid Football Players*

Rank	Football Player	Country	Income (Million \$)
1	Cristiano Ronaldo	Portugal	80.0
2	Lionel Messi	Argentina	64.7
3	Neymar	Brazil	33.6
4	Wayne Rooney	England	23.4
5	Sergio Aguero	Argentina	23.3
6	Yaya Toure	Cote D'ivoire	21.7
7	Fernando Torres	Spain	21.3
8	Robin van Persie	Holland	19.5
9	Steven Gerrard	England	18.7
10	Mesut Özil	Germany	18.5

When the market values of the football players in the national teams of 32 participant teams are calculated it was seen that the Spanish national team had the highest market value in the tournament. The economic value of Spanish national team was declared to be 622 million Euros (Table 14). Economy columnist Sönmez defined the football players of the national teams as the circulating workforce of the global football industry (Sönmez 2014b).

Table 14. *The Economic Values of National Teams Participated in the World Cup*

Country	Economic Value (million Euro)	Country	Economic Value (million Euro)
Spain	622	Cote D'ivoire	122
Germany	526	Cameroon	117
Brazil	468	Bosnia-Herzegovina	115
Argentina	392	Japan	98
France	379	Mexico	97
Belgium	348	Ghana	96
England	334	Nigeria	84
Italy	323	Greece	80
Portugal	297	Ecuador	62
Uruguay	218	USA	58
Holland	208	Algeria	57
Croatia	197	South Korea	52
Colombia	191	Costa Rica	30
Russia	180	Iran	24
Switzerland	178	Austria	21
Chile	139	Honduras	21

The global economy created by the World Cup influenced not only the footballers but also the coaches of the teams and the referees conducting the matches. The coaches of the teams were hired with very high salaries and expected to be successful in the tournament. Italian coach Capello, who coached the Russian National Team and had an income of 8.2 million Euros, had the highest economic value among these coaches. Although Capello was

the most expensive coach of the tournament, Russia was not as successful as expected. National football federations competed in transferring the most successful coaches in order to achieve success in the tournament and hired them for very high fees. The coaches with the highest budgets and their countries are presented in Table 15.

Table 15. *The World Cup's Highest-Paid Coaches*

Country	Coach	Annual Fee (Euro)
Russia	Capello	8.2 million
England	Hodgson	4.2 million
Italy	Prandelli	3 million
Brazil	Scolari	2.8 million
Switzerland	Hitzfeld	2.6 million
Germany	Löw	2.5 million
Spain	D.Bosque	2.4 million
Holland	Van Gaal	2 million
Japan	Zaccheroni	2 million
USA	Klinsmann	1.9 million

Source: Hürriyet 2014a.

There has also been an increase in the salaries of the referees who took part in the 2014 FIFA World Cup. The referees who participated in the World Cup 2012 in South Korea gained average earnings of approximately 20 thousand dollars, while their earnings are estimated to the level 50 thousand dollars in the World Cup 2014. In the organization in which 25 referees participated, assistant referees were paid 7 thousand dollars while the referees themselves were paid 15 thousand dollars per match (Hürriyet 2014b).

Another contribution of the tournament to the global economy can be seen in television receiver sales. In general, cup games, which were watched by 3 million people on TV, had a significant impact on the sale of technology products. Television was ranked in the first place among these technology products. Television sales in Turkey can be seen as an example of this. Between the dates of 15th of May and 15th of June 2014 and within a one month period before the tournament, there has been an increase in TV sales. More than 300,000 television receivers were sold between those dates while normally the monthly sales numbers were 230,000 to 250,000. In summary, the World Cup caused a 20% increase in the sales of TV receivers (Can 2014). Another important technological development of the period was that Sony introduced its 4K video technology through the tournament.

The matches played in the World Cup affected the economies of the countries which participated as well. Dr. A. Edmans, from London School of Economics pointed out that the stock market overall value indices of the countries that were eliminated from the tournament dropped by 0.5%. This stock market progress validates the argument that the markets are also affected by the psychology and the emotions of people. According to Edmands "*during the World Cup 2012, in 12 countries where the majority of the investors are local. The performance of the stock markets was under the general global*

trend". This is quite indicative of the fact that the victories are not as influential on the stocks as the losses are. Edman also added that "*fans usually believe that their team will win, the diversity of these expectations reduces the positive influences of winning*". The decrease in the stock markets of the countries that were eliminated from the World Cup 2014 are shown in Table 16.

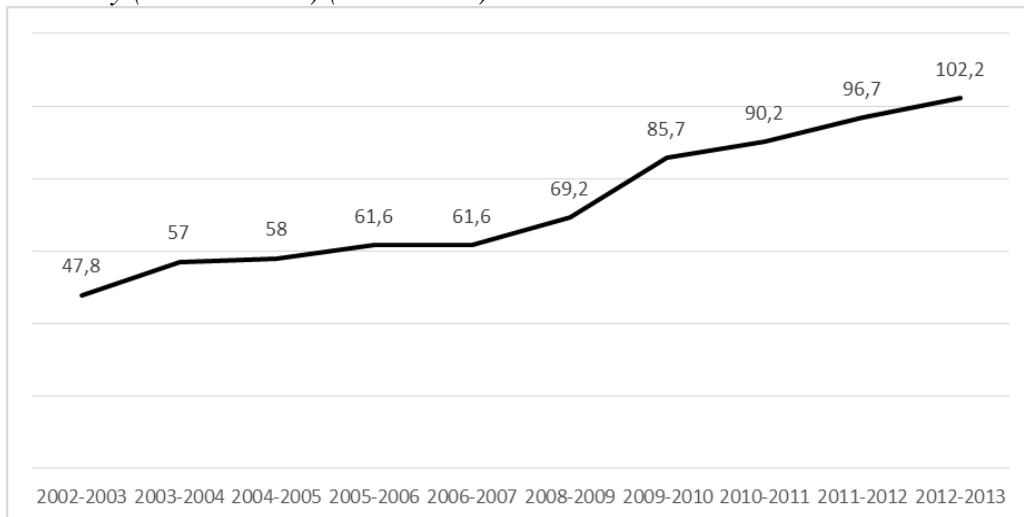
Table 16. *Decrease in the Stock Markets after the Countries were Eliminated from the Cup*

Country	Decrease in the Stock Market (%)
Japan	1
Italy	0.5
Bosnia-Herzegovina	0.5
Greece	6.5
England	0.4
Spain	1

Source: Macit 2014.

Germany was the winner of the final match of the World Cup 2014 and won the cup. After this success, it was understood that there was a very serious investment behind the victory of Germany, which won the cup after 24 years. Germany, aiming to win the tournament and strengthen its position in the global football economy has invested over 820 million dollars in its national team between 2001 and 2014. As a result, Germany has become an even more powerful actor in the global football industry. The distribution of the investments made by the German Football Federation by years is shown in Figure 3.

Figure 3. *Economic Value of Investments in Football Infrastructure made by Germany (Million Euro) (2001-2013)*



Source: Kuburlu 2014.

As it could be seen from the findings above, the World Cup Organization had some direct and indirect contributions to the global economy. These impacts can be classified as shown in Table 17.

Table 17. FIFA World Cup's Impacts on the Global Economy

Direct Impacts	Indirect Impacts
<i>FIFA payments</i>	<i>Sponsorships</i>
Stadium investments of the host country	Contributions to the sales of television receivers and technology products
Economy of the football players and coaches of the participating national teams	Economic contribution to the tourism of the host country
Economy created by participating referees	Impact on the stock markets of the participating countries
	Impact on media activities such as advertising and publishing

Conclusion

Football, with its market value of over 500 billion dollars, is among the fastest growing global economies in the world. Being a competitive sports game, football has now completed its industrialization process and become a cultural product "*bought*" by large masses of people. Until the midst of the 1980s, football was just a sports game. However, starting in the 1990s, it has entered in the process of industrialization as a football economy was under development. As the tangible impact of the added value created by the industrial football spread, financial and managerial analyses of the football clubs with high budgets came to the forefront and a football economy was born.

Football, which is primarily a sports game, should not be defined as just a game since it influences billions of people. Becoming a big global profession, football has also transformed into a major entertainment. The football industry has created a gigantic economy that influences several different sectors ranging from media to tourism. The relevant statistics show that the European football market, regarded as the locomotive of the football industry, reached up to 16.9 billion Euros with a growth of 4% (0.6 billion Euros) in revenues in the 2010-2011 season. Consequently, several sectors, notably media, marketing and tourism, try to get a share from the value created by the football industry.

The contributions of the football industry to the global economy grows steadily through the Champions League organized by UEFA and the World Cup by FIFA. During the World Cup 2014, Brazil demonstrated once again that the football market makes serious contributions to the global economy. The 2014 FIFA World Cup not only had a bigger budget compared to the previous World Cups but it also had two types of impacts on the global economy - both a set of direct impacts through matches played in Brazil and one of indirect impacts. Direct impacts include the investments made by all 32

countries which took part in the tournament while the indirect impact is defined as the economic influence it had in the countries that did not participate in the tournament but followed it. It should be noted that, both the impact types have been growing through time with each new tournament. For example, from 1994 to 2014, there has been a six fold increase in the costs of the stadiums hosting the games - from 2006 up to 2014, the earnings of the referees have been doubled - in the period between 1998 and 2014, the broadcast revenues have increased by 17 times. The above statistics show that football has an ever-growing impact on the global economy and indicate the significance of it in the globalization era.

To conclude, football plays a crucial role in the shaping of the global economy and grows as a global consumption product. While its industrial aspect comes to the forefront, the sportive aspect remains in the background. The competition on the football field leaves its place to economic competition, leading to the commoditization of football. The commoditized football loses its amateur spirit and becomes a toy of multinational corporations that serve the global economy. It is an undeniable fact that the development of football contributes to the global economy and that this contribution is far from being negligible. However, being an extremely popular sport, as football becomes so attached to the economy, its fast commercialization appears to contradict its sportive mission.

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