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‘Money, money, money?’ The development of financial inequalities in English professional football

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There has been, over the past two or three decades, a growing concern over the emergence of what has been described as a financial ‘crisis’ in English professional football. In the context of the growing commercialization of the game, this ‘crisis’ has typically been explained in terms of a series of economic developments that have occurred since the 1980s, and especially since the formation of the Premier League. In this article we argue that, contrary to popular belief, these processes have longer term historical roots that can be traced back to the early nineteenth century, and to the immediate post-1945 period in particular. We also argue that while economic processes have made a central, though largely unplanned, contribution to the widening financial differentials in English football between the late nineteenth century and the 1970s, these processes cannot be explained adequately if considered in isolation from other, yet equally significant, social processes resulting from the changing power differentials that characterized the dynamic, increasingly complex, English football figuration.

Introduction

There has been over the past two or three decades a growing concern over the emergence of what has been described as a financial ‘crisis’ in English professional football.¹ Writing of the impact of the changing financial climate in the English Premier League on the competitiveness of the division, Campbell, for example, has argued that ‘the widening wealth gap in the Premiership is reducing England’s showcase division to an increasingly unequal and uncompetitive struggle between a small, rich elite and the other clubs’.² A report on the financing of English football also revealed that, although the top 92 English clubs’ revenues increased over the 2007/8 season, the gap between the average Premier League and Championship club’s revenue had reached a record level. Indeed, although ‘Championship revenues increased 2% to £336m ... total Premier League revenues increased by £402m (26%) in 2007/08 to £1,932m’.³ This is not just a media-inspired view, however, but one that has emanated increasingly from within the football authorities, government ministers, supporters’ groups and others within the professional game, as well as the academic press. It is also a view that has come to be expressed about the financial position of football clubs elsewhere in Europe, including Italy, Spain and Germany.⁴ In the Independent European Sport Review (IESR), for example, the former Portuguese Presidency minister, José Luis Arnaut, claimed that ‘there is no

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doubt that football in Europe has faced a form of financial crisis for many years now'.⁵ This 'crisis', he continues, 'is directly related to the massive wage inflation the sport has seen in recent years'⁶ and the 'growing concentration of wealth and success' within and between leagues 'can only be detrimental to the long-term interests of football'.⁷

In England, the emergence, and subsequent widening, of the financial differentials between clubs within and between the football leagues are typically traced back to a series of economic developments that have occurred since the 1980s, and particularly those strongly associated with the commercialization of football, which is currently occurring at an accelerating rate. More particularly, the growing concentration of wealth and resources among a handful of big city clubs is frequently related to, among other things, the growth of sponsorship and selling of TV (especially satellite) rights, particularly following the formation of the Premier League in 1992;⁸ spiralling player wages and ticket prices;⁹ the growth of player and agent 'power';¹⁰ the expansion of the Champions League and introduction of the Bosman ruling;¹¹ and the extent to which the financial polarization of clubs has resulted in a decline in the competitive balance between them, especially those in the Premier League.¹² The increasingly unequal distribution of financial resources is also said to be strongly associated with the introduction of some of the recommendations of the Taylor Report (1990) published in the aftermath of the Hillsborough tragedy in 1989, as well as the emergence of entrepreneurial capitalist directors and wealthy benefactors said to be concerned with 'exploiting' clubs for their own financial gain.¹³

It is clear, then, that these and other processes help indicate the extent to which in England and elsewhere 'the network of commercial interests that surround professional football (soccer), has experienced prodigious growth in the past two decades'.¹⁴ But to what extent do these explanations offer a sociologically adequate and relatively detached account of how the current situation developed? Can the financial inequalities characteristic of the relations between English professional football clubs, in fact, be explained solely by a series of economic processes since the 1980s? Or do these processes have deeper historical roots and other non-economic dimensions? Have these processes impacted on clubs differentially or have their effects been experienced more uniformly?

These are important questions to answer, for although there is a large and expanding literature on the financial and commercial dimensions of professional football, with some notable exceptions,¹⁵ there currently exists little literature that has examined these issues sociologically. Thus, by drawing on aspects of figurational sociology, this article seeks to address these questions by exploring how the current financial situation in which English football clubs at the elite professional level find themselves has developed, and seeks, in particular, to identify the differential impact of this process on different groups of clubs between the early nineteenth century and the late 1970s. More specifically, it attempts to demonstrate the central contribution made to the widening financial inequalities in English professional football by unplanned processes that result from the complex combination of the planned and unintended actions of differentially interdependent human beings. The article will also seek to identify how these widening financial inequalities have emerged in the context of the changing power differentials between different interdependent groups who comprise the dynamic, increasingly complex, English professional football figuration.

The early development of financial inequalities in English professional football: the pre-1945 phase

In order to understand something of the ways in which existing financial inequalities in English professional football have emerged, it is important to appreciate that these processes can only be adequately understood in the context of, among other complex processes, the growing professionalization, commercialization, internationalization and commodification of the game, the roots of which can be traced back to the late nineteenth century.¹⁶ As Dunning has noted, these processes can be traced back to a stage in the development of British society in which

state formation and industrialization were considerably more advanced and when, in conjunction with these processes, the balance of power between classes had begun to shift.¹⁷

Indeed, one of the more dominant long-term processes of the 1800s was that of *embourgeoisement*, in which the growing power of the bourgeoisie was accompanied by the tendency for bourgeois values and interests to diffuse into institutions such as the public schools that were associated with more aristocratic sections of society.¹⁸ The public schools were centrally involved in the growing codification of association football throughout the nineteenth century and, as values of the upper classes flowed down the class hierarchy, so association football began diffusing down through the classes.¹⁹

Towards the end of the nineteenth century, the church also served as a catalyst for the growing contact between the upper and middle classes and the lower working classes, and it was within this context that a number of clubs were established.²⁰ One consequence of these interrelated developments and the growing professionalization of the game that occurred in the context of intense class tensions and amateur concern over the perceptions of, and values associated with, professionalism, was that football

began to slip downwards in Britain's hierarchy of sports and, accordingly, to be relegated by members of the upper and middle classes as inconsistent with the behavioural standards expected of a 'gentleman'.²¹

More particularly, within the context of the changing distribution of power between and within classes in favour of the bourgeoisie, and the growing prominence of 'muscular Christian' ideologies, several members of the bourgeois classes attempted to professionalize and commercialize the game. One indication of this was the tendency by clubs, encouraged by spectator growth, to begin charging spectators admission fees; the first club to do so was Aston Villa who adopted the practice in 1876.²² This was met by some resistance from many higher social class groupings, not least because they regarded the growing encouragement to consume football as a spectator, rather than through direct participation, as the antithesis of 'true sport' and viewed the practice as 'idle' and 'morally damaging'.²³ At the same time, the Football Association (FA) (formed in 1863), which drew its members predominantly from the higher classes, attempted to curb the onset of professionalism.²⁴ The protests of many members of the FA were in vain, however, for at a meeting in London in 1885 the legalization of the payment of players, under strict conditions, was ratified as the game continued to spread and the numbers of spectators, particularly at top-level games, continued to grow.²⁵ Indeed, the revenue generated from admitting fans to matches was a vital source of income for clubs and it was thought that the Football League,

which was comprised initially of 12 clubs and formed in 1888, would generate additional revenue in the form of gate money from holding regular matches.²⁶ Whilst this helped with the solvency of certain clubs, it also meant that increasing amounts of profit could be made from clubs, a development which was frowned upon by the FA, in particular. Accordingly, in 1912 the FA implemented Rule 34, which stated that only 5% of the face value of shares could be paid as a dividend to shareholders and that the payment of club directors was outlawed. The primary intention of Rule 34 was to restrict the profit any person could make from football clubs, but equally, it helped to maintain a relatively equal distribution of power between the clubs in the Football League.²⁷

Although clubs were beginning to maximize the financial revenue accrued from rising attendances in the early 1900s, the advent of the two World Wars placed many clubs under considerable financial pressure when the formally organized league was suspended as many footballers and spectators were drafted into the armed forces to defend the country, and some grounds were used for various reasons in the war effort. It is not surprising, then, that during the interwar years club directors and chairman, faced with mounting financial constraints, deliberately attempted to capitalize on the growing interest in the game and rising attendances, as well as the continued steady growth of the economy, by increasing admission fees to help ameliorate the financial constraints they were experiencing.²⁸ These processes were in turn facilitated by the growing urbanization and industrialization, particularly of larger cities such as Liverpool, Manchester and Sheffield, in the 1920s and 1930s when British society was beginning 'in preliminary form, to take on the contours of what is now recognizable as an affluent mass society'.²⁹ The increasing population of expanding urban cities, particularly by those from the working classes, helped clubs and the directors to whom they were becoming an increasing financial burden to improve their immediate solvency through maximizing gate money derived from rising attendances. However, as will be explained later, by encouraging particular groups of spectators (primarily, males drawn principally from lower down the social hierarchy) to attend matches to help sustain their financial viability, club directors did not foresee the possibility that the actions of these groups would generate greater financial costs for them in the longer term as they sought to deal, for example, with fan disorder and hooliganism by increasing policing and other security measures at games.³⁰

The development of financial inequalities during the post-1945 period

During the post-1945 period, the financial inequalities between clubs within and across the leagues accelerated in a particularly marked way and were associated with, among other things, declining match attendances, wage inflation and the deliberate attempt by the FA to prevent the introduction of live televised football matches and to maintain financial parity between clubs by redistributing income equally.³¹ These developments were, in turn, aspects of the increasing commercialization and politicization of football, both of which were associated with the growing competitiveness, professionalization and globalization of the modern game.³² One consequence of these processes was the increased emphasis that came to be placed upon the importance of, and the rewards associated with, winning, while downgrading the traditional value associated with taking part. Before examining these, however, it should be noted that they cannot be understood adequately if considered in isolation from wider social

processes in England and elsewhere at that time. In this regard, it is worth briefly considering some key interdependent developments in British society following World War II that were to exacerbate the widening financial inequalities between clubs in ways that no one had planned or intended, and which resulted from the more-or-less goal-directed actions of individuals and groups of people inside and outside English football.

According to Dunning:

Starting in the 1950s, as wages and leisure opportunities in Britain began to increase in conjunction with the gradual emergence of an economy dependent on and capable of supporting an 'affluent' or 'consumer society', a process the beginnings of which can be traced back to the 1930s, football spectators began increasingly to vote with their feet, choosing either to watch the game on TV in the comfort of their homes or to avail themselves of various among the other leisure options which were coming to be offered.³³

These political and economic developments resulted, in part, from the emergence of the Kenesysian post-war economic settlement that developed out of the concern surrounding high unemployment rates and the under-consumption of people during the depression in the late 1920s and 1930s.³⁴ As King has noted, it was widely accepted by all the major political parties and the general public that there was a need to prevent future repetition of under-consumption by maximizing employment rates and public spending, both of which were underpinned by the dominant prevailing social-democratic ideologies at the time.³⁵ One consequence of the development of a Kenesysian and welfare state, together with the long-term post-war economic boom associated with the success of American post-Fordist mass production, was the corresponding increase in the relative affluence and standards of living (for example, in relation to new luxury housing) in British society from the 1950s onwards.³⁶ These rising levels of affluence and living standards were, in turn, strongly associated with the gradual transformation and long-term levelling in the dynamic power differentials between the classes and generations, in favour of those lower down the social hierarchy and younger people, respectively.³⁷ A related aspect of these changing power differentials was the narrowing of the modes of behaviour between adults and younger people. It was also related to the emergence of the teds (teddy-bear) culture and, later on, by the mods and the rockers, the skinheads and football hooligans as:

the rise of a music market catering specifically for youth served to give young working people the appearance of having a 'particular hegemony' over many aspects of popular culture.³⁸

Whilst the avenues for this were limited, many young males from working-class backgrounds were 'more liable to find expression in activities that were interpreted as a threat to dominant standards'.³⁹ This was particularly evident in media coverage of these emerging youth cultures which helped to intensify growing concern within wider society over the 'unmanageability' of youth and the racially motivated riots in Nottingham and Notting Hill. These wider concerns also helped to focus public attention upon the perceived rising levels of football hooliganism among young working-class males who, as a consequence of their growing financial independence, were more able to attend matches, especially at away grounds.⁴⁰ Against this backdrop of concern over the antisocial hooligan behaviour of youth, match attendances, which

had peaked at the beginning of the 1950s, began to decrease over the next three decades. The growing prevalence of hooliganism came to place clubs, and particularly those who were less secure financially, under additional financial pressure as they sought to control the behaviour of fans, as well as coping with declining match attendances and wage inflation.⁴¹

Declining match attendances and wage inflation

Attendances at Football League grounds reached a peak during the 1948/9 season when 41.3 million match attendances were reported across all four divisions.⁴² However, as the 1983 Chester Report indicated, with the exception of a slight increase following England's World Cup success in 1966, match attendances declined steadily thereafter until the 1985/6 season when 16.5 million season attendances were reported, with the lowest level being recorded in the 1980/1 season.⁴³ This decline in attendance was not uniform, however, for while clubs in the top two divisions did experience falls in attendance of between 11% and 27% between 1960 and 1974, for example, the decline was particularly marked among those clubs in the Third and Fourth Divisions where attendances dropped by over 40%.⁴⁴

In order to help compensate for the financial constraints that resulted from declining gates during this period, clubs increased admission prices, but as the 1983 Chester Report noted, this was less effective for clubs in the lower divisions where smaller attendances meant that there were fewer people from whom they could command gate money.⁴⁵ The differential impact of increased admission prices was indicated in the Report, which revealed an 11-fold increase in the gross receipts of 10 First Division clubs between the 1958/9 and 1981/2 seasons, whereas those of the 10 Fourth Division clubs analyzed in the Report increased by three and a half times.⁴⁶ In other words, data from the Report pointed towards how declining attendances and rising admission prices were helping to generate differential economic pressures on English professional clubs, which resulted in the further polarization of First Division clubs from those in the lower divisions.⁴⁷

To help explain why attendances had begun to fall from the 1950s it is important to examine those processes that were involved in generating the financial pressures that clubs were experiencing at this time. As noted above, in the context of growing affluence, one significant unplanned development was the broadening and diversification of leisure opportunities that were available, particularly to those lower down the social hierarchy. These new leisure pursuits – some of which were conducted out of the home, others of which were more home- and family-centred – came increasingly to compete with attending football matches as a way of spending leisure time, especially among young men.⁴⁸ Developments of this kind reflected the ways in which leisure relations in modern, urban-industrialized societies such as Britain were becoming increasingly 'privatized, individuated, commercialized, and pacified than ever before',⁴⁹ as the dynamic interdependency networks in which fans were located were becoming increasingly complex and differentiated.⁵⁰ One consequence of these trends in leisure relations was that some of those people, particularly males, who had formerly attended football matches were spending more of their leisure time in the home and with their families than in previous decades.⁵¹ These long-term changes in the ways people spent their leisure did not prevent other groups from attending football matches though. Indeed, while the general trend during this period was towards declining gates, attendances were sustained – albeit

at a lower level – as growing affluence helped some groups to maintain further their willingness to spend part of their disposable income and leisure on attending football games.

Notwithstanding these changes in the ways people were coming to spend their leisure time, the development of the motor car and transport system, together with the rapid growth of TV ownership and televised coverage of football, also help to explain the decline and skewed patterns in attendance.⁵² More specifically, the development of the motor car and transport system, but particularly the opening of motorways, enabled fans to travel more easily and quickly to watch ‘bigger’ clubs that fans may have perceived as being more successful and attractive. King has noted in this regard that the opening of the M6 in Lancashire in the mid-1970s, for example, helped increase the proportion of fans watching the two Manchester and Liverpool clubs compared with the late 1950s and 1960s, by drawing fans from a geographical area beyond the immediate vicinity of those cities, and draining support away from smaller local town clubs.⁵³

The unintended impact that the development of the motor car had on declining attendances and thus the financial position of football clubs at this time coincided with the rapid growth of TV ownership from the late 1950s. Despite this growth, the formation of the Association for the Protection of Copyrights for Sports (APCS), which was set up by governing bodies such as the FA following a revision of broadcasting policy in Britain in the early 1950s, meant that the FA deliberately sought to prevent live televised football because it would, in their view, impact negatively upon attendances and compromise their relationship with the APCS.⁵⁴ This concern, which emanated from the FA, occurred in the context of the post-war boom in attendances and the revenue this generated for clubs. In the 1952/3 season, for example, gate receipts generated £4.2m, over 40% of which came from Division One games, and this sum was substantially higher than any broadcasting fee available to clubs in this period.⁵⁵ It was also in 1952, however, that the Labour government intervened after the FA rejected a bid from the BBC for the rights to screen live football matches, which provided for the latter a source of relatively cheap entertainment that would draw large audiences.⁵⁶ As part of the agreement that resulted from the government’s intervention and the power struggles between the BBC and FA the former had to remunerate clubs for any loss of monies that resulted from screening live matches.

Although the FA permitted the screening of some games – a development that helped to shift the balance of power in favour of the TV companies – they subsequently rejected a £1,000 bid per televised match from the newly formed ITV in 1955, as well as a slightly higher offer (£1,500 per match) from the BBC in the same year.⁵⁷ This decision to prevent regular live televised football and the existence of Rule 34 would effectively limit the potential revenue clubs could derive from broadcasting deals until 1983 when the ban was lifted, and helped to create a series of unintended conditions under which later power struggles between the FA and TV companies would occur. It also helped to generate significant long-lasting tensions between the more powerful bigger clubs (such as Arsenal and Tottenham Hotspur) and other clubs, as the former deliberately wanted to increase the amount of televised games because it was they who could command more of the available coverage and revenue.⁵⁸ Nevertheless, as illustrated later in this article, these processes and especially the growing media coverage of football, did help to increase the developing social significance of football in England.

The abolition of the maximum wage, wage inflation and changes to the process of transferring

The above analysis indicates how, as a result of the intentional and unintentional actions of people both inside and outside the football context, declining match attendances, wage inflation and other non-economic developments such as the changing leisure styles and preferences of fans, and changes in the transport system, each contributed to the mounting – though not undifferentiated – financial pressure on clubs in the late 1940s and early 1950s. An equally, if not more, significant development that exacerbated the widening financial inequalities between clubs was rising player wages which were stimulated largely by the abolition of the maximum wage and the implications of the George Eastham case in the early 1960s.

Since the inauguration of the Football League, the contracts between players and clubs were constrained by the imposition of a maximum wage (the sum of which was set by the Football League), and a series of retain-and-transfer rules.⁵⁹ These rules were first developed in the late nineteenth century to help, among other things, maintain a degree of stability and economic parity between the 12 Football League clubs. They were also intended to enhance competition and maximize equality between clubs by reducing the cost of football and preventing players from moving between clubs during the season. As the Football League eventually expanded into two and then four divisions, there was growing debate among those within the game from the turn of the early twentieth century over the merits of the maximum wage and the retain-and-transfer rules.⁶⁰ It was from the mid-1940s, however, that a series of dynamic power struggles between the players and their union (the Professional Footballers' Association [PFA]), the clubs, the Football League management committee and the FA came to be more clearly expressed in negotiations over the viability of the maximum wage (which stood at £10 before 1945) and the retain-and-transfer system. Indeed, it was during the years immediately after the Second World War that the players' union sought to increase 'the maximum wage from £10 to £12 and the minimum from £6 to £7'.⁶¹ At the heart of the PFA's desire to increase the maximum wage and change transfer rules was that both were considered an unfair restriction on players' trade and conditions of employment. The union also claimed that players were:

entitled to enjoy the same rights as all other employees, including freedom to make or to terminate a contract of employment, freedom to earn as much as possible and freedom to take legal action on any matter affecting their welfare.⁶²

While not undifferentiated in terms of their respective positions on player wages and transfers, throughout the negotiations with the PFA in the late-1940s and 1950s, the management committee of the Football League and the FA remained committed to the view that the maximum wage and the retain-and-transfer system helped 'to ensure equality of opportunity between clubs'⁶³ and 'prevented the big, rich clubs from getting the best players ... [and] offering higher wages'.⁶⁴ In this respect, the FA and Football League were attempting to sustain their own vested interests and preferred visions of the game, which involved a general opposition towards what they perceived as the negative consequences that would result from the financial exploitation of the game by players and clubs. Accordingly, both organizations were quoted in *The Times* as being of the opinion that:

once the financial exploitations of the game for the benefit of a few individuals became possible auctioneering would come at the close of each season and the competition be reduced to a travesty.⁶⁵

A parallel concern amongst those within the FA and Football League was also expressed in the same newspaper, in which the two organizations suggested that:

If clubs lost their rights of control, they would cease to spend large sums on training the young entry, some might lose all their best men and professional football might become concentrated in the big cities.⁶⁶

It was not only the FA and Football League who were against the abolition of the maximum wage and the transfer system, for many clubs also expressed particular concern over their ability to meet any increases in player wages in the context of declining attendances that had begun to occur in the late-1940s.⁶⁷ Although the Football League, FA and clubs were, on balance, in a generally more powerful position that enabled them to resist, at least initially, the attempt by the PFA to abolish the maximum wage, the players nevertheless retained some power and sought to advance their interests by threatening to strike in order to secure the proposed wage increases.⁶⁸ Because all dynamic power relationships are characterized not just by conflict, but also by differing degrees of cooperation and negotiation, one consequence of the negotiations between the Football League and the PFA was that the maximum wage gradually increased from £11 per week for the playing season and £9 during the summer in 1947,⁶⁹ to £15 and £12, respectively, in 1953. The Football League remained committed to the principle of the maximum wage because it helped, in their view, 'to keep a full body of players employed and to amuse crowds all over the country',⁷⁰ but further increases were eventually agreed in 1957 when weekly wages during the season rose to £17 and to £14 per week in the summer, before rising again to stand at £20 and £17, respectively, by the end of the 1950s.⁷¹

From the late-1950s, the PFA, under the chairmanship of Jimmy Hill, began to exert even more pressure upon the management committee of the Football League to change the regulations which governed player wages and transfers. In part, this was a consequence of the revelation by the PFA to the Football League that it was not uncommon for chairmen in the mid-1950s to offer better players under-the-table payments to prevent them from moving to other clubs, particularly those in Europe, which could offer them far higher wages than English clubs.⁷² It was also a consequence of three main claims made by Jimmy Hill on behalf of the PFA. First, Hill argued that under the maximum wage, the wages of footballers had fallen below that of other working-class people (such as spectators) in wider society, the earnings of whom increased in line with the growth of affluence since the mid-1950s and enabled them to spend more on a game that was rapidly becoming a commodity.⁷³ Second, he was of the view that footballers were not part of the working-class but were professionals who worked in the entertainment industry and they should therefore receive salaries and benefits commensurate with others working in entertainment. Third, Hill claimed that footballers should have the same rights as other employees to negotiate the most favourable contract possible.⁷⁴

These three claims, which underpinned the concerns raised by the PFA, were illustrated in the contents of a letter sent to the Football League secretary in 1960. The main demands made of the Football League by the PFA who predicted that an industrial

dispute between its members and their employees was forthcoming if such demands were not met, included:

- abolition of the maximum wage and complete reconsideration of additional match fees, bonuses and talent money;
- transfer fees and the players' rights to a share in such fees;
- the system of retaining players.⁷⁵

Following a series of negotiations between the various parties involved, Hill's claims were accepted and the maximum wage of £20 per week during the season and £17 in the summer was finally abolished on 9 January 1961, thus preventing the expected industrial action by players.⁷⁶ In this regard, the abolition of the maximum wage reflected how individuals, groups and organizations such as the PFA, no matter how well co-ordinated, could not control outcomes and even if they achieve what they set out to attain, there are invariably a range of unforeseen consequences flowing from their actions. Let us examine some of these consequences.

Although players could now attempt to command higher wages from clubs, the retain-and-transfer system remained operational and, as such, 'players were not unconditionally free to negotiate a contract with a different club unless they were given a "free transfer" by their employing club'.⁷⁷ In that respect, as in earlier periods, 'the balance of power was heavily in favour of club directors in terms of all club matters'.⁷⁸ This was especially the case during the process of transferring which remained typically bipolar in nature not least because:

from the viewpoint of the player, he was being sold or released to a club and, with or without his consent, the two clubs involved negotiated a deal that best suited their interests, financial or otherwise.⁷⁹

To help maintain and strengthen their greater position of power, therefore, the Football League initially continued to resist moves by the PFA to abandon the existing contract which, in effect, meant that players remained at one club for the whole of their careers. This too, however, was abolished just over one week later on 18 January 1961 following the intervention of the Ministry of Labour. The illegality of this restraint which prevented players from seeking employment with other clubs as long as their present one wished to keep them was subsequently confirmed when, in 1963, Mr Justice Wilberforce adjudicating on behalf of the High Court during the *George Eastham vs. Newcastle United* case, ruled that the 'retain-and-transfer' system that had existed previously was illegal, as being an unreasonable restraint of trade.⁸⁰

These disputes in the early 1960s over the conditions of employment of players are often cited as something of a watershed moment in the emergence of what is often held to be the undesirability of 'player power', particularly in relation to the higher wages which they could now command.⁸¹ It is important, sociologically, to appreciate that players were – indeed, still are – never completely powerless in their relationship with club directors, for the latter had, at the very least, to take into account players' actions. What was clear, however, was that following 'the end of the maximum wage in 1961 and the Eastham case in 1963, the perception of players of the *multi-polar* nature of the process of transferring came more sharply into focus',⁸² as players were able to exert greater influence over the trajectories of their careers and to constrain the actions of club directors to a greater degree than formerly.⁸³ Perhaps unsurprisingly,

this was met with concern by a majority of club chairmen and officials. For example, when speaking to *The Times*, Mr W. McKeag, a director of Newcastle United, argued:

In my opinion this will throw football into the cockpit of the market place. Twenty per cent of footballers may benefit from hawking their talents but 80 per cent will probably feel a chilly draught. You cannot destroy a system of rules and regulations built up for over a century without putting the game into an absolutely chaotic state.⁸⁴

Despite reactions of this kind by clubs, the increasing complexity of the relational networks of which they were a part had profound long-term implications for their financial position, especially as players began to seek advice from people outside the game regarding the negotiation of contracts.⁸⁵ Some of the implications of the Eastham case for the emerging financial inequalities between clubs began to be expressed most clearly from the early 1970s, as the balance of power during the process of transferring began to tilt more in favour of players and their financial advisers (or 'agents').⁸⁶ The increasingly significant role that agents came to play in the financial management of players' wages and contracts, and the accompanying impact on the finances of clubs, need to be taken up as a serious theme of future study. Nevertheless, it is clear that the removal of the retain-and-transfer rules and the creation of complete freedom of contract helped to inflate transfer fees which favoured the bigger clubs who, because of their increasing financial independence and higher attendances, could afford to pay higher fees for better players.

What is of particular importance here, however, is that while the Football League management committee was a relatively powerful group in this period, given the complexity of the dynamic figurations in which they were located, their powers were in practice particularly limited as they endeavoured to prevent the less-powerful group, the PFA and players, from achieving their objectives. The pressure the PFA brought to bear upon the Football League management committee to abolish the maximum wage, in particular, generated unforeseen consequences for all of the groups in the same composite unit, that is, those in the same dynamic interdependency networks of which they were a part. Perhaps one of the most obvious unforeseen consequences of the abolition of the maximum wage was that it had the immediate and continued effect of inflating players' wages and introducing 'an inflationary economic climate into professional football, which considerably constrained the finance of clubs'.⁸⁷ These consequences were not experienced uniformly, however; they impacted upon players and clubs differentially and helped to further widen the economic divide between the big city clubs and the rest of the league.⁸⁸ Indeed, although it was the intention of the PFA to secure for all its members higher wages and improved working conditions, the abolition of the maximum wage and transfer system benefited some (usually the better) players financially. This was the case not least because although players did receive some improvement in wages and working conditions, not all players were able to take advantage of the highest available wages or the newly available opportunities to move to what they perceived as 'bigger' clubs; it was the privilege of only a small group of players.

It is equally important to note that although many of the league clubs were initially opposed to the abolition of the maximum wage, it was the bigger clubs who commanded larger attendances, and who were already becoming more financially independent, who were able to cope better with the new economic climate in which they found themselves in the early 1960s.⁸⁹ In particular, the big clubs benefited most from the abolition of the maximum wage because they were in a much more powerful

position to pay higher wages to better players and to sign players from smaller clubs in the lower divisions against whom they were competing for the services of players. In this regard, the differential increase in the financial pressure that came to be experienced throughout the Football League favoured the biggest clubs and helped to

create an informal division in the League between the top city clubs and the rest, since it was only the bigger clubs which could cope adequately with this inflation of labour costs.⁹⁰

As Hargreaves⁹¹ and King⁹² have noted, this informal divide between the more financially advantaged clubs and those who were less secure gradually formalized over the next two decades, as the financial independence and interests of the bigger clubs 'became so great that they could contemplate and effect a financial separation from the League'.⁹³ In other words, it represented a significant stage in the development of what was to become the Premier League and served to exacerbate the prevailing financial pressures that clubs were experiencing in the post-1945 period. It also points to the fact that while power was distributed differentially between the groups who constituted the English football figuration, by the late 1970s there was a slight, but nevertheless important, trend towards English football being caught in a 'double-bind' as power and wealth came to be increasingly concentrated among the top clubs while being simultaneously drawn from clubs in the lower divisions.⁹⁴ This was related, among other things, to the constraints clubs were under to

look increasingly for revenue to more affluent groups than had tended to support soccer in the recent past and to sources such as advertising, commercial sponsorship, TV and fund-raising activities of supporters.⁹⁵

More specifically, it was the big city clubs (such as Liverpool and Manchester United), in particular, who were exerting pressure on the Football League and FA to lift their restrictions on shirt advertising and other forms of sponsorship to fall in line with developments in European football where sponsorship was permitted.⁹⁶ For these clubs, the fact that they were 'being brought into ever closer competition and contact with the European clubs with the internationalization of the transfer market',⁹⁷ meant that monies from sponsorship was urgently needed if they were to remain competitive (financially and in terms of success on the pitch) with their European counterparts. Despite the growing power of the big city clubs, the FA and Football League continued to oppose the introduction of sponsorship because, in their view, gate money was the only legitimate form of revenue for clubs and this source would be threatened by the 'excesses' that were associated with growing sponsorship and the commercialization of the game. Since the Football League and FA thought that football was also a working-class game that should be viewed from the stand rather than on television, they were concerned that TV coverage threatened to reduce gate money by declining attendances as fans preferred to watch games at home. In particular, the governing bodies feared what they perceived as 'the deleterious effect which the introduction of new forms of revenue would have on the smaller clubs and on the viability of the League'.⁹⁸

Conclusion

At the outset of this article, we noted that the financial inequalities between English professional football clubs and the increasing concentration of resources among a small group of their clubs are frequently associated with a range of economic

developments since the 1980s, and especially since the formation of the Premier League. However, our earlier analysis indicates that, contrary to popular belief, both processes have longer term historical roots that can be traced back to the early nineteenth century and to the immediate post-1945 period, in particular. We have attempted to show how although economic processes made a central, though largely unplanned, contribution to the widening financial differentials in English football, these processes cannot be explained adequately if considered in isolation from other, yet equally significant, social processes resulting from the changing power differentials that characterized the dynamic, increasingly complex, English football figuration. In this respect, it was the complex combination of declining gate revenues and increasing players' wages, together with the implications of the Eastham case, changes to the 'freedom of contract' laws and wider social developments (among them, industrialization, urbanization, changing leisure patterns and class relations, as well as the development of the British transport system) which all helped to exacerbate the differential financial constraints that were being experienced by different groups of clubs before the 1980s.

Notes

1. Banks, *Going Down*; Conn, *The Beautiful Game?*
2. Campbell, 'Dead Cert'.
3. Deloitte, *Annual Review of Football Finance 2009*.
4. Buraimo, Simmons, and Szymanski, 'English Football'; Lago, Simmons, and Szymanski, 'The Financial Crisis'.
5. *Independent European Sport Review*, 74.
6. Ibid.
7. Ibid., 41.
8. Banks, *Going Down*; Campbell, 'The Big Turn Off'; Conn, *The Beautiful Game?*; Deloitte, *Annual Review of Football Finance 2009*; Scott and Conn 'Uefa Urges Government to Back FA in Power Struggle'.
9. Conn, 'Arsenal Chief Executive Ivan Gazidis Calls for Salary Cap'; Gibson 'Out of the Ashes of Hillsborough, Modern Football was Born'; Jordan, 'Let's Get Real'; Wilson, 'Shock: High Prices Means Empty Seats'.
10. Barkley, 'Football's Debts a Cause for Concern'; Burnham, 'People Power'; Eason, 'Football League Makes Strides to Marginalise Agents'; Jackson, 'That Blame Game'.
11. Gibson, 'Out of the Ashes of Hillsborough, Modern Football was Born'; Jackson, 'Show Me the Money'; Magee, 'Shifting Balances'; McArdle, *From Boot Money to Bosman*; Parrish, *Sports Law and Policy in the European Union*; Parrish and McArdle, 'Beyond Bosman'.
12. Campbell, 'The Game That Ate Itself'; Conn 'Is the Premier League Ready to Reassess its Relationship with Money?'; Michie, Oughton, and Walters, *The State of the Game*; Murphy, 'Banking on Success'; Olsson, 'It's Time to Take on the Dangerous Elite'.
13. Conn, *The Beautiful Game?*; King, 'New Directors' and *The End of the Terraces*.
14. Magee and Sugden, 'The World at their Feet'.
15. Dunning, *Sport Matters*; King, 'New Directors' and *The End of the Terraces*; Magee, 'Shifting Balances'; Magee and Sugden, 'The World at their Feet'; Sugden, 'Network Football'.
16. It is not possible to examine these processes in detail here; however, a recognition of them provides an important prerequisite for understanding how the present financial position in which clubs find themselves developed (see, for example, Curry, 'Playing for Money'; Dunning, *Sport Matters*; Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*; Dunning and Sheard, *Barbarians, Gentlemen and Players*; Harvey, *Football*; Murphy, Williams, and Dunning, *Football on Trial*).
17. Dunning, *Sport Matters*, 117.
18. Ibid.; Dunning and Sheard, *Barbarians, Gentlemen and Players*.

19. Curry, 'Playing for Money'; Dunning, *Sport Matters*; Dunning and Sheard, *Barbarians, Gentlemen and Players*.
20. Dunning and Sheard, *Barbarians, Gentlemen and Players*; Harvey, *Football*.
21. Dunning and Sheard, *Barbarians, Gentlemen and Players*, 168.
22. Ibid.
23. Dunning, *Sport Matters*, 118.
24. Dunning and Sheard, *Barbarians, Gentlemen and Players*; Harvey, *Football*.
25. Ibid.
26. Ibid.
27. Ibid.
28. Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*.
29. Ibid., 121.
30. Ibid.; Murphy, Williams and Dunning, *Football on Trial*.
31. Dunning, *Sport Matters*; King, 'New Directors' and *The End of the Terraces*; McArdle, *From Boot Money to Bosman*.
32. Dunning, *Sport Matters*; Maguire, *Global Sport*.
33. Dunning, *Sport Matters*, 120.
34. King, 'New Directors' and *The End of the Terraces*.
35. Ibid.
36. Ibid.
37. Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*.
38. Ibid., 162.
39. Ibid., 163.
40. Ibid.; Hargreaves, *Sport, Power and Culture*.
41. Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*; King, *The End of the Terraces*.
42. King, *The End of the Terraces*.
43. Ibid.
44. Ibid.
45. Ibid.
46. Ibid.
47. Ibid.
48. Dunning, *Sport Matters*; Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*; Hargreaves, *Sport, Power and Culture*.
49. Rojek, *The Work of Professional Football*.
50. Maguire, 'Towards a Sociological Theory'; Rojek, *The Work of Professional Football*.
51. Dunning, Murphy, and Williams, *The Roots of Football Hooliganism*; Rojek, *The Work of Professional Football*.
52. Hargreaves, *Sport, Power and Culture*; King, *The End of the Terraces*.
53. King, *The End of the Terraces*.
54. Boyle and Haynes, *Football in the New Media Age*.
55. Ibid.
56. Ibid.
57. Banks, *Going Down*.
58. King, *The End of the Terraces*.
59. McArdle, *From Boot Money to Bosman*; Magee, 'Shifting Balances'; Roderick, *The Work of Professional Football*.
60. 'Association Football', *The Times*, August 6, 1904, 10.
61. Ibid.
62. 'Talks Sought to "Set Bonded Men Free"', *The Times*, September 6, 1955, 5.
63. 'Fees for Footballers', *The Times*, 22 March 1952, 7.
64. 'Talks Sought to "Set Bonded Men Free"', 5.
65. 'Fees for Footballers', *The Times*, 22 March 1952, 7.
66. Ibid.
67. King, *The End of the Terraces*; Roderick, *The Work of Professional Football*.
68. Magee, 'Shifting Balances'; Roderick, *The Work of Professional Football*.
69. 'Players and the League', *The Times*, February 25, 1947, 2.
70. 'Fees for Footballers', *The Times*, 22 March 1952, 7.
71. 'Moves to Raise Football Pay', *The Times*, May 11, 1957, 4.
72. King, 'The Eng of the Terraces'.

73. Ibid.
74. Ibid.
75. 'Players Await Football League Reply', *The Times*, March 25, 1960, 18.
76. King, *The End of the Terraces*.
77. Roderick, *The Work of Professional Football*, 118.
78. Ibid., 117.
79. Ibid., 118.
80. McArdle, *From Boot Money to Bosman*; Parrish, *Sports Law and Policy in the European Union*; Roderick, *The Work of Professional Football*.
81. Magee, 'Shifting Balances'; Roderick, *The Work of Professional Football*.
82. Roderick, *The Work of Professional Football*, 118.
83. Magee, 'Shifting Balances'; Roderick, *The Work of Professional Football*.
84. 'Football Transfer System Ruled Illegal', *The Times*, July 5, 1963, 12.
85. Magee, 'Shifting Balances'; Roderick, *The Work of Professional Football*.
86. Ibid.
87. King, *The End of the Terraces*, 42.
88. Ibid.
89. Hargreaves, *Sport, Power and Culture*; King, *The End of the Terraces*.
90. King, *The End of the Terraces*, 46.
91. Hargreaves, *Sport, Power and Culture*.
92. King, *The End of the Terraces*.
93. Ibid., 42.
94. Dunning, *Sport Matters*.
95. Ibid., 120.
96. King, *The End of the Terraces*.
97. Ibid., 49.
98. Ibid., 50.

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