

## Football in Belgium from centre to semi-periphery: Analyzing the financial ground

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### Abstract

The facts show that in the given economic environment a restructuring of the Belgian professional football league is necessary for several reasons. First, to provide some form of “limited” competition with other European countries. Second, the introduction of the licence system by the Belgian Football Association in 2000-01 and by the UEFA in 2004-05, because clubs would no longer be allowed to have debts to the social security system, inland revenue, players, etc. Third, to stop the gradually increasing number of bankruptcies since the introduction of the licence system. Historical reasons and conservatism make a transition very difficult.

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# Football in Belgium from centre to semi-periphery: analyzing the financial ground

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## 1. The institutional structure

Until 1984 clubs in Belgium were like in most of the European competitions funded through gate receipts, commercial receipts from bars, bank loans, direct subsidies<sup>i</sup> provided by national or local governments, or indirect subsidies through free use of community stadiums, public workers of the local government or specific social security an tax laws. Professional football players are/were paying social taxes based on a minimum wage (€186.31 a month in 2004/05) and not on the real amount of their incomes<sup>ii</sup> and "Black money" from local businessmen evading taxes. Andreff & Staudohar(2002:25) refer to this way of financing as the traditional *Spectator-Subsidies-Sponsors-Local* or SSSL-model

In 1984 the Brussels District Attorney Bellemans investigated the business of pro football clubs. When the investigation was done a bribery scandal was disclosed, several players suspended and all the clubs were fined heavily by the tax authorities. As a result banks became very reluctant to grant additional loans to clubs. Smaller clubs had trouble finding money and a new entity was introduced by KV Mechelen's owner (the late) John Cordier (Telindus-Mobistar): the "invest(ment) company". An investment company iwas a business model to keep players as property in a different business unit; . Investors - mostly rich fans/supporters with money to spend - were given the guarantee that they would profit when the assets (the players) were sold. This business model disappeared with the Bosman ruling. At this present moment only three of the 18 Belgian clubs in the Jupilerliga, the Belgian First Division, are limited liability companies. Anderlecht is the only Belgian club that has been thinking about becoming a Public Limited Company. That occurred in the beginning of the nineties when the plan existed to float the club on the Brussels stock exchange but the idea was put on hold with (another) bribery scandal emerging.<sup>iii</sup>

## 2. The Belgian football: success on the pitch and financial problems

Since 1982 only three teams have played all seasons in the first division (SC Anderlecht, Club Brugge and Standard Luik). Nine other teams spent in that period at least fifteen years in the first division. This means that the Belgian professional football competition is, like all the other European football competitions, not an example of competitive balance<sup>iv</sup>. Every year there is a "battle" for the places 5 to 18. In the season 2002/03 SC Lokeren(3<sup>th</sup>), St-TruidenVV(4<sup>th</sup>) and SK Lierse(5<sup>th</sup>) were the revelations. The problem was that the salaries that they had to pay were higher than was budgeted. In other terms the marginal revenues of success were lower than the marginal costs. The result was a cash flow problem and a deficit at the end of the year. To solve the problem the clubs had to sell their most valuable players. In SC Lokeren the chairman had to sink new private money into the club, St-Truiden VV had some problems but found with Duchatelêt<sup>v</sup> a very rich sponsor. In September 2003 SK Lierse had to sell Huysegems(to AZ Alkmaar) and Arouna Kone(Roda JC Kerkrade), their best players,. This transformation of active into cash was only to create some cash flow and didn't solve the structural financial

problems. In December 2004 SK Lierse was almost bankrupt and they asked the city of Lier for support. The city council demanded the financial books of the club and they noticed that in the season 2002/03 the expenditure on wages was 100% of turnover and the selling of the two “star players” resulted in 2003/04 in a decline to 82%. The total debt was estimated at 7 million euro on a turnover of 5 million euro/year. The club proposed to the city to buy the stadium but with only 35,000 inhabitants this would be about 20% of the public budget. The solution as usual was the arrival of a financier who put 3million euro in the club to pay the short term debts to players, taxes and social security and the city froze the interest payments on an old 4 million euro loan and took over a one million euro loan to the Dexiabank. The city covered its old loan and the new one in case of bankruptcy of SK Lierse with a claim on the stadium which has an estimated value of 6.6 million euro. In 2003/04 Moeskroen(5<sup>th</sup>) was the revelation. The result was an exodus of players at the end of that and in the current season<sup>vi</sup>. In december 2004 the short term debt of the club was estimated at 5 million euro and rumours of bankruptcy emerged in the press. AA La Louvière, a club with a turnover of 2.5 million euro had already 29 points after the first round(17 games). Statistics shows us that with 32-35 points relegation can be avoided. Goane, the chairman of the team, declared in the press that the club couldn't support a team that gained too many points, in other words the marginal costs for gaining a lot of extra points was higher than the marginal revenues(the raise in attendances was only 500 spectators). The solution was the selling of some of its human capital, its players. The club sold Klukowski and Ishiaku went to FC Brugge, Assou-Ekotto to Standard Liège and Murcy to the Danish club Esbjerg. The general problem of the smaller clubs is to find extra revenue within their and the league's limited markets.

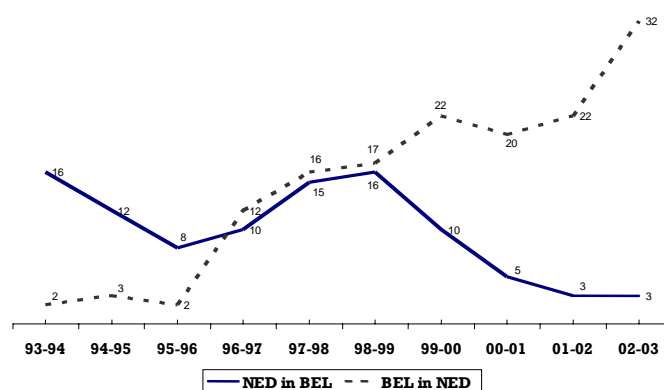
### 3. History and culture

In Europe and Belgium, prior to the 1990s, the objective of the professional football clubs was to provide entertainment by achieving playing success while remaining solvent and not to maximise profit. Sloane(1971) indicated that profit-making clubs in Europe have been the exception and not the rule. Chairmen, directors and patronages with a controlling function in the football clubs first reached success in other business fields. Their motives to invest in sports were more a desire for prestige, power or sporting enthusiasm and can be seen as a form of philanthropy. They get the best seats and a chance to mix with people in similar positions as themselves. Profit seems unlikely to be a motivation factor. The pursuit of playing success is the main objective and the clubs can be defined as win(sportive profit) maximisation oriented.

The Bellemans raid in 1984 proved that Belgium football was infested by tax evasion money. Until 1984 Belgium had been a paradise for foreign players. In the seventies Rob Rensenbrink and Arie Haan, two of the best players of one of the best national teams in the world- the Netherlands -, played in the Belgian League. The sensation of the World Cup 74 - Emmanuel Sanon of Haiti - was transferred to Belgium. Lato and Lubanski of the great Polish squad played in Belgium, together with Preben Elkjaer-Larsen one of the greatest Danish players ever. In the season 75-76, 34 out of 97 foreign players in Belgium were Dutch. The Bosman ruling abolished the existing transfer system and liberated the professional footballers from their peculiar status as employees not entitled to sell their labour to the highest bidder once their contract of employment came to an end. The result was a drastic change of the labour market. Before Bosman, the clubs had monopsony powers and kept wages low. After Bosman the power switched over to the players. The combination of this change with the win maximization objectives of the

clubs and the exploding TV rights in the big sports and broadcast markets of the UK, Spain, Italy, Germany and in a lesser degree France and the Netherlands, resulted in very high salaries. These changes in the economic environment lead to an exodus of talent out of the smaller market of the Belgian competition. The changing structure of the origin of the foreign players support this statement. This season there are 173 foreign players in Belgium, only 3 are Dutch. The migration pattern between the Netherlands and Belgium shows an opposite evolution, where the higher wages in the Dutch competition can be seen as the main power of attraction. (Wheatheril, 1999; Vandeweghe, 2003; Dejonghe, 2004b)

Figure 1: Dutch players in Belgium, Belgian players in The Netherlands



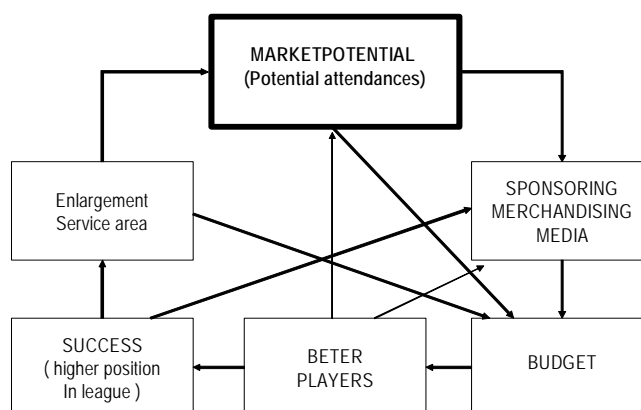
Source: Vandeweghe (2003a)

#### 4. Change in the 1990s

The changing structure of European professional football made that most of the European top clubs no longer have the structure of the SSSL model. The rising impact of television and media companies and the emerging interest of multinationals corporations on professional football gave rise to a professional management approach, but did not bring financial stability. Another change was the use of the ability of the new investors to mobilize additional funding for further growth. According to Andreff & Staudohar (2002:31-33) the new owners implemented forms of vertical integration in the industry and created synergisms as a result of the interaction between business and sport. The result is an evolution from the SSSL model to the more global oriented *Media-Corporations-Merchandising-Markets* or MCCM-model.

Professional football has been transformed to a person-related immaterial consumer-oriented service with a short-term utility and an economic function. (Dejonghe, 2001: 289-293). This definition implies that in a closed product market only densely populated locations combined with a high rate of centrality can sustain a professional club. This transition implies that clubs in countries and cities with a small population have a competitive disadvantage. Market orientation, as a main causation if applied to an economic product, leads to a situation of cumulative cycles. High attendance leads to more income from sponsors and media, that can be invested in players which in turn leads to better results and higher attendance, etc. The long-term success of professional football can be seen as an endogenous demand-oriented growth model based on Myrdalls' cumulative causation process. The central item is market potential and Belgium, with only 10 million inhabitants cannot compete with the larger countries.

Figure 2: The endogenous growth model (Dejonghe 2004a:75)



The economic objective is that total gate receipts, income from advertising, commercial inflow, television and other media earnings have to be maximised for the economic product “the league”. In Belgium where there were no major changes in the governance structure of football in the 1990s, the SSSLmodel still dominates the league. The result was a sudden spectacular decline of Belgium from a 3<sup>rd</sup> place in the UEFA-ranking in 1993 to a 20<sup>th</sup> place in 2000 and a recovery to a more “normal” 9<sup>th</sup> place in 2004.

The Belgian league declined from a central competition before 1995 to a secondary, semi peripheral competition and a “stepping stone” for players from outside the EU. The minimum wages in Belgium for non-EU players in 1995 was about €25,000. De Decker and Wille, two senators of the Flemish Liberal Party VLD<sup>vii</sup> were the founding fathers of the proposal that raised the minimum wage to 8 times the minimum wage of nowadays €1,632<sup>viii</sup>. The existence of the severe restrictions for non-EU players in the UK and the Netherlands<sup>ix</sup> made Belgian clubs interesting for cooperation. Some clubs sought and found cooperation deals with major clubs abroad. FC Antwerp - Manchester United, VC Westerlo – Chelsea/Feyenoord, SV Brugge-Blackburn Rovers and SK Beveren with Arsenal. SK Beveren teamed up with Arsenal in 2000, but in 2002 was overtaken by a French former international active in Ivory Coast with ASEC Mimos Abidjan and the local soccer youth development academy. This Mr. Guillou was a personal friend of Arsène Wenger, the Arsenal manager. As it turned out, this African school now owns Beveren, a two time Belgian champion. Beveren has 18 players from Ivory Coast. Some of them were sold in the winter of 2003-04. Two players were shipped to Metallurg Donetsk and one went to Arsenal. Roughly one third of the transfer money remained in the club, one-third went to Mr. Guillou and one third was for a company called Goal, a joint venture reportedly owned by local business people.

The result is as shown in table 3 that similar to other competitions in Europe, the relative impact of foreign players has grown. Another example, and more typical for the Belgian case is that a vast majority of the foreign players now come from sub-Saharan Africa (the secondary countries of that part of the world) or former Yugoslav republics, a consequence of the stepping stone theory. The recent increase in French players can be explained by a new taxation rule. Players living in France, Germany, Greece or the US and playing in Belgium for no more than 4 years have to pay a mere 18% final income tax on their wages. The result is an increase of French players from the lower French divisions in the Belgian competition.<sup>x</sup>

Table1: The origin of foreign players in the Belgian First Division

COUNTRY OF ORIGIN	1982/83	1994/95	2004/05
FOREIGNERS	69	110	201
TOTAL NUMBER OF PLAYERS	270	399	421
%	25.6	27.6	47,7
EUROPE	65	61	98
The Netherlands	25	12	2
(former) Yugoslavia	2	12	27
Germany	10	2	1
England	2	2	1
France			32
Iceland	3		5
Rest East/Centr Europa	8	23	16
Rest West/North/South Europe	13	10	14
AFRICA	2	32	68
Congo	2	10	4
Nigeria		6	7
Ivory Coast			25
Cameroon			6
Burkina Faso		2	5
Rest Africa		14	21
SOUTH AMERICA		10	19
REST of the WORLD	2	7	16

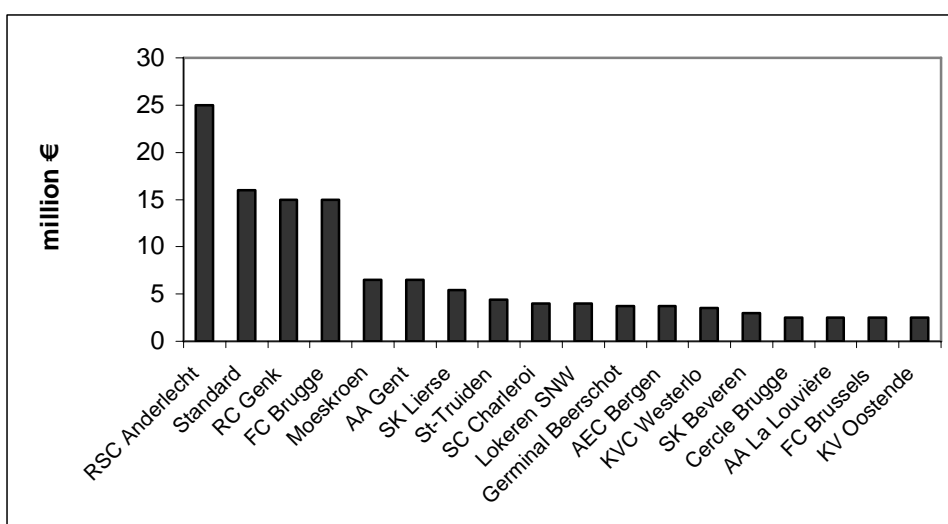
Source: Dejonghe(2004b) based on Voetbal Magazine, 1982;1994;2005

## 5. General financial/commercial position

Clubs in Belgium are most of the time organized as non-profit organizations and not obliged to publish their annual accounts nor do tax authorities investigate them. This law changed in 2004 and from this year on the VZW-ASBL(non profit)-clubs will have to publish yearly results and an annual report. .

The general financial position of clubs as stated by the Profliga is that 2 out of 18 clubs reached a break even, meaning that 16 out of 18 posted a loss. One or more wealthy club fans often close this budget gap. The total budget of the 18 clubs in the Jupiler League 2004/05 was 126 million euro, with 71 million euro for the 4 biggest clubs. The relation between revenue and success on the field has already been a topic for research. All the studies showed a positive and significant relation. In most of the countries the correlation fluctuates between 0.6 and 0.9 and it is rising. In Belgium the correlation in the period 1999/2000 – 2003/04 was on average 0.65.

Figure 3: The turnover of the Belgian clubs in first division(2004/05)



Source: Voetbal Magazine(2005)

The principal sources of income in the seventies and eighties used to be ticketing (70%) and commercial income (30%). Nowadays TV rights in the smaller European competition count for only 13%, commercial income for 53%, ticketing for 35%. This is the major difference with the big 5 leagues where TV rights generate half of their income. The best performing Belgian teams can look forward to 0.8 million euros TV money per season. The financially best performing English team, Manchester United gets 83.6 million euros from broadcasting rights(Deloitte,2004)

Table 5: Revenue sources in the European football competitions

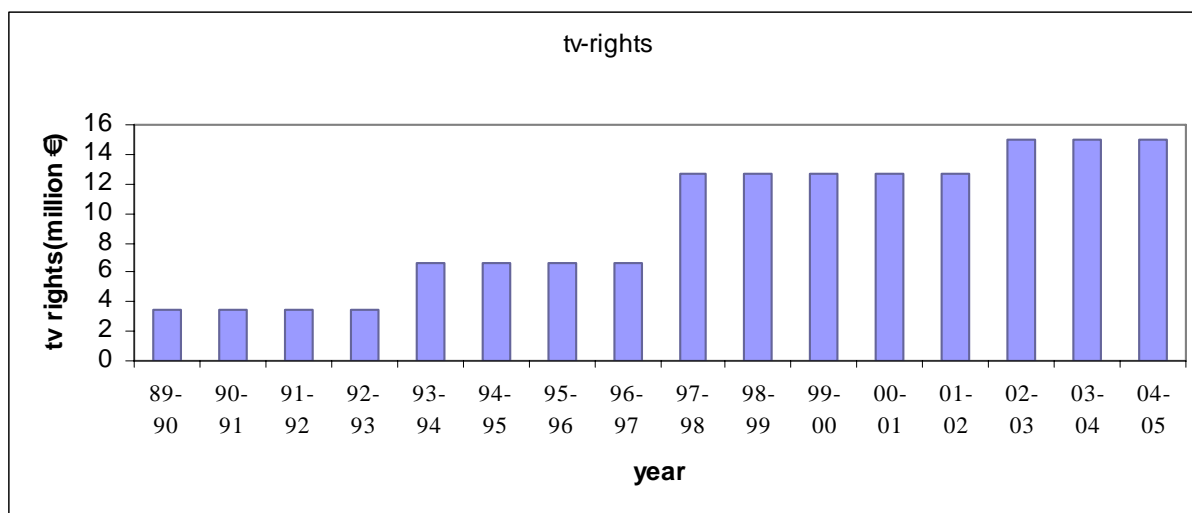
COUNTRY	TICKETING	TV-RIGHTS	SPONSORING	MERCHANDISING, CATERING,...
England	29%	44%	27%	-
Italy	18%	55%	15%	12%
Spain	25%	51%	9%	15%
Germany	17%	33%	30%	20%
France	15%	52%	20%	13%
<b>Average</b>	<b>20%</b>	<b>48%</b>	<b>20%</b>	<b>12%</b>
Portugal	42%	20%	18%	20%
The Netherlands	34%	12%	41%	12%
Scotland	42%	23%	35%	-
Denmark	17%	4%	43%	36%
Norway	40%	4%	43%	13%
Sweden	33%	14%	28%	25%
Belgium	30%	12%		58%
<b>Average</b>	<b>35%</b>	<b>13%</b>	<b>35%</b>	<b>18%</b>

Source : Deloitte & Touche(2002;2003 ;2004)Dejonghe(2004b)

Belgian TV rights have, as you can see from figure 4, more than doubled in the last ten years to 15 million euro<sup>xi</sup>. The Belgian football competition had/has the disadvantage of the given TV market with few players. Belgium as “one market” does not exist in the media. The country of ten million is divided in two language regions, 6 million in Flanders and Brussels(Dutch-speaking) and 4 million in Walloon and Brussels(French-speaking). Each region has its own broadcasting stations. In Flanders there are two serious players in the market; the publicly funded VRT and the commercial VTM. In Flanders VTM has held the TV contracts since 1994. VRT holds everything else

(Champions League, cycling, Olympics). During the last bidding process VRT did not participate with a serious offer, leaving the Profliga with only one broadcasting station to negotiate with. The French speaking market has only one player, the public broadcaster RTBF. The same occurred in the pay TV market, where only Canal+ exists. Pay Per View is not a Belgian concept and Internet or other modern media rights are unheard of.

Figure 4: The evolution of revenues from TV rights in the Belgium competition 1989-2005



Source: Vandeweghe(2003a); Voetbal Magazine(2005)

VTM and RTBF each paid 2.6 million euro and Canal + 9.8 million euro. The Belgian FA collected 8.497% of that money as a sort of contribution (tax). 75% of the rest is divided proportionally and the other 25% is divided as “merit fees” and “facility fees”

## 6. Financial instability

In the season 2000-2001 the football league installed a licence commission under pressure from the federal government. Clubs with debts to the league, the tax or social authorities, or players and other clubs, were refused a licence. Debts to other parties were not taken into account.<sup>xii</sup> The reason for this change in policy was a more strict control by the national financial authorities after reports in parliament about the social security debts of soccer clubs. The last five years some clubs have experienced financial difficulties and disappeared. Some of them (E. Aalst now changed in a new “vzw” Aalst 2002), KV Mechelen, KV Kortrijk and FC Turnhout) were placed into a lower division by the licence committee, disappeared (RC Harelbeke) or merged with another team. (SK Lommel with FC Overpelt, RWD Molenbeek merged with FC Strombeek and became, because the Brussels Capital Government subsidizes clubs with the name Brussels in it, FC Brussels)

In the season 2002-2003 two teams went into liquidation KV Mechelen was a non-profit organisation.. Under Belgian law it is impossible for a vzw to go bankrupt. The vzw goes into voluntary or compulsory liquidation and is placed into receivership. The receiver dissolves the “non profit organisation” by selling its assets. KV Mechelen was relegated from the first division to the third division because they had no debts to the Belgian Football Association. KV Mechelen was eventually saved by a national TV star who managed to raise extra finance. Today they are playing in third division with a lot of “old” professional players and they “rent” their stadium from the old vzw. Lommel could not pay its debts to the KBVB and was consequently taken out of competition<sup>xiii</sup> but



merged in 2003/04 with a third division club. Darwinism was the name of the game. Another problem in Belgium is that the “sport” are a regional matter and Brussels, Flanders and Wallonia have their own minister and way of subsidizing sports. In Flanders the government doesn’t interfere when clubs are on the edge of bankruptcy. The support for teams in the southern part of Belgium since 1994 has been disguised in the form of subsidies to build and modernise the stadiums. Mons is the city of the Socialist chairman Elio Di Rupo and the local government donated 7 million euros to “modernise” the stadium. SC Charleroi was almost bankrupt but the minister-president of Walloon Van Cauwenberghe, an inhabitant of the city, made it possible that the Walloon region subsidized 6.2 million euro for the stadium. Moeskroen(home to a Catholic politician) and La Louvière collected 4.4 million and 3.2 million euro. The result is that clubs in the south of Belgium can transfer the rest of their budget to salaries. A lot of Flemish teams have to rent or to pay off the loans for their stadium.

## 7. Belgian football : Conclusion and future

Another and very crucial question that can be asked after we have seen the recent evolution in the European professional football environment is “Is there a need for a professional football league in Belgium?” If the answer to this question is affirmative then an economic analysis is necessary. The situation today in Belgium is:

- An average attendance of 9,500 spectators in the last few years
- About 50% of the spectators go to 4 clubs
- Broadcasting rights of €15 million for season 2003-2004
- Lack of international impact and the associated income loss from demand oriented broadcasting rights
- Total budget of the first division (18 teams) is only €33 million
- No barriers between professional and amateur football
- Teams on the edge of bankruptcy and heavy debts
- No extra financial input from the European market

The increasing impact of the economic principles on football results in a classification of the clubs in (inter)national and local ones, for which a survival on the long term the economic spatial potentials have to be analysed. The central topic or the necessary minimal conditions are in this case the presence of potential fans and the willingness of the local firms, industry and government to invest in the club and its infrastructure. This concept results in a perception in which professional football and the urban hierarchical and spatial structure are interdependent. Belgium is too small a market to support eighteen pro teams. 13 of these 18 teams play in the Flemish market. The other five teams draw their fans from the 4 million French-speaking Belgians. Whenever the future of Belgian football is discussed, two solutions are always brought up:

1. decrease the number of clubs to 16, 14 or even 12
2. make an BENE-league, being an international league with the Netherlands.<sup>xiv</sup>
3. make the product market “European” so that Belgian top teams can compete with the teams from the big leagues (a kind of Euro League based on the American system)

The problem being the TV revenues, one can easily calculate how the team revenues would benefit from a bigger TV contract. Decreasing the number of clubs could possibly double the TV revenues for the big market teams, and especially (SC Anderlecht) Brussels(1.6 million euros instead of 0.8 million) would benefit , but this would hardly

influence the total revenue the way the Champions League does. For the Belgian clubs participating in the CL is crucial and can represent up to 40 % of the yearly revenues.

Dejonghe(2001;2004a) created an location-allocation model for the existing situation in Belgian professional football. A football club playing in the first division can be seen as a hierarchical marginal good that is, because of the exogenous limit of 18 clubs, an indicator of an urban hierarchical level<sup>xv</sup>. The transformation of professional football to a market/consumer-oriented service in a closed product market implies the presence of a market that reaches a certain “threshold”. 13 of the 23 Belgian clubs that have been playing in the first division since 1997 are the owner of a market of less than 200,000 potential consumers, a number that in the long term is not enough to support a professional football club that can compete with Belgian top clubs or maybe with the European clubs. The problem with professional football in Belgium is not only a location-allocation problem, but for international competition it is also a matter of too many clubs in a limited market and the high international thresholds in the most successful football countries. In comparison with the dominating countries in the Champions League and the UEFA-cup, the average market in Belgium is with 550,000 for every first division club a lot smaller than the averages of the most successful countries. In Germany there is one first division club for every 4.6 million inhabitants, in England, France and Italy one for every 3 million, in Spain one for every 2 million and even in The Netherlands there is only one for every 830,000 inhabitants

The first results of this study were published in 2000(Vandeweghe, 2000) and created a storm of protest in the football world. Today, march 2005, we can confront the results of our research with the existing situation. RWDMolenbeek, RC Harelbeke, and SK Lommel, three clubs without any future in the model were expelled from the football competition. KV Kortrijk, in line of he model had to merge with Harelbeke and the second division club Waregem, and E Aalst, a club that on the basis of empirical data had no future in the first division, were relegated to the third division. KV Mechelen, which according to the model had to merge with Lierse, went into receivership and was placed in the third division. SK Lierse has because of their debts to Social Security, inland revenues and others, yearly recurring problems with their licence. These findings result shows that a theoretical model based on empirical data can be of some use to the real world but in the short term, subjective arguments can be used to postpone reality.

Modest solidarity still existing among the 18 first division clubs in Belgium is under pressure. On the one hand, the two top teams, Bruges and Anderlecht are anxious to keep up with Europe. On the other hand, they need their own Mickey Mouse league to qualify for the European Champions League. Anderlecht is on the verge of becoming a G14 member. Once a permanent European competition stage created, the major Belgian clubs are bound to break away, leaving the others behind. From a theoretical viewpoint a European Superleague in an open product market with a form of revenue sharing between the teams is the ideal situation but this dream is something for the (far or nearby?) future.

These facts show that in the given economic environment a restructuring of the Belgian professional football league is necessary for some reasons:

- To provide some form of “limited” competition with other European countries

- The introduction of the licence system by the Belgian Football Association in 2000-01 and by the UEFA in 2004-05, because clubs would no longer be allowed to have debts to the social security system, inland revenue, players, etc
- To stop the gradually increasing number of bankruptcies since the introduction of the licence system

but historical reasons and conservatism make a transition very difficult

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<sup>i</sup> The poorest Belgian province – Henegouwen/Hainaut, a province receiving financial support from the EU – has today still 4 top division clubs. Local authorities and often politicians such as the socialist mayor and chairman of the Wallonian Socialist Party Elio Di Rupo(AEC Mons), the minister-president of the Walonian government and socialist Jean Claude Van Cauwenbergh(SC Charleroi) and the mayor of Moeskroen Jean-Pierre Detremmerie(Wallonian Catholic Party) heavily support their club.

<sup>ii</sup> Based on a total wage bill of 81 million euros for the Jupiler League and 450 players (Vandeweghe and RSZ, VLEKHO course 2003), the social taxes paid by the clubs should be (for any other business than sports) 33,3 million euros, In stead, the social taxes paid are 2,4 million euros. The average subsidy per club by the government amounts to 1.85 million euros. Foreign players with fiscal status of non-inhabitant pay since 2002 only 18 % tax

<sup>iii</sup> In 1984 Anderlecht won against Nottingham Forest in a European Cup game, thanks to a dubious penalty given by the Spanish referee Muro. In 1997 it was disclosed that Anderlecht had given 25.000 euro to the referee. All this time the go-betweens of 1984 had been blackmailing the Anderlecht president Constant Vanden Stock. Anderlecht was kicked out of the European competitions, but appealed before the TAS in Lausanne and won the case. But damage was done.

<sup>iv</sup> In the period 1961-2004 SC Anderlecht won 19 times the championship, FC Brugge 11 times and Standard Liège 7 times or together 84% of the championships. Dejonghe(2004b) used the differences in the year-to-year rankings to measure the dynamic competitive balance for the periods 1999/2000 – 2003/04 in Belgium and compared it to other European competitions. The average dynamic competitive value was 0.40. The evolution in time showed us an increase from 0.31 in 1999/2000 to 0.49 in 2003/04. The conclusion could be that Belgian football competition became more dynamic balanced but the real reason is the convergence in budgets between the smaller club

<sup>v</sup> Roland Duchatelêt is the founder of Melexis, a company on the stock market with a market capitalisation value of 4,2 billion euro and of the political party Vivant, which is now “part” of the Liberal Party in Flanders.

<sup>vi</sup> Mbo Mpenza(Belgian international) and Christophe Gregoire(january 2005) went to SC Anderlecht, Luigi Pieroni (28 goals in 2003/04) to Auxerre, Steve Dugardein(Caen) and Stephen Laybutt(AAGent)

<sup>vii</sup> The reason for their intervention was the abuse of mostly young African players by their “agents”. The commission Internal Affairs decided that a raise of the minimum salary for non-EU players could be used as a weapon against these practices.

<sup>viii</sup> Ivo Belet (member of the European parlement Christian Democratic Party) and Dirk Claes (Member of the federal chamber) are going to propose(somewhere in 2005) a raise of the minimum wage to 20 times the minimum wage or 154.080 euro. The reason is that 55% of the players in our first division are foreigners and a lot of clubs don’t want to invest in Belgian youth players anymore.

<sup>ix</sup> In the Netherlands was the minimum salary for a 18-19 year old non-EU player 75% of the average salary or €18,246.25 and for 20 years and older 150% or €36,492.50. The Department of Education and Employment(DEE) controls the “quality” of the non-EU players. They demand some proof of the skills of the players(playing in 75% of the official competitive games of the national squad, country has to be in the FIFA top 50,...) to deliver a working permit or visa.(Dejonghe, 2004b:247-249)

<sup>x</sup> The rule was in the first place for artists and athletes who came to Belgium for some performances like concerts or tournaments. A Belgian minister is the chairman of Telindus Oostende, a basketball team in the first division. To compete with in Europe he needed foreign players and he “asked” in 2002 to open this taxation law for basketball. To cover this real reason he changed it also for professional football.

<sup>xi</sup> The tv rights in Scotland dropped from 17.7 million euro a year for the period 1998-2002 to 12.6 million in the period 2002-2004, in the Netherlands 47 million euro for the period 2001-2004? In the nearby future canal + will drop his participation with 30% (10 million euro) and canalise 50% of the money to the big three and in Portugal 45.3 million euro. (Dejonghe 2004b:207-210)

<sup>xii</sup> Starting in 2005, with the new fiscal laws on ‘the non-profit companies’, debt to other parties than the league, players, coaches, the tax or social authorities, will be taken into account.

<sup>xiii</sup> The season 2002/03 ended with 17 teams in the first division and KV Mechelen that had to relegate to 3th division. In 200/02 ended SK Beveren with only 14 point 18<sup>th</sup> and last but didn’t relegate. RWDM, 10<sup>th</sup> and E Aalst(17<sup>th</sup>) in the competition were declared bankrupt and relegated.

<sup>xiv</sup> Anderlecht in Belgium en PSV in the Netherlands supported this until PSV dropped the idea pressured by Ajax and Feyenoord.

<sup>xv</sup> The urban centres in Belgium are, according to their centrality, classified in a hierarchical urban system. There is one urban centre in level 0, the capital city, 3 in level 1, the major cities and 17 centres in level 2, the regional cities.