

Football Academies and Player Migration in Developing Countries

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1. Introduction

- ▶ Football player migration arranged predominantly through a structure of intermediary agents and scouts operating on the transfer market
- ▶ 1995 Bosman Ruling: large increase in migration
- ▶ Concern: ‘muscle drain’
⇒ stricter transfer regulations in 2001
- ▶ However, migration of players from developing countries kept growing, facilitated by the emergence of football academies
- ▶ Hence, two methods of recruiting players, namely the establishment of a football academy and recruitment on the transfer market

1. Introduction

Contribution

- ▶ Economic rationale behind a football club's recruitment strategies and its relationship with economic development
- ▶ Empirical evidence from two case studies, Senegal and South Africa

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

A Conceptual Framework

- ▶ Assumptions

Competitive football player's labor market

A club has to employ a certain number of high quality players to generate revenues

Recruitment methods: players that are trained in a football academy (FA) or that are recruited on the transfer market (TM)

Clubs compare costs and benefits of both strategies

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

- ▶ Benefits FA recruitment

Revenue strictly increasing and concave in quality, in line with literature

Risk that the young trainee does not evolve into a professional football player

⇒ uncertainty on the final quality of FA graduates

⇒ expected revenue

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

- ▶ Costs FA recruitment

Investment costs:

- ✓ Setup costs (fixed)
- ✓ Operating costs (variable)

Bureaucratic costs

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

- ▶ Benefits TM recruitment

Quality of the player observable from previous performance

⇒ no uncertainty on quality of the player

⇒ revenue higher than expected revenue of FA recruitment

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

- ▶ Costs TM recruitment

Transaction costs:

- ✓ Search costs
- ✓ Bargaining costs

Transfer price

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

- ▶ Result

FA recruitment preferred to TM recruitment if and only if the sum of transaction costs and the transfer price of TM recruitment exceed foregone revenues, investment costs and bureaucratic costs of FA recruitment

- ▶ Conceptual framework: ‘pure strategies’

⇔ Reality: ‘mixed strategies’

- ▶ Additional advantages TM:

- ✓ Possibility to tap into global talent pool
- ✓ Recruitment flexibility

2. The Economic Rationale behind Recruitment Strategies of Football Clubs

The Effect of Economic Development

- ▶ FA recruitment:

- ✓ Investment costs (+)
- ✓ Bureaucratic costs (-)

- ▶ TM recruitment:

- ✓ Transaction costs (-)
- ✓ Transfer price (+)

⇒ Effect of economic development on the recruitment strategy of football clubs ambiguous

3. Football Academies

Empirical Evidence

- ▶ Comparison of FA and TM in two African countries with different levels of economic development, Senegal and South Africa
- ▶ Information on characteristics FA gathered during extensive interviews with directors, coaches and officials
- ▶ Senegal: semi-structured qualitative interviews in July-August 2007 in the region of Dakar
- ▶ South Africa: semi-structured qualitative interviews in September 2010 in the region of Cape Town and Johannesburg

3. Football Academies

- ▶ FA's in developing countries

Formal economy:

- ✓ Professional approach to football training
- ✓ Additional services provided: academic education, requisite football equipment, medical support etc

Informal economy:

- ✓ Ad hoc, poorly qualified staff and football facilities
- ✓ No additional services provided

3. Football Academies

- 3.1 Football Academies in Senegal
- 3.2 Football Academies in South Africa

3.1 Football Academies in Senegal

Collège Africain Sports-Études

- ▶ Established in 1992 by El Hadji Malick Sy as the Centre Aldo Gentina
- ▶ Initially a partnership between ASC Jeanne d'Arc and AS Monaco (collaboration ended in 2004)
- ▶ Since 2004: (official) academic education priority
- ▶ Financial sustainability: foreign and domestic sponsorship deals, registration fees (high, around 1,800 Euro), transfers of players
- ▶ 2007: 175 students (residents), 12 to 20 years old

3.1 Football Academies in Senegal



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Kenza Mariste

- ▶ Established in 2005 by an African businessman Djibril Traore
- ▶ No academic education provided
- ▶ Enrolment conditional on test of football skills (only for players older than 15)
- ▶ Financial sustainability unclear: no registration fees, no strategic partnerships or funds
- ▶ 2007: 160 students (non-residents), 5 to 18 years old

3.1 Football Academies in Senegal

KENZA-MARISTE



3.2 Football Academies in South Africa

SAFA-Transnet Football School of Excellence

- ▶ Established in 1994 in Johannesburg by SAFA (South African Football Association) and Transnet (national transport company)
- ▶ Official academic education provided
- ▶ Coaches attend trials (organized by other football clubs) to select their players for enrolment in the FA
- ▶ Financial sustainability: SAFA provides the technical knowhow, skills training and equipment support, Transnet the working budget
- ▶ 100 students (residents), rotational system

3.2 Football Academies in South Africa



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3.2 Football Academies in South Africa

The Diambars Institute

- ▶ Established in 2010, expansion of Diambars Senegal
- ▶ Official academic education provided (temporary collaboration with public school in Boksburg, Johannesburg)
- ▶ Trainees recruited after a rigorous selection procedure
- ▶ Financial sustainability: facility rental, transfers of players, fundraising operations (ex-international football players, large (sports) companies)
- ▶ 2010: 20 players (residents, first intake), rotational system

3.2 Football Academies in South Africa



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Ajax Cape Town

- ▶ Established in 1999 after the Dutch club Ajax acquired a 51% controlling stake in the merger of two Cape Town clubs
- ▶ No academic education provided (two days per week tutoring)
- ▶ Selection of the trainees based on open trials
- ▶ Financial sustainability: daily activities financed through the club's general revenues
- ▶ Around 120 players (non-residents), 10 to 18 years old

3.2 Football Academies in South Africa



3.2 Football Academies in South Africa



3.2 Football Academies in South Africa

Durrheim Soccer Academy

- ▶ Founded in 2006 in Cape Town
- ▶ No academic education provided
- ▶ No selection of the trainees
- ▶ Financial sustainability: owner finances necessary football equipment
- ▶ 2010: 20 to 40 players (non-residents), 8 to 15 years old

3.2 Football Academies in South Africa



3.2 Football Academies in South Africa



4. The Transfer Market

- ▶ South Africa

Premier Soccer League (PSL) in 1996: professionalization and commercialisation

⇒ able to retain skilled players and attract football players from foreign African countries

- ▶ Senegal

Organizational weaknesses, fragility of the professional sporting economy

⇒ skilled players migrate (mainly to Europe, colonial ties)

⇒ the majority of South African (Senegalese) players employed by domestic (European) clubs: from 2005/06 - 2008/09, on average 7(28) South African (Senegalese) players employed by clubs from European 'Big Five' leagues

5. Conclusion

- ▶ Main observations in Senegal and South Africa
Foreign club involvement in FA's rather modest
FA's often established by (former) football players and/or (foreign) companies
- ▶ Future research
Empirically
Theoretically