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Corporate Social Responsibility in the Top Football League in Europe – Premier League

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Abstract

Sport occupies a significant and impactful position in the lives of many individuals, evoking intense emotions and consistently captivating a broad audience. In today's economy, the emphasis on sustainability and corporate social responsibility (CSR) prompts scrutiny into whether top football clubs are actively embracing and aligning with these initiatives. To delve into this, the study focused on the top 11 clubs in the English Premier League, distinguished by revenue, and examined their expenditures on CSR initiatives. Despite heavy promotion of CSR initiatives by these clubs, analysis reveals relatively modest actual expenditures on these activities, especially when compared to leading global enterprises. The comparatively low expenditures may stem from flaws in the sports model or an overemphasis on marketing and public relations.

Keywords: CSR, sustainability, revenue, football, English Premier League.

JEL Classification Codes: O10, O20, Z20.

Introduction

Sport is recognised as an effective tool for education and promoting health, as well as fostering fair play attitudes (Bailey et al., 2013). Sport is also becoming an increasingly important part of global economy (Kutwa and Rafał, 2019). The popularity of sports is evidenced by the fact that the last FIFA World Cup final attracted approximately 1.5 billion viewers worldwide (FIFA, 2023). The increased media attention on football clubs highlights the importance of these clubs in building a positive reputation and a respected brand image (Blumrodt et al., 2013). Sports clubs are not just about sports or business, but also about a connection with the local community. Typically, a sports club deeply engages the local community, becoming an integral part of it (Zembura et al., 2018). In historical contexts, sports clubs were traditionally established by local communities, contributing significantly to community cohesion (Walters and Chadwick, 2009). However, sport and football in particular, has also faced numerous scandals, including instances of poor management, financial troubles or hooligan behaviour (Kuper and Szymanski, 2014). In conclusion, it must be acknowledged that the role of sports in the modern world is significant. Therefore, this article aims to examine how leading football clubs engage in CSR activities.

CSR has emerged as an umbrella term that refers to “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001). CSR has evolved significantly over the years (López-Concepción et al., 2022). Initially perceived as a superficial marketing tactic, it has now transformed into a rigorous practice demanding genuine commitment (Yale University, 2022). Today, CSR entails thorough scrutiny of business practices, necessitating the establishment of accountable frameworks benefiting team members, investors, the public, and the environment. With the widespread influence of media, the significance of CSR has escalated. Online platforms propagate negative news swiftly, while positive stories are scarce. Recognising the interconnectedness of all aspects of society, people acknowledge the pivotal role corporations play in fostering fairness and sustainability. Although viewing social responsibility solely as an intangible asset remains a challenge, numerous businesses have realised that investing in CSR yields benefits not only for society but also for their financial performance (Heyward, 2020).

There are periodic publications that assess football clubs based on their CSR practices, and it is valuable to explore the methodologies employed by these publications. Notably, The Sustainability Index developed by Fair Game (2023) scrutinises CSR initiatives in the Premier League and Championship. In constructing this index, the authors emphasise factors such as financial solvency, effective governance, fan engagement, and adherence to equality standards. Another example

of a ranking system is the Football Sustainability Index by Brand Finance (2023), which focuses on sustainability facets, specifically environmental, social, and governance dimensions. Additionally, Responsiball (Wikenstaal, 2020) has created a CSR ranking of football leagues. This particular ranking delves into topics like governance, community engagement, environmental initiatives, as well as addressing issues like racism, anti-Semitism, homophobia, refugees and migrants, and women's football. All these rankings focus on slightly different aspects, but they attempt to summarise clubs' activities in the broad scope of CSR. However, it is important to note that these publications do not analyse the actual expenditures of clubs on CSR-related activities.

Sport and physical activity play a diverse role in advancing the objectives of sustainable development (Escher, 2020). Among sports, football has been extensively examined in scholarly investigations of CSR (Walzel et al., 2018). At least several football clubs demonstrate an enhanced environmental consciousness through various initiatives (NSS Sports, 2023). This reflects a positive shift in the approach to CSR within the football community. Clubs can, for example, reduce the use of plastic bottles during matches (Liverpool FC, 2023), install solar panels at the stadium (Bundesliga, 2021), use rainwater for watering the pitches, and also plant trees for every goal scored (Warta Poznań, 2023). Considering one of the leading English clubs – Tottenham Hotspur – they promote in the media that they have: replaced lighting in the stadium and offices with energy-efficient alternatives, promoted the use of public transport to matches and cycling for employees, reduced the use of plastic bottles and packaging, decreased waste around the stadium, reduced water consumption (e.g. waterless urinals), collected and used rainwater, promoted meat-free food, and advocated for proper behaviours among fans online (Lockwood, 2021).

However, in the realm of football (Zeimers et al., 2019), a note of caution has to be warranted regarding the inherent hypocrisy in many clubs' social responsibility initiatives. This arises from the recognition that the environmental aspect is widely regarded as a particularly lucrative focus in organisations' marketing strategies (Mora and Ginesta, 2021), fuelled by heightened awareness among younger generations. In today's landscape, sustainability may be perceived either as a communication tactic to enhance a company's image with stakeholders (Higgins-Desbiolles, 2010) or as the cultivation of "brands with a purpose".

These activities, and football's attitudes in terms of recognising and understanding their CSR activities, have tended to follow the prevalent social trends of the day, but with a delay: on topics such as diversity, equality or environmental impact football clubs have generally been late-adopters (Frankental, 2001). This leaves the football industry in a rather interesting position: on one hand, it enjoys a significant amount of public attention that may not be directly correlated with its economic size, and

can claim to influence and even shape public opinion. On the other hand, many of their activities in regard to social responsibility, like those of companies in other industries, could be taken by some observers as “window-dressing”, “greenwash” or “PR exercise “. This article aims to explore the reality of CSR practices of football clubs, following the money instead of the PR press-releases and rhetoric. For this, it was decided to focus on the biggest clubs in economic terms from the top European football league – English Premier League, in the belief that the biggest organisations should have the biggest CSR footprint. It was analysed how much they spent on these activities and what was their claimed impact.

Methodology

In this study it was decided to examine the CSR expenses of the top English Premier League clubs by revenue in 2022/2023 season, according to the report prepared by Deloitte (2023). The 27th edition of the Deloitte Football Money League introduced an annual overview of the 20 football clubs with the highest revenue globally. The focus of the article was on the English Premier League, as it is unequivocally the wealthiest football league globally (UEFA, 2023). It is worth adding that among the 20 clubs described in the Deloitte report, precisely 11 are clubs from the English Premier League.

Additionally, CSR initiatives in English clubs are exceptionally transparent, with clubs establishing foundations for this purpose. In the study it was checked what was the club’s revenue in 2022/2023 season, whether a given club has a foundation, the foundation’s revenue, as well as the number of people covered by the foundation’s activities. Information required in the study was sought on the websites of clubs, on the websites of foundations, as well as on finance websites. In few cases, despite numerous efforts, it was not possible to determine the number of people covered by CSR activities. The study conducted an analysis of the correlation between club revenues and foundation revenues, as well as an examination of the correlation between club revenues and the number of individuals affected by CSR activities. IBM SPSS version 29 was utilised for the calculations.

Results

For the sake of clarity of the study, it was decided to present the results in a table. The table below shows detailed data on the club’s revenues, and the revenue of the club’s foundations. Additionally, the percentage of the club’s revenue represented

by the foundation’s revenue was calculated, along with the number of individuals impacted by foundation activities and the amount allocated per person.

Table 1. CSR spending of 11 Premier League clubs with the highest revenue in 2022/2023

No.	Club	Revenue (in EUR)	Foundation	Foundation revenue (in EUR)	% of club revenue	Number of people impacted	Expenditure per person (in EUR)
1	Manchester City	731,000,000	Yes	3,831,613	0.52%	20,000	191.58
2	Liverpool	701,700,000	Yes	4,208,533	0.60%	83,000	50.71
3	Manchester United	688,600,000	Yes	4,789,279	0.70%	20,300	235.93
4	Chelsea	568,300,000	Yes	6,755,640	1.19%	806,031	8.38
5	Tottenham Hotspur	523,000,000	Yes	2,439,836	0.47%	-	-
6	Arsenal	433,500,000	Yes	301,557	0.07%	-	-
7	West Ham	301,200,000	Yes	3,775,685	1.25%	50,000	75.51
8	Leicester City	252,200,000	Yes	1,245,003	0.49%	7,983	155.96
9	Leeds United	223,400,000	Yes	1,378,576	0.62%	-	-
10	Everton	213,700,000	Yes	5,961,291	2.79%	145,816	40.88
11	Newcastle	213,700,000	Yes	9,356,694	4.38%	26,032	359.43

Source: own study.

All analysed clubs have a foundation. Professional sport clubs are a good example of businesses that have modified their organisational structure to establish foundations to deliver their CSR programmes (Anagnostopoulos et al., 2014). However, it is very interesting to compare foundation revenue to the total club revenue. The highest percentage in this aspect was recorded in Newcastle – 4.38% and the lowest in Arsenal – 0.07%. On average, the revenue of the foundation in the analysed clubs was 1.19% of the total revenue, and in monetary terms it was on average 4.00 million EUR. In total, in all the analysed clubs, the annual budget of all the foundations was 44.04 million EUR. It was also decided to check whether the club’s revenue is positively correlated with the amount of the foundation’s income. The r-Pearson correlation coefficient between the club’s revenue and its foundation revenue was calculated: $r = -0.02$; $N = 11$, $p = 0.963$. The correlation turned out to be not statistically significant.

It is worth to consider if football clubs spend on CSR comparatively big sums of money in comparison to the large corporations outside of the football world. According to Forbes (2022) every year Fortune 500 companies devote approximately 20 billion

USD to their CSR activities. Therefore, on average each company from Fortune 500 spend about 40 million USD each year on CSR activities. That means the average Fortune 500 company spends about the same amount of money as 11 top football clubs in the Premier Leagues. It can be said that despite the massive media buzz around the world's leading football clubs and all the promotional activities they are involved in, the actual amounts they spend on CSR initiatives are relatively small. However, it should be added that comparing the amount allocated to CSR activities by top football clubs with that of the largest corporations globally is challenging due to significantly higher revenues generated by these leading corporations. Nevertheless, the aim was to emphasise that despite the substantial social impact of football, its economic significance in terms of CSR is relatively small when compared to the world's top companies.

The foundations of the analysed clubs announced that they reached a total of 1.16 million people. The Chelsea club foundation boasted the greatest reach – 806,031, and the Leicester City club – 7,983 which is the smallest. It was also decided to check the average amount allocated to one person by the foundation – it was almost 140 EUR. The highest amount was spent by Newcastle – 359 EUR, and the smallest one by Chelsea – 8.4 EUR. It was also interesting to check whether the club's revenue is positively correlated with the number of people affected by CSR activities. The *r*-Pearson correlation coefficient between the club's revenue and number of people affected by CSR activities was calculated: $r = 0.15$; $N = 8$, $p = 0.723$. The correlation turned out to be not statistically significant.

Conclusion

CSR and sustainability activities are positive for an organisation (Anagnostopoulos et al., 2022). However, the evidence from the biggest professional football clubs suggests that this is problematic because there is no correlation between club revenue and variables such as their spending on CSR activities (their foundations) or the number of individuals impacted by these activities. Despite the media buzz, football clubs do not actually spend significant amounts of money on CSR-related activities. One important element to consider here is that the vast majority of even major football clubs are small, or at best medium-sized, organisations, with relatively few economic resources compared to major companies in other industries. According to FIFA's Professional Football Landscape, there are at least 4,400 professional football clubs globally (FIFA, 2021), but of these only around 110 have a turnover of 100 million EUR or more, and only 9 have a turnover of 500 million EUR or more (Deloitte,

2023). And football's business model is not optimal, since most of the revenue is spent on covering costs, definitely the main one being players' salaries (UEFA, 2022).

All of this indicates that despite the massive media hype surrounding the world's top football clubs, the actual expenditures on CSR activities are relatively small. It is enough to say that one average Fortune 500 company spends on CSR activities as much as the combined spending of 11 top Premier League clubs. However, one should not doubt the role of sports in building sustainability, as finances are just one aspect. Football has the ability to reach hundreds of millions of people worldwide, so undoubtedly, it is worthwhile to use it as an educational platform to promote values and ideas related to sustainability. In that case, the role of football can turn out to be very significant and have a real positive impact. It is worth to repeat that the last FIFA World Cup final was watched by approximately 1.5 billion people (FIFA, 2023). Nowadays, no other human activity enjoys such media popularity, which is why it is definitely worthwhile to connect sport with the idea of sustainability. Therefore, it can be assumed that the practical implication arising from this study is that despite clubs vigorously supporting their CSR efforts, their paramount concern lies in the ability to disseminate relevant values among a wide spectrum of entities, often beyond the reach of other enterprises. Thus, one could posit that this educational form of influence should play a primary role.

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