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To:	Permanent Representatives Committee/Council
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Subject:	Commercialisation of elite sports and the sustainability of the European Model of Sport - <i>Policy debate</i> (<i>Public debate in accordance with Article 8(2) of the Council's Rules of Procedure</i>) [<i>proposed by the Presidency</i>]

Following consultation of the Working Party on Sport, the Presidency has prepared the attached discussion paper, which is submitted as the basis for the policy debate at the EYCS Council on 23 May 2018.

Commercialisation of elite sports and the sustainability of the European Model of Sport
Presidency discussion paper

The European model of sport is long-established and has a number of important characteristics. It could be summarised as being based on five key functions: educational, promoting of public health, social, cultural and recreational. It is also based on pyramid structure. The *clubs* form the foundation of this pyramid. Regional federations form the next level with the clubs are usually being members of these organisations. National federations, one for each discipline, represent the next level. Usually all the regional federations are members of the respective national federation. These federations regulate all general matters within their discipline and at the same time represent their branch in the European or International federations. They also organise national championships and act as regulatory bodies. The top of the European pyramid of sport is formed by the European Federations, which are organised along the same lines as the national federations. Every European federation allows only one national federation from each country to be a member.

One of the features of sport in Europe is that sport is based on a grassroots approach. The development of sport originates at the level of the clubs. They organise sport on a local level. These clubs have also very close links to the local area and community. Therefore, sport in Europe has important social relevance as sport has a role in forging identity and bringing people together. Sport represents and strengthens national, regional and local identity by giving people a sense of belonging to a group. It unites players, spectators and the surrounding community, contributing to social stability and creating an emblem for culture and identity. Sport is a key part of the social fabric, the glue that helps disparate parts of society stick together in a cohesive whole.

Sport in Europe is run mainly by non-professionals and unpaid volunteers. They are responsible for the operation of the majority of sporting activity in Europe. For them sport is just a pastime and a way of contributing to society and local communities.

But sport - and especially élite sport - is changing. In economic terms sport is a rapidly growing area. The market has understood the commercial value of élite sport as a spectacle, and the sale of media rights for sports events has brought a huge influx of money. As the commercial possibilities of élite sport have become apparent, the ownership of the élite clubs has also changed, with clubs attracting capital from around the world. New owners have sought to maximise their investments by turning their clubs into global brands, able to sell merchandise to supporters across the globe.

However, in sport, which is competitive by nature, the public increasingly have an appetite only for the very best. A consequence of this is that the revenue streams from media rights and consequently the sale of merchandising has a tendency to become more and more concentrated on a small number of élite clubs. The élite successful clubs get bigger and richer. They develop at truly global level, with supporters from around the world. But those not part of the élite can easily be left behind, unable to compete with the big clubs.

Obviously these tendencies are most evident in football, but the same underlying forces linked to commercialisation and globalisation are affecting many sports.

The obvious issue is how compatible these changes are with the traditional European model of sport, where clubs rooted in local communities fulfil a true societal function.

The Bulgarian Presidency would like to explore these issues with Sports Ministers from the EU Member States. To structure the debate, Ministers are kindly invited to answer the following questions:

1. Is the rapid commercialisation and globalisation of elite sport putting in danger elements of the European model of sport? Is the concentration of revenues to a few elite clubs and top sports causing problems for less popular sports and smaller clubs? How does this affect the links between sports clubs and their local areas and communities?
 2. How can these issues be addressed? Given the potential impact on local and regional communities, do governments have a responsibility to intervene?
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