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Governance Models and Sustainability in Professional Sports

A Comparative Analysis of UEFA and the NBA

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A me stesso,

*per non avere mai smesso di credere nei miei obiettivi
e per la determinazione con cui ho affrontato questo percorso*

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1. Introduction

1.1 Background and Relevance

Since the early 2000s, professional sport has experienced substantial transformations, becoming a global force not just in business but also in culture and society. The top leagues and federations in the world no longer exist only to organize competitions, but they are deep into money, media, and even geopolitical influence, generating billions of dollars in revenues every year, sometimes more than companies in other industries, with fan bases that reach all parts of the world. Recent years represent a new phase for professional sports organizations, where financial stability, strong governance and institutional credibility are essential if an organization wants to stay competitive and remain viable.

Sports teams get money in four ways: broadcasting rights, match-day income, business agreements, and merchandising. The first, television rights, is by far the most valuable, with the global market for sports media reaching approximately \$62.6 billion in 2024 (Statista, 2024), which is up 12% from the previous year. The NBA, as an example, is close to signing a new record-breaking deal that could be worth \$6.7 billion per year (ESPN, 2024). Sponsorships and commercial partnerships with businesses continue to support clubs' financial structures, but they have also become a point of tension and criticism in recent years, making the gap between rich and poor teams even wider. One example is Manchester City's recent £1 billion sponsorship deal with Puma (The Guardian, 2025), which translates to approximately £100 million per season. By contrast, many other leading European clubs gain much less from their agreements. Juventus, for example, earns around €51 million per year from Adidas, while Napoli and Benfica's deals are even lower, at roughly €10 million annually (Deloitte, 2024). Even with these large financial gaps, all these clubs compete in the same tournament, the UEFA Champions League. This disparity illustrates one of the main governance challenges in federated models: ensuring competitive equity in an environment where financial capabilities vary drastically.

Just as important as revenues is the fan base, the core of the sport, with football remaining the most popular worldwide, counting over 3.5 billion fans and 209 million spectators at European club matches last season (FIFA, 2024). Basketball is next, with around 2.2 billion fans around

the world (Statista, 2024), thanks to the NBA, which plays a key role in promoting basketball's global popularity. As of summer 2025, the league's official Instagram account had reached 90.6 million followers (Instagram, 2025), demonstrating its strong appeal among younger and international audiences. One of the clearest examples of its global impact is China, where about 52% of internet users, estimated between 350 and 450 million people, regularly follow NBA games (S&P Global, 2024). Thanks to this mix of revenues and global fan engagement, professional sport has turned into a high-value industry that affects media, brand economics, and even public opinion.

Two of the most relevant and well-known institutions in this system are UEFA and the NBA. Both generate incredible revenues and attract millions of fans every season, but they are based on completely different governance models. UEFA has a federated and multi-level structure that includes national associations, clubs, and European-level institutions, following principles such as subsidiarity, diversity, and democratic representation. Decision-making power is shared among its members, while UEFA itself acts as a coordinator. The NBA, on the other hand, is a centralized league, privately organized, with a structure based on collective ownership controlled by a Board of Governors that has direct power over teams, rules, and financial decisions.

Given the ongoing globalization, which dissolves boundaries and results in an integrated worldwide sports environment, both UEFA and the NBA are under pressure. Key problems include the revenues concentration among top clubs, the growing financial gap between teams in the same competition and the need to address environmental and social sustainability. In this context, it becomes important to look at how these two organizations manage their governance, their finances and how they respond to such a fast-changing world.

UEFA and the NBA represent two very different models: the first based on the European regulatory tradition and a decentralized structure, the second based on the American corporate system and centralized control. Despite this, they both operate in the same globalized and digital environment, dealing with increased calls for transparency, responsibility, and sustainability.

This thesis tries to identify what each model does well, where it struggles, and what lessons could be learned and possibly applied to improve European football or other global sports systems.

1.2 Problem Statement

Both UEFA and the NBA show commercial success, but they operate within institutional frameworks that are facing growing pressure. For UEFA, a considerable problem is keeping finances fair and competition balanced in a very divided and unequal football environment. The financial strength of clubs like Real Madrid, Manchester City or Paris Saint-Germain reveals the weakness of UEFA's regulatory power, raising many concerns about the sustainability and credibility of its competitions in the future. The unsuccessful launch of the European Super League in 2021, where twelve of the richest clubs attempted to leave UEFA, revealed the instability of the current structure of European football. Even though the project collapsed quickly, the main issues behind it, such as the inequality in revenues distribution, overloaded calendars and increasing power gaps, continue to exist and continue to fuel the conversation for reforms.

UEFA had already tried to address some of these problems with the introduction of Financial Fair Play back in 2011, aiming to limit excessive spending and encourage sustainable management. Many experts and fans believe the system has protected top clubs more than it has helped smaller clubs grow. The latest changes, moving toward a more flexible "teams cost control" model, show that the tension between financial realism and sporting fairness is still very much alive.

By contrast, the NBA operates in a completely different structure: it is a centralized league with strong internal control. The Collective Bargaining Agreement (CBA) defines financial regulations like the salary cap, the luxury tax and revenues sharing to keep costs under control and promote team balance. For the 2024–25 season, the NBA has set the salary cap at \$140.588 million, while the luxury tax kicks in at \$170.814 million (NBA, 2024). Increasingly severe penalties are imposed on teams that exceed these thresholds. This centralized model has also allowed the NBA to close massive media deals, like the recent \$76 billion broadcasting agreement that represents one of the most valuable in sports history. However, this system also comes with some trade-offs: there is no promotion or relegation, expansion is extremely

expensive, and a small group of owners holds most of the power when it comes to decision-making. Meanwhile, new questions are emerging inside the NBA too: how much power should star players have in shaping rosters? How can the league reduce the economic gap that exists between big-market and small-market teams? And how can it keep growing internationally without losing touch with its local fans?

These open questions bring us to the core of this thesis: in what ways do different governance structures, UEFA's federated model and the NBA's centralized one, influence the financial sustainability, the level of competition and the long-term stability of professional sports leagues?

1.3 Research Scope, Objectives and Methodological Approach

This thesis aims to understand how two hugely different governance models, such as UEFA's federated system and the NBA's centralized structure, shape the way professional sports leagues handle resources, control competition and respond to long-term challenges. To explore this comparison, the study is built around three main research questions:

1. What are the main institutional and regulatory features that define each model?
2. How do their financial tools such as salary caps, revenues sharing or financial fair play function in practice and what is the impact of these tools on sustainability, fairness, and competitive balance within the league?
3. Can some elements of one model be adapted or applied to improve the other?

Based on these questions, the thesis sets out four core objectives. First, to describe the structure of each system and explain how decision-making works, including who has the power and which actors are involved. Second, to study how money flows: how it is generated, controlled, and distributed in both leagues. Third, to evaluate the consequences of these choices, especially in terms of competitive balance and financial health. Finally, the goal is to compare the two models and offer ideas that could help guide future reforms especially in European football, where the need for change is becoming more urgent.

From a methodological point of view, this is a qualitative comparative case study. It uses financial reports from both leagues, official documents, academic sources, and expert opinions.

In the final part of the thesis, to help make the comparison more structured and useful, a SWOT analysis will be used to highlight each model's strengths, weaknesses, opportunities, and threats.

The thesis is organized into six chapters. After this introduction, chapter 2 explains the theoretical background, focusing on the literature around governance, financial control, and stakeholder dynamics in professional sport. Chapter 3 focuses on UEFA, looking at how it is organized, how its financial rules work, and what problems it is facing, including the case of the failed European Super League. Chapter 4 shifts to the NBA and analyzes how centralized decision-making, financial rules, and commercial strategies support the league's success and growth. After that, chapter 5 brings together the two case studies and compares them through a comparative analysis that includes the SWOT framework. Finally, Chapter 6 presents the conclusions, key findings and some recommendations for future research and policy development.

2. Theoretical framework

2.1 Governance in professional sports

How organizations handle power and make choices depends a lot on their governance structures. In professional sports, governance refers to the frameworks, institutions, and processes through which decisions are made and organizational objectives are achieved. This includes both the official rules and the unofficial customs, oversight mechanisms, and strategic controls that collectively determine how sports entities operate and evolve.

A review of literature on governance in professional sports leagues offers a deep understanding of the complexities and implications of governance structures and practices. Several scholars have used different theoretical frameworks, such as principal-agent theory and institutional theory, to analyse traditional governance models in sports leagues, shedding light on power dynamics, decision-making processes, and stakeholders' relationships.

In a European survey commissioned by the Council of Europe, Chaker (2004) sets out a framework for good governance based on democratic values and fundamental freedoms. According to his perspective, the pillars of fairness in sport are the presence of individual rights and institutional independence. Table 2.1 summarizes these principles:

Table 2.1. *Good governance principles according to Chaker (2004)*

Freedom of association	Right of individuals and entities to form or join organizations without interference, ensuring pluralism in sport
Freedom of speech	Ability of stakeholders to express their free opinion, without fear of retaliation from sports institutions
Freedom of operation	Sport organizations should have autonomy in managing their internal affairs, in line with democratic values
Transparency	Essential in financial reporting and internal procedures, it allows for external controls and reduces corruption
Independence	Bodies must be free from external political and commercial interests to ensure ethical decision-making
Democracy	Decisions should be made through mechanisms involving all key stakeholders

Sources: Author's elaboration based on Chaker, A.-N. (2004). *Good governance in sport: A European Survey*

One of the most important and structured contributions to the theory of governance in sport comes from the article of Henry and Lee (2004). In their paper, they identify three interconnected perspectives of governance: systemic, democratic, and corporate. Table 2.2 presents their seven fundamental principles of good governance, which together balance ethical obligations with operational effectiveness.

Table 2.2. *Good governance principles according to Henry & Lee (2004)*

Transparency	Clarity in procedures and decisions, especially in resource allocation
Accountability	Sports organizations are not only accountable to financial investors through financial reporting procedures, but also to those who invest other resources in the organization, even when the investment is more emotional than material.
Democracy	Access to representation in decision-making should be available to those who constitute the organization's internal constituencies.
Responsibility	It is necessary for the sustainable development of the organization.
Equity	Fair and equal treatment across gender, disability, and organizational roles
Effectiveness	The definition and monitoring of effectiveness measures with measurable goals.
Efficiency	Reach the objectives with the optimal use of resources, trying to minimize waste

Sources: Author's elaboration based on Henry, I. & Lee, P. C. (2004). *Governance and ethics in sport*, in Beech & Chadwick (Eds.), *The Business of Sport Management*, Prentice Hall

Based on an institutional perspective, Chappelet and Kuber-Mabbott (2008) look at governance in the context of the Olympic system. Their approach emphasizes the legitimacy and ethical responsibilities of international sports organizations. As illustrated in Table 2.3, they consider principles like autonomy, transparency, and social responsibility as the foundations of trust and integrity in global sports governance.

Table 2.3. *Institutional governance dimensions by Chappelet & Kübler-Mabbott (2008)*

Transparency	Clear procedures and traceability of actions that helps prevent corruption and build trust
Democracy	Decisions should reflect equitable representation of the stakeholders in the governance process
Accountability	Institutions are accountable for their actions with mechanisms for sanctions if it is necessary
Autonomy	Organizations must be free from political and external interference
Social responsibility	Should contribute positively to society through environmental sustainability and inclusion

Sources: Author's elaboration based on Chappelet, J.-L. & Kübler-Mabbott, B. (2008). *The International Olympic Committee and the Olympic System*. Routledge

De Zwart and Gilligan (2009) take a sustainability-oriented view of sport governance, connecting organizational structure with ethics and social accountability. Their work introduces practical dimensions summarized in Table 2.4.

Table 2.4. *Principles of sustainable governance by De Zwart & Gilligan (2009)*

Stakeholder identification, consultation, and participation	Systematic identification of the stakeholders and ensuring mechanisms for participation and inclusive decision making
Access to information and timely disclosure of it	Requirement of open and timely communication of valuable information to stakeholders
Fair and ethical decision making and code of conduct	Decisions must be supported by a code of ethics and social responsibility commitments
Principal board responsibilities	BOD must provide strategic direction, ensure financial accountability, and clearly define its role within the organization
Competence and skills of directors	Board members must possess specific skills to perform their duties
Separation of board and management	Governance is better when the BOD and management are clearly delineated and mutually accountable

Sources: Author's elaboration based on De Zwart, F. & Gilligan, G. (2009). *Sustainable Governance in Sporting Organizations*, in Rodríguez et al. (Eds.), *Social Responsibility and Sustainability in Sports*, Universidad de Oviedo

These four models may stress different points, but they all share basic rules for how things should be run, like being open, responsible, and involving everyone who has a stake. Some look at how organizations are run, while others look at keeping things going, doing what is right, or protecting people's rights. Together, they create a solid foundation for exploring governance models in professional sport, particularly the cases of UEFA and the NBA addressed in the following sections.

2.2 Centralized vs. federated league structures

Governance in sport is not only defined by abstract principles, but also by how leagues and institutions are structured. Globally, two dominant models can be identified: centralized leagues, such as the NBA and federated systems, such as UEFA. Understanding these organizational forms is crucial to evaluating how governance operates across different sport contexts.

A centralized league governance model is a structure where a single central authority, typically a commissioner's office, has most of the primary control over all the strategic, financial, and regulatory league decisions. For the NBA this means this authority handles deals with players, enforces salary limits, and manages broadcasting and sponsorship rights. Teams operate as franchises within a closed league and follow the same rules designed to promote financial sustainability, competitive balance, and brand consistency across markets. This top-down structure, common in North American sports leagues, allows for considerable control from the top.

A federated league governance model is a multi-level system in which authority is distributed across various levels: clubs, national organizations, and supranational bodies such as UEFA. This decentralized setup, typical in European soccer, emphasizes subsidiary, organizational plurality, and club autonomy. In this model, clubs maintain significant operational independence, and they compete in open competition formats regulated by national leagues and confederations. UEFA mainly coordinates and regulates, establishing broad rules, but decision-making remains largely influenced by the interests and voting rights of its member associations. Unlike closed North American leagues, federated systems use promotion and relegation which fosters competition but can also generate financial inequality among clubs. While this model supports tradition and local stakeholders' inclusion, it often has trouble enforcing central financial control, especially when international rules conflict with the financial freedom of clubs.

To summarize the key differences outlined above, Table 2.5 provides a comparative overview of centralized and federated governance structures in professional sport. This comparison helps clarify how structural choices affect power distribution, financial control, and stakeholder participation across different league models.

Table 2.5. *Comparative overview of centralized and federated governance structures in professional sport*

Aspect	Centralized Model	Federated Model
Central Authority	Strong central authority	Distributed across clubs and federations
Team Structure	Franchises under unified control	Independent clubs
Competition Format	Closed league with no promotion/relegation	Open competitions with promotion/relegation
Revenues Distribution	Shared revenue	Uneven, largely market driven
Financial Control	Strict controls	Weak central enforcement, national variations
Club Autonomy	Limited; teams follow league rules	High; clubs maintain significant independence
Governance Style	Top-down, standardized decision making	Decentralized, consensus base governance

Sources: Author's elaboration

While both models aim to support competitive sport and financial sustainability, their governance logic differs significantly. These structural contrasts provide a useful lens for interpreting how organizations like UEFA and the NBA make strategic decisions and allocate authority, topics explored in the next chapter.

2.3 Financial sustainability and competitive balance

In professional sports, governance aims to ensure financial sustainability and competitive balance, two related objectives, as a financially stable league supports long term operations while competitive balance keeps fans interested, preserving both sporting integrity and commercial appeal.

Financial sustainability refers to the capacity of sports organizations to manage their finances responsibly and remain solvent, which means keeping costs down, maintaining profitability and being ready for unexpected events like financial crises or pandemics. For example, the top 20 football clubs in Europe generated a record €11.2 billion in income during the 2023-2024 season (Deloitte, 2024), which is 6% higher than the previous year, with Real Madrid alone making over €1 billion. The NBA also reported that total league revenues were about \$10 billion in 2021-2022 (NBA, 2024), recovering from losses caused by the pandemic.

On the other hand, competitive balance reflects the degree of equality between teams in a league and research confirms that greater outcome uncertainty promotes fan engagement and increases revenues opportunities (Parent & Hoyer, 2018). In closed leagues like the NBA, centralized financial systems including salary caps and revenue-sharing mechanisms, help maintain a relatively even competitive field, while in contrast, open leagues such as those under UEFA operate on market-driven finances, which often result in significant performance disparities.

Finding an equilibrium between sustainability and competitive balance represents a governance challenge. Closed systems can enforce financial discipline but may restrict club freedom, while open systems permit strategic freedom at the cost of economic inequality. Various regulatory instruments, including revenues sharing, salary caps, and Financial Fair Play, are thus deployed to reconcile these goals. Their comparative analysis will follow in Section 2.4, setting the stage for a deeper examination of how UEFA and the NBA implement these tools in Chapters 3 and 4.

2.4 Revenues sharing, salary cap, and financial fair play

Sports leagues use different economic governance tools to achieve financial sustainability and competitive balance. Some of the most famous implemented methods are revenues sharing, salary caps, and financial fair play regulations. These instruments are created to prevent excessive financial inequality, avoid club insolvency, and ensure that no single team gains a disproportionate advantage based on its economic power.

One of the most used mechanisms for promoting financial equity, used in centralized leagues such as the NBA, is revenues sharing. It is a financial redistribution mechanism through which higher earning teams share a portion of their revenues with lower earning teams to promote competitive balance and financial stability across the league. It primarily redistributes local revenues, such as ticket sales, broadcasting rights, and sponsorship. Under the most recent Collective Bargaining Agreement CBA, teams contribute a fixed percentage of eligible revenues into a central pool, which is then reallocated to help small market teams remain competitive. According to the NBA's revenues sharing plan updated in 2011 and refined under the 2017 and 2023 CBA's, the system aims to ensure at first that every team can at least break even financially regardless of market size, then that competitive equity is preserved alongside salary cap

enforcement, another method used to manage franchises expenditures since it limits what teams can spend on player salaries in a specific season. This cap is set each year based on expected Basketball Related Income (BRI) and aims to ensure competitive balance and financial sustainability across franchises and serves as a deterrent to excessive spending. If a team goes over this limit, the league imposes a luxury tax, a progressively increasing tax applied to each dollar spent over the threshold; the revenues collected from this tax are either redistributed among teams not paying the tax or allocated to league initiatives. The NBA announced that the salary cap for the 2023-24 season was \$136 million, with a luxury tax threshold of \$165 million (NBA, 2024). Figure 2.1 indicates that the NBA salary cap has been in consistent growth over the past decade, reflecting both rising revenues and the league's commitment to structured cost control. Current predictions suggest the cap will rise around \$140 million in the 2024-2025 season, but this number is not definitive.

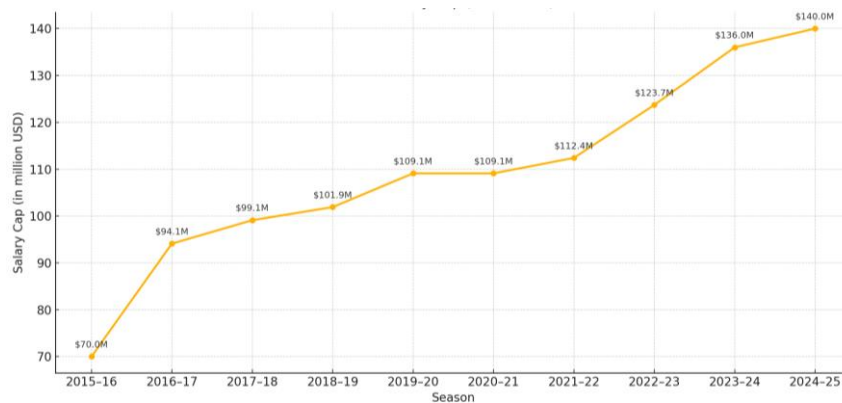


Figure 2.1. Evolution of the NBA salary cap (2013–2025)

Sources: Author's elaboration based on NBA official data (2024)

In federated systems like UEFA's football administration, it is harder to impose centralized financial control due to the autonomy of national leagues and clubs. UEFA redistributes earnings from its international competitions, the UEFA Champions League, but allocation is based on club performance, market pool, and historical success. Because of this, top clubs continue to generate significantly more money: for example, Manchester City made €134 million from the Champions League in 2022–23 (UEFA, 2024), while some group-stage participant teams got less than €20 million. As illustrated in Figure 2.2, the UEFA Champions League total annual revenues increased significantly from approximately €1.5 billion in 2014–15 to €3.5 billion in the 2023–24 season (UEFA, 2024), and despite a temporary decline during

COVID-19 pandemic in 2019-20 and 2020-21, the overall trajectory underscores the league's financial resilience and the increasing commercial value of elite European football.

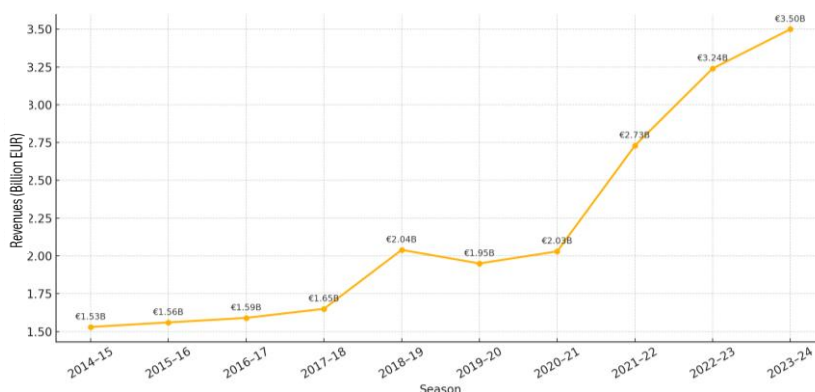


Figure 2.2. UEFA Champions League revenues growth (2014–2024)

Sources: Author's elaboration based on data from UEFA, *Financial Reports 2023/24*

UEFA introduced Financial Fair Play (FFP) in 2011 to fix financial instability and excessive spending, initially requiring clubs to break even over a three-year assessment period, meaning they could not spend more than the amount they earned. Clubs in non-compliance with the rules faced sanctions like fines, transfer bans, and exclusion from UEFA competitions, as seen in high-profile cases involving Manchester City and Paris Saint-Germain, although some decisions were later changed by the Court of Arbitration for Sport (CAS).

In 2022, UEFA revised its approach by introducing the “Financial Sustainability Regulations”; the break-even rules were replaced with three key principles: solvency, stability, and cost control. Clubs are now limited to spending a maximum of 70% of revenues on wages and transfers, with gradual implementation over several years, aiming to encourage better financial management while still allowing clubs to invest responsibly.

While both systems pursue similar goals, their governance logic differs. The NBA's centralized and enforceable tools have produced relatively balanced competition and controlled club finances. UEFA's more decentralized approach has had mixed success: while some clubs have improved transparency and spending behaviour, the structural dominance of wealthy clubs remains largely unchanged. These tools reveal deeper philosophical differences between league models: strict regulatory enforcement in centralized systems versus guided self-regulation in federated structures.

3. UEFA case study

3.1 Historical background and organizational structure

The Union of European Football Associations is the European governing body of football, representing 55 national associations. Established in 1954, with headquarters in Nyon, UEFA operates as a non-governmental organization under Swiss civil law, and it is recognized by FIFA as one of six continental confederations. It is responsible for the organization and regulation of international competitions across Europe, including the well-known UEFA Champions League and UEFA European Championship. As mentioned before, UEFA's governance is structured in a federated and multi-level way, reflecting the broader European tradition of subsidiarity and institutional plurality (Hunter, 2025). Decision-making authority is distributed across different statutory and executive bodies through a setup that allows national associations, clubs, and other stakeholders to participate in defining UEFA's regulatory, financial, and strategic plans.

In its organizational structure, there are five institutional bodies with different and specific core functions reported here:

- The Congress is UEFA's main legislative body, composed of presidents and general secretaries from all the 55 member associations. It convenes at least yearly and holds the power to elect the UEFA President and the members of the Executive Committee every four years. Other important duties are the approval of annual budgets, the appointment of the external auditors, and voting on amendments to the statutes (UEFA, 2024).
- The Executive Committee is the highest executive and regulatory body in the structure, elected by the Congress for four-year terms. It oversees UEFA's major strategic operations, including competition formats, distribution of revenue, approval of the annual business plan, examination of the annual report, and the interpretation of statutes. The committee usually meets four times per year; the President convenes it and there is a quorum of more than half of its voting members (UEFA, 2024).
- The President, elected every four years currently, plays a crucial diplomatic and symbolic role and holds tie-breaking power in Executive Committee decisions. Since 2016, the position has been held by the Slovenian Aleksander Čeferin, who is

responsible for UEFA's relation with FIFA, the members, and the political bodies (UEFA, 24).

- 19 expert committees (financial, compliance, referees, and others) provide specialized oversight and recommendations on financial management, regulatory compliance, ethics, legal affairs, and disciplinary procedures (UEFA, 2024).
- The Administration is headed by the General Secretary (currently Theodore Theodoridis), and it is responsible for day-to-day business of running European football's governing body (UEFA, 2024).

This organizational structure appears to embody a delicate attempt to balance representativeness with efficiency, yet it inevitably produces a highly complex framework. Although national associations are formally included in UEFA's governance, the concentration of technical and managerial authority in specialized committees and administrative bodies raises persistent doubts about the actual distribution of power within the system. In recent years, this imbalance has generated significant problems and tensions between UEFA and leading clubs, tensions that culminated in the 2021 attempt to create the European Super League, a case that will be examined in the following sections.

3.2 Financial fair play: objectives and limitations

As already discussed in Chapter 2, Financial Fair Play (FFP) is one of UEFA's most prominent financial governance tools, introduced with the ambition of controlling club finances in its competitions through a logic comparable to the salary cap used in North American leagues. The first formulation of this rule was launched in 2011 with a clear objective: improving the overall financial health of European football. Yet the very context in which it emerged was already defined by structural excesses: unsustainable levels of spending, escalating debt, and recurrent insolvency cases that exposed the fragility of the system. Far from being temporary anomalies, these dynamics reflected long-standing vulnerabilities in the European football economy, vulnerabilities that, more than a decade later, continue to challenge both the stability of individual clubs and the credibility of UEFA's flagship competitions. This makes it legitimate to question whether the regulatory intervention was ever equipped to solve the underlying issues it set out to address.

The structure of Financial Fair Play has undergone a gradual evolution over time. Initially, the regulatory framework was built around the break-even requirement, which obliged clubs to balance relevant football-related income and expenditure over a rolling three-year assessment period (UEFA, 2012). Only certain categories of income and costs were considered in this calculation: on the revenues side, matchday income, broadcasting rights, commercial activities, and UEFA prize money were included, while non-football revenues were excluded. On the cost side, player wages, transfer amortisations, and operating expenses were counted, whereas investments in youth development, women's football and infrastructure were deliberately exempt in order to encourage long-term growth in these sectors. Conceived in this way, the system reveals evident flaws, as it remains closely tied to UEFA's revenues distribution model. In doing so, Financial Fair Play has never been able to correct the structural inequalities of European football; on the contrary, it has often accentuated them. The reason is straightforward: the clubs that already earn more thanks to their participation and progression in the most lucrative competitions, find it significantly easier to comply with the rules, even while sustaining high levels of expenditure. Smaller clubs, by contrast, are structurally disadvantaged, as their limited revenues opportunities make it difficult to compete without risking a breach of the regulations (Storm & Nielsen, 2012).

In response to these shortcomings, UEFA launched a comprehensive reform in 2022, replacing the break-even rule with the Financial Sustainability Regulations (UEFA, 2022). The new framework is structured around three pillars:

- Solvency, requiring timely settlement of liabilities.
- Stability, imposing limits on acceptable aggregate losses.
- Squad cost control, which gradually caps spending on wages, transfers, and agent commissions to 70% of club revenues by the 2025/26 season (with transitional thresholds of 90% in 2023/24 and 80% in 2024/25) (UEFA, 2022).

The implementation of this framework was entrusted to the Club Financial Control Body (CFCB), an independent UEFA organ charged with monitoring compliance and applying sanctions when necessary. The range of these sanctions is wide, from warnings and fines to more severe measures such as restrictions on player registrations, squad size limitations, withholding of prize money and, in extreme cases, exclusion from UEFA competitions.

Yet, despite the reforms designed to enhance clarity and enforceability, significant structural challenges persist. The revised framework may be more flexible in certain aspects, but it continues to rely on club revenues as the fundamental benchmark for cost control. This design choice inevitably benefits wealthier clubs, which can operate with far greater absolute spending power than their smaller counterparts. In practice, FFP and its successor regulations regulate the how of financial management, but they leave untouched the far more decisive question of how much revenues clubs are able to generate within UEFA's current distribution model. As media markets evolve and financial disparities widen, the true effectiveness of these rules will depend not only on the rigor of enforcement but, more crucially, on UEFA's willingness to confront the deeper structural imbalances that define today's European football economy.

3.3 Revenues generation and distribution mechanism

The limitations of FFP highlighted in the previous section derive not only from its regulatory design but also from its dependence on the system through which UEFA generates and distributes revenues. Understanding how UEFA creates and allocates financial resources is therefore essential, since these mechanisms directly shape both the sustainability of clubs and the competitive balance of European football. Within this research, the analysis is divided into two steps: in the first one, the structure and composition of UEFA's income streams will be examined, while in the second step, the mechanisms and rationale behind their redistribution will be explored. In this way, the study captures both sides of the same coin, generation and allocation, whose interaction ultimately defines the organisation's institutional logic and sets the stage for the KPI framework developed in the next section.

As a first step in this thesis, UEFA's revenues were categorised by nature, based on official financial data published by the organisation in its annual financial report. This classification was used to understand which areas contribute most significantly to UEFA's overall income and to highlight the relative weight of each revenues stream within its broader economic model. Media can be defined as the backbone of this financial model because is by far the most significant stream, generating €4,956.8 million, approximately 73% of UEFA's total revenues. This is possible thanks to the global visibility and popularity of events like the Champions League and Euro 2024, which gives UEFA a strong negotiating power, allowing the organization to obtain premium broadcasting contracts across a wide range of markets. The dominant weight of media

income is clearly reflected in Figure 3.1, which displays the breakdown of UEFA revenues by nature.

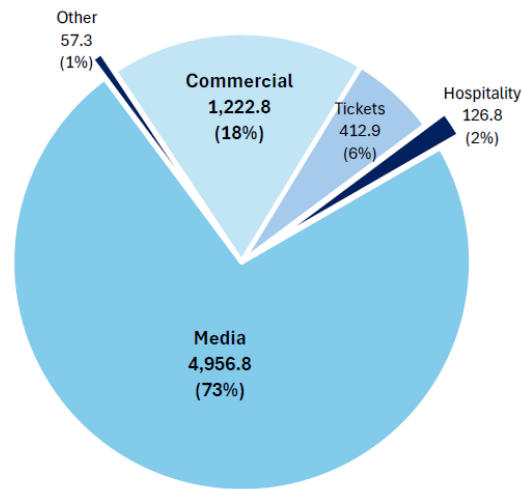


Figure 3.1. *Composition of UEFA's revenues by nature (€m), season 2023-24*
Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*, p. 8

Commercial rights are clearly secondary to media income, but they play an essential role in the financial balance of UEFA's model, providing stability through long-term corporate partnership. They, comprising sponsorships, brand licensing, and related agreements, contributed €1,222.8 million, accounting for 18% of total revenues. By contrast, ticketing and hospitality packages had a more marginal impact, generating €412.9 million (6%) and €126.8 million (2%) respectively. The “Other” category, encompassing minor and non-recurring sources such as fines, license fees, and administrative revenues, added just 1% to the total.

With the data provided by UEFA, it is also possible to observe how these revenues were generated across the different competitions. As could easily be anticipated, and illustrated in Figure 3.2, the Champions League generates the largest portion of revenue, closely followed by EURO 2024, which, however, must be considered as a competition that takes place only once every four years. The other competitions, by contrast, contribute significantly less.

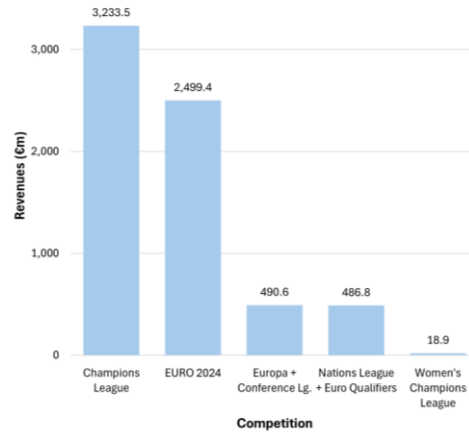


Figure 3.2. Composition of UEFA's revenues by competition (€m), season 2023-24
Source: Author's elaboration based on data from UEFA, *Financial Report 2023/24*, p. 9

Generating over €3.2 billion and €2.5 billion respectively, the Champions League and EURO 2024 together accounted for more than 90% of UEFA's total income, confirming that they are the organisation's flagship products. In contrast, competitions such as the Europa League, Conference League, Nations League, and the Women's Champions League generated far smaller revenues, each contributing under €500 million, with the latter accounting for just €18.9 million.

Is then possible and useful to explore how these revenues are composed. Figure 3.3 presents a stacked bar chart that breaks down the income of each competition by revenues category.

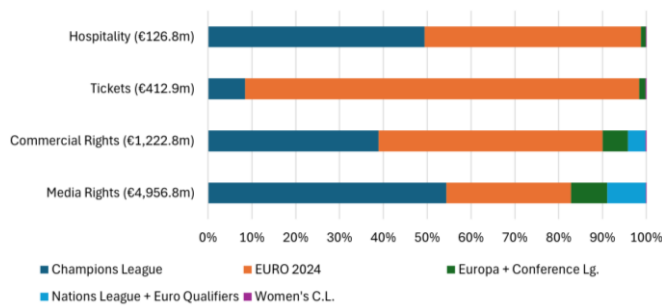


Figure 3.3. Distribution of UEFA's revenues by competition within each revenues stream (%), season 2023-24
Source: Author's elaboration based on data from UEFA, *Financial Report 2023/24 – Annex*, p. 15-16

The chart above reveals how UEFA's different competitions contribute to each main revenues stream. In particular, the Champions League and EURO 2024 account for the largest shares across all categories, confirming, as said before, their status as the organisation's key financial pillars since they dominate all the different sources of revenues. All the diverse sources of income present a similar structure, except for the ticket one, where EURO 2024 contributes with

a greater share than the Champions League. This discrepancy stems from the fact that, although the Champions League attracts high attendance across numerous fixtures, ticket revenues are primarily retained by the individual clubs hosting the matches, while in tournaments like EURO 2024, UEFA exercises full control over ticketing operations, enabling the organisation to capture a significantly larger portion of this income stream. On the other hand, second-tier tournaments such as the Europa and Conference League or the Nations League, appear to play a relatively minor role in UEFA's overall revenues mix, contributing only modestly across all streams. This composition reflects the substantial commercial leverage and global reach of UEFA's top-tier events.

From data it becomes evident that UEFA's revenues are far from evenly spread across its competitions, but there are some tournaments that emerge as foundational pillars of the organisation's financial architecture, while others contribute only marginally. This uneven distribution reveals a model heavily reliant on a few high-performing events which sustain the organisation's overall income, while lower-yield tournaments, despite their limited financial returns, are still maintained, pointing to a broader institutional logic beyond pure profitability.

This pronounced concentration of value around a handful of assets highlights UEFA's structural dependence on broadcasting as its primary revenues stream and points to potential vulnerabilities in the face of changing media consumption and market volatility. Already at this stage, before delving into the KPI-based framework presented in the following section, it is possible to identify underlying tensions in UEFA's financial model, where commercial concentration must be reconciled with the organisation's broader institutional mission and long-term sustainability.

In parallel with revenues generation, the distribution of financial resources to participating clubs and national associations constitutes the second pillar of UEFA's economic model. This mechanism embodies the organisation's solidarity principles, ensuring that the financial benefits derived from its competitions are shared across the broader European football ecosystem. As illustrated in Figure 3.4, which compares revenues and distribution by competition for the 2023/24 season, notable differences emerge in the scale and proportion of allocations. The UEFA Champions League recorded €3.5 billion in revenues and €2.17 billion in distribution, reflecting a balance between maintaining operational surplus and delivering substantial financial

returns to clubs. EURO 2024, by contrast, redistributed only €331 million against revenues exceeding €2.5 billion, an outcome consistent with its centralised commercial model and more limited redistribution obligations.

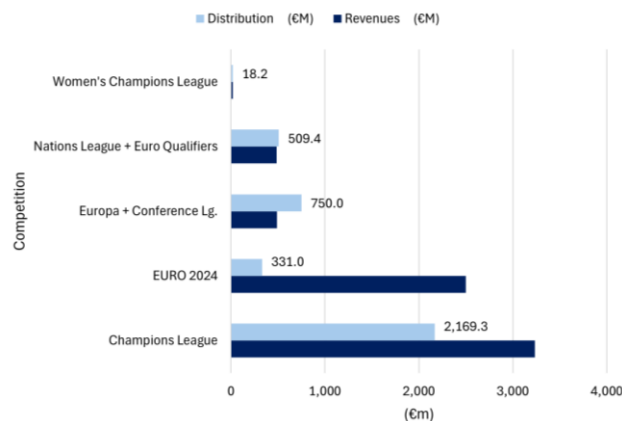


Figure 3.4. *UEFA's revenues vs distribution by competition (€m), season 2023-24*
Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*, p. 10

Secondary competitions such as the Europa League and Europa Conference League together redistributed €750 million, exceeding their combined revenues, indicating their role as solidarity-oriented platforms rather than profit generators. The Nations League shows a similar pattern, with €509.4 million in distributions despite relatively modest revenues, thereby supporting the visibility and competitiveness of national team football. Even the Women's Champions League, with revenues of just €18.2 million, channels distributions in line with UEFA's strategic aim of fostering the women's game.

Over time, as illustrated in Figure 3.5, UEFA's total revenues and distributions have shown a broadly correlated upward trajectory between 2016/17 and 2023/24, though with fluctuations linked to major events and external shocks. Peaks in 2020/21 and 2023/24 correspond to the staging of the European Championship, while the drop in 2019/20 reflects the impact of the COVID-19 pandemic. Distributions generally follow revenues trends but with moderated variation, indicating a proportional yet strategically managed allocation policy.

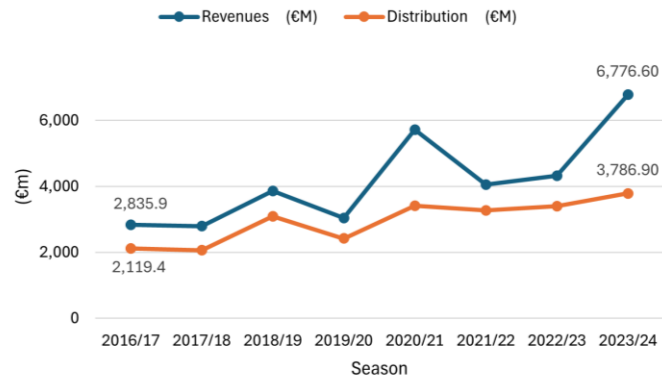


Figure 3.5. Revenues and distribution evolution over time

Source: Author's evolution based on data from *UEFA, Financial Report*, p. 9-10

Taken together, the revenues and distribution patterns reveal a financial architecture that is both powerful and fragile. On one hand, UEFA has succeeded in building a model capable of generating enormous resources and redistributing a significant share of them, thus reinforcing its legitimacy as Europe's governing body. On the other hand, the system remains disproportionately dependent on a handful of premium competitions while secondary tournaments contribute only marginally. This asymmetry consolidates UEFA's commercial strength but simultaneously concentrates risk, leaving its financial stability exposed to market volatility, changing media consumption, or potential disruptions in its flagship events. The data also highlight a paradox: competitions that generate less revenues often redistribute more in relative terms, signalling a deliberate solidarity-oriented logic but also raising questions about the long-term balance between profitability, equity, and institutional credibility. In this tension lies one of the central challenges of UEFA's economic governance, a challenge that will inevitably shape the future of European football.

3.4 Assessing the financial sustainability of UEFA competitions: a KPI perspective

This section assesses both the profitability and the redistributive logic of UEFA's tournaments by applying five key performance indicators (KPIs): net profit, return on investment (ROI), redistribution ratio, marginal distribution efficiency (MDE), and revenues per match. These indicators were identified as the most appropriate to look at UEFA's dual mission: being commercially successful and promoting solidarity and competitive balance across Europe.

To evaluate the financial sustainability of UEFA's competitions, two levels of net profit estimation were conducted. The first "operational" estimate considers only direct financial flows, including the revenues generated by each tournament, the distributions made to clubs or national associations and the direct event-related costs (e.g., refereeing, match organisation, and logistics). This operational approach reflects UEFA's own reporting structure, which separates general and administrative costs from competition-specific results.

In formulaic terms, net profit is calculated as:

$$\text{Net Profit} = \text{Revenues} - (\text{Distributions} + \text{Competition Costs})$$

Table 3.1 and Figure 3.6 present the outcome of this first level of analysis. It confirms that the UEFA Champions League and EURO 2024 are by far the most profitable competitions in absolute terms. Conversely, all the other competitions operate at a loss, even when only direct costs are taken into account. This suggests that, once administrative costs are also included, the situation is likely to be more unfavorable.

Table 3.1. *Estimated net profit of UEFA's competitions (€m), season 2023-24*

Competition	Revenues (€m)	Distributions (€m)	Competition Costs (€m)	Estimated Net Profit (€m)
Champions League	3,233.5	2,169.3	207.2	857.0
Europa + Conference Lg.	490.6	750.0	115.4	-374.8
EURO 2024	2,499.4	331.0	627.8	1,540.6
Women's Champions League	18.9	18.2	18.3	-17.6
Nations League	486.8	509.4	57.7*	-80.3

*Unlike other competitions, UEFA does not disclose a stand-alone "competition cost" for the Nations League. Accordingly, the figure shown here is an indicative estimate reconstructed as Total expenses – Distributions (567.1 – 509.4 = 57.7 €m). It should be interpreted as an approximation used to preserve KPI comparability rather than as an exact cost for the Nations League alone.

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*



Figure 3.6. *UEFA's net profit by competition (€m), season 2023-24*

Source: Author's elaboration based on data from the previous table

The inclusion of UEFA's general and administrative expenses of €280 million (UEFA, 2024) in the second profit estimation reflects an analytical decision to account for structural overheads (staffing, infrastructure, and professional services) that are essential to the organisation's operations. For this reason, they have been proportionally distributed across competitions based on each tournament's share of total revenues. By contrast, broader institutional expenditures such as development programs or regulatory activities that cannot be reasonably attributed to a specific event were excluded from the analysis to preserve methodological consistency and avoid distorting the comparative results.

In formulaic terms, this second version of net profit is calculated as:

$$\text{Net Profit} = \text{Revenues} - (\text{Distributions} + \text{Competition Costs}) - \text{Allocated Administration Costs}$$

Table 3.2 presents the updated net profit estimates under this full-cost model. As expected, the inclusion of general expenses significantly reduces the net profitability of each event. The Champions League remains highly profitable (estimated at €722.4 million), while EURO 2024 continues to deliver the strongest relative return, even when accounting for overheads. The losses of the Europa League, Conference League, and Nations League deepen further.

Table 3.2. *Estimated net profit of UEFA's competitions with general and administrative expenses (€m), season 2023-24*

Competition	Revenues (€m)	Distributions (€m)	Competition Costs (€m)	Allocated Admin Costs (€m)	Estimated Net Profit (€m)
Champions League	3,233.5	2,169.3	207.2	134.6	722.4
Europa + Conference Lg.	490.6	750.0	115.4	20.4	-395.2
EURO 2024	2,499.4	331.0	627.8	104.0	1,436.6
Women's Champions League	18.9	18.2	18.3	0.8	-18.4
Nations League	486.8	509.4	57.7	20.3	-100.6

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*

These results reflect structural differences in revenues potential, cost intensity, and brand value among UEFA's competitions. The UEFA Champions League leads in profitability thanks to its global commercial appeal, driven by premium broadcasting contracts, major sponsorship and a competitive format with elite clubs and knockout drama that consistently sustains global interest and maximises both media rights and matchday income. EURO 2024, despite being held only every four years, generates exceptional profit because it concentrates massive media value into a compact event. Unlike club tournaments, all commercial revenues are centralized and controlled by UEFA, with limited redistribution obligations compared to the Champions League. In contrast, the Europa League and Conference League lack comparable commercial power, as their participation by less globally known clubs results in less lucrative broadcasting deals and more limited fan engagement. Relatively high operational costs, driven by the number of fixtures and broad geographic reach, further contribute to financial inefficiency. The Nations League and European Qualifiers, on the other hand, serve more strategic and sporting purposes than commercial ones, with limited audience appeal and weaker sponsorship visibility leading to low revenues despite considerable organisational effort and cost.

While net profit highlights absolute performance, ROI shifts the focus to efficiency, showing how well each euro of cost translates into financial return. It is calculated in this way:

$$\text{ROI} = \text{Net Profit} / \text{Total Estimated Costs}$$

The results, summarized in Table 3.3 and Figure 3.7, confirm the outstanding financial performance of EURO 2024 (ROI of 161%) and the Champions League (36%), while secondary competitions post negative returns. In this case, profit was calculated without including

administrative costs, with the awareness that the result would remain unchanged even if administrative expenses were taken into account.

Table 3.3. *Estimated ROI of UEFA's competitions (%), season 2023-24*

Competition	Revenues (€m)	Total Estimated Costs (€m)	Estimated Net Profit (€m)	ROI
Champions League	3,233.5	2,376.2	857.0	36%
Europa + Conference Lg.	490.6	865.4	-374.8	-43%
EURO 2024	2,499.4	958.8	1,540.6	161%
Women's Champions League	18.9	36.5	-17.6	-48%
Nations League + Euro Qualifiers	486.8	567.1	-80.3	-14%

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*

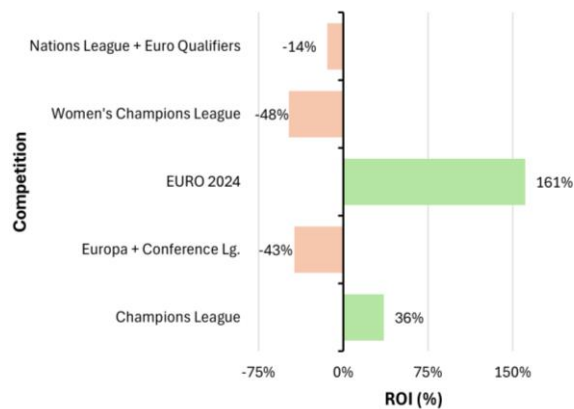


Figure 3.7. *UEFA's ROI by competition (%), season 2023-24*

Source: Author's elaboration based on data from the previous table

Yet profitability alone cannot capture UEFA's governance logic. The third indicator, Redistribution Ratio, sheds light on the organization's solidarity function, and it is computed to evaluate the share of revenues redistributed to participating clubs or associations through prize money or direct payments with this formula:

$$\text{Redistribution Ratio} = \text{Distribution} / \text{Revenues}$$

As reported in Table 3.4 and illustrated in Figure 3.8, several tournaments, including the Europa plus Conference League and the Nations League plus the European qualifications, show redistribution levels above 100%, meaning UEFA's purpose lies not in commercial gain but in promoting financial solidarity. By contrast, the Champions League redistributed 67.1% of its

revenue, striking a balance between financial performance and equitable return. EURO 2024, on the other hand, showed a much lower redistribution ratio of just 13.2%, highlighting its clear focus on commercial profitability.

Table 3.4. *Estimated Redistribution rate of UEFA's competitions (%), season 2023-24*

Competition	Revenues (€m)	Distributions (€m)	Redistribution Ratio
Champions League	3,233.5	2,169.3	67.1%
Europa + Conference Lg.	490.6	750.0	152.9%
EURO 2024	2,499.4	331.0	13.2%
Women's Champions League	18.9	18.2	96.3%
Nations League + Euro Qualifiers	486.8	509.4	104.6%

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*

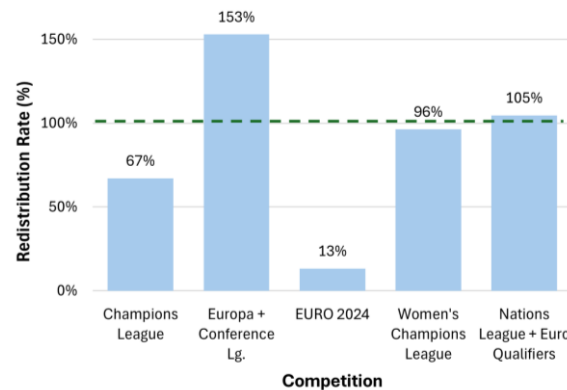


Figure 3.8. *UEFA's redistribution rate by competition (%), season 2023-24*

Source: Author's elaboration based on data from the previous table

Redistribution can also be assessed in relative terms, through Marginal Distribution Efficiency (MDE), which evaluates how efficiently competition-related expenses are channeled back to participating teams. It is computed with this formula:

$$\text{MDE} = \text{Distributions} / \text{Total Costs}$$

As shown in Table 3.5 and Figure 3.9, the Europa League, Conference League, and Nations League display high MDE values, above 0.85, indicating that a large share of their total costs translates into direct financial support. In contrast, EURO 2024 recorded a much lower MDE of 0.35, reflecting the substantial portion of its expenditure absorbed by internal logistics, branding, and event organisation.

Table 3.5. *Estimated marginal distribution efficiency of UEFA's competitions (%), season 2023-24*

Competition	Distributions (€m)	Total Estimated Costs (€m)	MDE
Champions League	2,169.3	2,376.2	0.91
Europa + Conference Lg.	750.0	865.4	0.87
EURO 2024	331.0	958.8	0.35
Women's Champions League	18.2	36.5	0.50
Nations League + Euro Qualifiers	509.4	567.1	0.90

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*



Figure 3.9. *UEFA's MDE rate by competition (%), season 2023-24*

Source: Author's elaboration based on data from the previous table

Finally, revenues per match provide a perspective on the commercial intensity of each competition, revealing structural differences between seasonal and occasional events. This KPI has been calculated by dividing total revenues by the number of matches played and it is useful to understand the monetization intensity of each competition. Table 3.6 and Figure 3.10 reveal that EURO 2024 leads by far, generating nearly €49 million per match, while longer and less attractive competitions like the Europa Leagues and Conference Leagues make much less. This further underlines the unique commercial status of major international events compared to seasonal club competitions.

Table 3.6. *Estimated revenues per match of UEFA's competitions, season 2023-24*

Competition	Revenues (€m)	Number of Matches	Revenues per Match (€m)
Champions League	3,233.5	137	23.60
Europa + Conference Lg.	490.6	282	1.74
EURO 2024	2,499.4	51	49.01
Women's Champions League	18.9	61	0.31
Nations League + Euro Qualifiers	486.8	258	1.89

Source: Author's elaboration based on data from *UEFA, Financial Report 2023/24*



Figure 3.10. *UEFA's revenues per match by competition (%), season 2023-24*

Source: Author's elaboration based on data from the previous table

Taken as a whole, the analysis of the five selected KPIs sheds light on the dual nature of UEFA's approach to financial governance. The Champions League and EURO 2024 stand out for their exceptional profitability, high ROI, and outstanding revenues per match. These competitions are structured to prioritise commercial value, leveraging global visibility to secure premium media rights and sponsorship agreements. Despite their profit-oriented design, in particular Champions League still maintains a degree of financial redistribution, which allocates a significant portion of its revenues back to participating clubs (67,1% of the revenues).

In contrast, analysing less attractive competitions such as the Europa League, Conference League, and Nations League, they show weak financial performance; in fact, they operate at a loss, with negative ROI and low revenues per match. Despite this, they achieve high scores in redistribution ratio and marginal distribution efficiency, indicating that a substantial share of their limited resources is effectively directed to participating clubs. These figures suggest that, while these competitions lack commercial appeal, they are efficient instruments for

redistributing value within the football pyramid. Rather than being marginal products, they appear to serve a structural function in UEFA's model, reinforcing participation, competitive diversity, and access at the continental level.

The variation in performance across the five KPIs seems to reflect a deliberate trade-off between profitability and redistribution, with UEFA appearing to adapt its economic approach according to the strategic purpose of each competition. Main events sustain the financial engine of the organisation, while secondary competitions support the legitimacy and inclusiveness of the overall system. In this light, the financial underperformance of certain tournaments should not be interpreted as institutional inefficiency, but rather as an intentional outcome of UEFA's broader policy framework. The data appears to reflect a conscious governance model in which commercial success and redistributive solidarity are not opposing forces, but complementary elements. This integrated approach helps maintain a more balanced football ecosystem across Europe, one that includes not only elite clubs and markets, but also smaller federations and emerging teams.

3.5 The European Super League crisis: causes, dynamics, and implications

This final section looks at what was probably one of the biggest governance crises UEFA had to face in recent years. In 2021, at a time when the organisation was still dealing with the consequences of the COVID-19 pandemic that were visible not only in the structure of competitions but also in terms of revenues, UEFA suddenly had to face a completely new challenge. On the evening of 18 April, the creation of the European Super League (ESL) was officially announced, a new continental competition whose declared goal was to rival UEFA, and especially the Champions League, both in scale and in prestige, while operating completely outside UEFA's control (European Super League Company, 2021). The project was launched by twelve of the most powerful and wealthiest European clubs: Real Madrid, FC Barcelona, Atlético Madrid, Manchester United, Manchester City, Liverpool, Chelsea, Arsenal, Tottenham Hotspur, Juventus, AC Milan, and Inter Milan, known as the "founding clubs". The proposed format was based on a closed-league model in which these founding clubs would have guaranteed access every season, while only five more teams could join through a merit-based qualification system.

Behind the announcement and creation of the ESL there were not only explicit economic motivations. From the economic perspective, in the official documents of the project, the founding members openly criticised the revenues distribution model used by UEFA, arguing that it failed to adequately reward their contribution as the clubs with the greatest global appeal. According to their perspective, UEFA's system underestimated the actual value they contributed to its competitions, particularly in terms of broadcasting audiences, sponsorship interest, and brand visibility. Their main criticism was directed at the mechanism through which UEFA allocated part of the broadcasting revenue, based on the proportional value of each domestic television market (UEFA, 2023). This meant that clubs from larger and more lucrative markets received a disproportionately higher share of revenues compared to clubs from smaller ones, even when achieving identical sporting results. Such a model, while commercially rational from UEFA's standpoint, ultimately created a structure that reinforced financial disparities and systematically favoured certain leagues over others.

By establishing a closed-league structure with guaranteed participation for its founding clubs, the ESL aimed to secure predictable, high-level revenues insulated from the financial volatility of competitive qualifications and from distribution rules. Projections at the time suggested that founding clubs could expect guaranteed annual revenues in the range of €200–250 million, irrespective of on-field performance, compared to the typical €50–120 million earned by top-performing teams in the UEFA Champions League (PwC, 2021).

A closer look suggests that the creation of the Super League also reflects deeper structural frictions within the governance of European football. UEFA's solidarity-based redistribution system, while essential for preserving competitive balance across the continent, inherently clashes with the revenue-maximising ambitions of elite clubs that operate as global commercial brands. In light of this analysis, the ESL can also be interpreted as an explicit attempt by these clubs to redefine the balance of power, shifting control from a federation-led governance model to a club-led one. This hypothesis acquires even greater credibility when considering that the initiative did not originate from financially distressed or lower-tier teams, but from clubs with some of the most stable and substantial revenues streams in world football, suggesting that the driving force behind the project was the pursuit of strategic control rather than mere economic survival.

From a broader governance perspective, some of the motivations behind the creation of the Super League can also be traced back to the framework of Financial Fair Play discussed earlier. For several top clubs, UEFA's rules were not perceived as a neutral instrument of sustainability, but rather as an obstacle that limited their ability to fully monetise their brand power and attract fresh sponsorship and investment, ultimately constraining growth instead of enabling it. The logic of the ESL was therefore not only about securing more predictable revenues, but also about escaping an external authority capable of imposing rules that restricted their financial strategies. By moving towards self-regulation, the founding clubs sought to design their own framework, choosing one that would provide them with far greater autonomy in spending and investment decisions.

In the hours immediately following the announcement of the Super League, the reaction was swift and uncompromising. Football institutions at every level, supported by the political sphere, responded with a united front, condemning the initiative in its entirety and threatening to exclude both the participating clubs and their players from all competitions, including domestic leagues, continental tournaments and even the FIFA World Cup. The most striking element, however, was the mobilisation of English fans, who strongly opposed the project and framed it as a direct attack on the fundamental principles of the sport. Under such unprecedented pressure, the project collapsed almost immediately: within just 48 hours of its creation, nine of the twelve founding clubs had formally withdrawn, leaving only Real Madrid, FC Barcelona, and Juventus still aligned with the initiative, an increasingly fragile alliance that was further undermined in July 2023 when Juventus officially withdrew, reducing the ESL project to little more than a symbolic remnant carried forward by the two Spanish clubs in search of a restructured version of the plan.

The Super League episode provided UEFA with the opportunity to fast-track changes to the Champions League format that had already been planned. Under the revised structure, the traditional group stage is replaced by a single-league phase, with the number of participating clubs increasing from 32 to 36 and the total number of matches rising from 125 to 189 per season (UEFA, 2022). Although UEFA has yet to release official figures, preliminary estimates suggest that this expansion could increase commercial revenues from approximately €3.5 billion in the 2023–24 season to around €4.6–4.8 billion (KPMG Football Benchmark, 2022). The addition

of 64 extra fixtures provides more broadcasting content to rights holders, enabling UEFA to command higher fees during negotiations. On the distribution side, the reform was explicitly designed to increase prize money for participating clubs, with projections indicating that the Champions League revenues pool could rise by 30–35% (UEFA, 2023).

In conclusion, the ESL crisis cannot be dismissed as a failed experiment but rather should be understood as a revealing stress test for UEFA's governance model. It highlighted the fragility of the balance between UEFA's dual mission of promoting solidarity and safeguarding competitive access on one side and responding to the commercial ambitions of its most influential stakeholders on the other. The episode demonstrated that the financial model underpinning European football remains contested, and that the legitimacy of UEFA's authority depends not only on its ability to generate revenues but also on its capacity to distribute them in a way that keeps both top clubs and smaller ones engaged. Seen from this perspective, the ESL provides a useful lens to question whether elements of closed-league governance, such as stronger guarantees of revenues predictability, could be selectively integrated into the European framework without undermining its foundational principles of openness and meritocracy.

4. NBA case study

4.1 League governance and franchise system

While in the previous chapter the paper focused on the governance of UEFA, with an analysis of its structure, its main critical points, and a discussion about the different KPI in its competitions through which its governance strategy was defined, attention now turns to a considerably different model, the closed-league system of the United States' organizations. In this chapter, the focus will shift to the National Basketball Association (NBA), considered by many experts as the most prominent and influential American sports institution as a result of its sustained ability to attract massive domestic viewership and to generate massive media impact, as evidenced by the over 5 billion social media views garnered during the 2025 NBA Finals, including a peak of over 16 million viewers for Game 7 (Associated Press, 2025).

A small historical overview may help the reader in understanding how the NBA gradually shifted from a domestic sporting venture to a worldwide phenomenon able to fill arenas every day. In 1946, arena owners formed the Basketball Association of America (BAA) with the aim of creating a stable professional league that could guarantee regular winter attendance in indoor venues, at a time when existing professional basketball circuits were limited to certain territories, disorganized and financially insecure. In 1949, after the merger with the older National Basketball League (NBL), the name National Basketball Association (NBA) was adopted, and this coincided with the beginning of the league's transformation into a more structured competition with steadily growing media coverage and commercial appeal. A crucial milestone occurred in 1976 with the merger of the rival American Basketball Association (ABA); in this way, the market fragmentation was eliminated, and the NBA started to create its monopoly over professional basketball in the USA. The final acceleration was led by David Stern, Commissioner of the league from 1984 to 2014, who provided a strategic push towards globalization, media commercialization, and brand development, transforming the NBA into one of the most recognizable sports leagues worldwide.

The governance of the NBA, as already said in the first broad comparison of the second chapter, differs substantially from UEFAs, since it is structured as a closed league of thirty franchises, coordinated centrally by the League Office, and overseen by the Board of Governors (BoG).

Within its organizational structure it is possible to identify different institutional bodies with distinct and specific core functions:

- The Board of Governors is composed of the principal governor of each franchise, and it is the league's supreme decision-making body. In contrast to UEFA's Congress, where national associations carry heterogeneous interests, the BoG represents a homogeneous group of private investors whose incentives are primarily financial. This makes decision-making more cohesive, but also less democratically inclusive.
- The Commissioner is appointed by the Board of Governors without a fixed term of office; his mandate depends on contractual renewals and on the confidence of the franchise owners, in a very different form from the periodically elected president of UEFA. Currently, this role is held by Adam Silver, who has served since 2014 after succeeding David Stern. The Commissioner is empowered by the Constitution and By-Laws to act as the chief executive and holds significant authority to negotiate national and international commercial agreements, supervise league operations and enforce disciplinary measures in the "best interests of the game" (NBA, 2023).
- The League Office is the executive arm of the Commissioner. It is headquartered in New York and ensures uniform enforcement of league policies across all thirty franchises. Its centralized nature gives the NBA the possibility to present a unified commercial product, in contrast with UEFA's fragmented distribution of responsibilities between confederation and national leagues.
- Different permanent Committees that, unlike UEFA's ad hoc committees that are often consultative, have a direct operational link with the Commissioner and BoG, increasing the speed of implementation. The most important are the Competition Committee, which proposes changes to the rules of play, and the Labour Relations Committee, which negotiates the Collective Bargaining Agreement (CBA) with the players' union.

This configuration concentrates rule-making power and reduces the number of veto points in comparison with UEFA, where decision-making is dispersed across multiple associations and committees. The result is a system characterized by greater uniformity in regulation and faster implementation of policies, but at the cost of reduced openness and external accountability.

One of the defining features of the NBA is the absence of promotion and relegation, with the league operating as a closed system with a fixed number of thirty franchises, whose permanence is not dependent on sporting merit but is guaranteed through ownership rights approved by the BoG. The elimination of relegation risk is a huge benefit for the owners who can invest in long-term projects, from arena development to youth programs, without the financial uncertainty linked to potential demotion. This structural consistency has contributed to remarkable franchise valuations: as of 2024, the average NBA team is worth approximately USD 4.6 billion (Reuters, 2024), with a 15% increase from the prior year and nearly double compared to just four years earlier, reflecting incredible growth of over 596% in the past decade (Forbes, 2024). At the same time, the absence of promotion and relegation undermines the principle of open sporting merit that lies at the foundation of European competitions. Competitive access to the NBA is mediated not by on-court results but by mechanisms such as the draft lottery and expansion decisions approved by the Board. While these tools are designed to preserve balance, they also concentrate power in the hands of existing franchise owners and limit opportunities for new markets or clubs to enter on purely competitive grounds. Critics argue that this can foster a form of “cartelisation,” where incumbents protect their privileges while preventing the natural dynamism of merit-based systems. In practice, the closed-league model delivers financial stability and strong brand coherence, but at the cost of reduced openness and a weaker link between performance and institutional reward. This trade-off highlights how the NBA privileges predictability and global marketability, whereas UEFA maintains, at least in principle, the meritocratic ethos of open competition.

In recent years, the NBA has also expanded its governance platform by directly controlling related properties. The NBA G-League operates as both a player development system and a laboratory for testing new rules or technologies, while NBA Africa holds a majority stake in the Basketball Africa League, designed to cultivate markets and talent pipelines across the continent. These initiatives underline the league’s ability to act entrepreneurially in international expansion, something that UEFA, due to its institutional design, can only pursue indirectly through partnerships with associations and clubs.

In sum, the NBA governance model demonstrates a strong capacity to align commercial and competitive objectives through enforceable and centralised instruments, offering a sharp contrast with UEFA's more fragmented system.

4.2 Collective bargaining and salary cap

The Collective Bargaining Agreement (CBA) constitutes a fundamental pillar of the NBA governance model. It is not a permanent regulation but rather a periodically renegotiated contract between the NBA and the National Basketball Players Association (NBPA), which establishes all the terms governing the relationship between the League and its athletes, from salary structures to revenues sharing mechanisms and player mobility. This framework is therefore the result of a formal negotiation between the two principal stakeholders of the American association, with a significant divergence from UEFA's regulatory instruments, which are unilaterally drafted and subsequently enforced by the governing body, with clubs and players having little bargaining power in a top-down structure. The CBA is periodically renegotiated, usually every six to ten years, although both parties possess early opt-out clauses that, if exercised, can lead to a renegotiation before the natural expiration of the contract. Each new deal requires ratification: on the league side, the BoG must approve the agreement by majority vote, while on the players' side, ratification takes place through a vote among union members, supervised by the NBPA's executive committee. If negotiations break down, the league may face a lockout as occurred in 1998–99 and 2011–12 seasons (ESPN, 2012), both resulting in shortened NBA tournaments, highlighting the critical role the CBA plays not only in maintaining financial structure and competitive balance, but also in ensuring labor peace and institutional stability.

As in all the major sports federations worldwide, the main aim of the NBA is to maintain competitiveness within the league, since a greater balance between teams sustains public interest and, consequently, higher commercial revenues. In the same way as UEFA sought to achieve this through the introduction of Financial Fair Play, the NBA introduced the salary cap, a complex framework that represents the central element in the negotiations of the CBA and is designed to limit excessive spending and to preserve a higher level of competitiveness across franchises. As will be discussed in this section, this attempt is carried out in a completely

different way compared to UEFA's approach: in the NBA, controls are conducted ex ante, while in UEFA, they are applied ex post. The salary cap sets binding limits in advance, directly constraining how teams can structure their rosters and preventing excess spending before it materializes (NBA, 2023). Moreover, while FFP has been criticized for entrenching the advantages of wealthier clubs by restricting external investment, the NBA's layered thresholds attempt to level the playing field by imposing progressively harsher sanctions on high spenders and restricting their operational flexibility. This difference highlights how the two governance models embody distinct regulatory philosophies: UEFA relies on financial oversight and sanctions, whereas the NBA integrates economic control directly into the rules of competition.

While the other North American leagues set a hard cap that strictly prevents any team from exceeding the limit, the NBA operates under a soft salary cap, a more complicated and flexible framework that allows franchises to surpass the established cap by using a variety of contractual exceptions such as the "Bird rights" to re-sign their own players (NBA, 2023). However, this flexibility is counterbalanced by a progressively punitive structure of financial sanctions. Once a franchise exceeds the luxury tax threshold (defined in the CBA and equivalent to a given percentage of the salary cap), it becomes subject to monetary penalties that increase in proportion to the amount overspent. To further strengthen this mechanism, the parties agreed in the 2011 CBA to introduce the concept of the first apron, a stricter line beyond the tax threshold that imposes not only higher financial costs but also operational restrictions on team-building strategies, such as limitations on sign-and-trade deals. With the most recent CBA, implemented in 2023, a second apron was added, representing an even more severe barrier. Teams exceeding this level face the loss of key roster-building tools, including restrictions on using mid-level exceptions and on aggregating salaries in trades, thus significantly constraining their flexibility in player acquisition (NBA, 2023).

Unlike UEFA, which publishes annual financial reports and licensing data that allow a direct assessment of clubs' financial health, the NBA does not disclose consolidated financial statements for its franchises. This absence of public reporting reflects the league's private governance structure, where franchises are privately owned and financial transparency is not mandated beyond internal auditing procedures. As a result, researchers and analysts must rely on independent databases and specialized platforms that collect and systematize payroll and

cap-related information. In this chapter, all the data regarding the salary cap, the luxury tax threshold, and the different payroll measures used to determine compliance with the various limits (such as Cap Allocation and Apron Allocation) are drawn from Spotrac, one of the most widely used and reliable online repositories for NBA contract and payroll data. This source provides a transparent overview of team finances and allows for a consistent comparison across franchises and seasons, compensating for the lack of official public reporting by the league.

It is also important to clarify that the calculation of payroll is not identical across thresholds since each threshold has its own accounting rules described in the CBA (NBA, 2023). For example, cap holds for unsigned free agents may be included when measuring compliance with the salary cap but excluded from the apron, while certain performance bonuses may be disregarded for cap purposes yet counted in the apron assessment. Although these values are generally close in magnitude, the inclusion or exclusion of specific items means that the determination of whether a team has crossed a given threshold depends on the specific regulatory purpose of that line.

To clarify the concepts outlined above, Table 4.1 presents the official thresholds for the 2024–25 season, indicating the baseline salary cap, the luxury tax line, and the first and second apron levels, together with the corresponding notes on the financial penalties and operational restrictions that apply when these limits are exceeded (NBA, 2023).

Table 4.1. *Thresholds of the NBA salary cap system, season 2024-25*

Salary Cap	\$140,588,000	Teams may exceed this cap only through defined contractual exceptions as the Bird rights and the mid-level ones. If exceeded, there is no direct financial penalty applied.
Luxury Tax Threshold	\$170,814,000	Teams exceeding this line must pay a tax to the league. The tax increases progressively with the amount overspent.
First Apron	\$178,132,000	Teams exceeding this cap have higher tax payments using the rule of the Luxury Tax Threshold and, in addition, they are prohibited from: • Using Bi-Annual-Exception (BAE) • Acquiring player via sign and trade • Using more than 100% in salary matching in a trade
Second Apron	\$188,931,000	Teams exceeding this cap pay the tax and are prohibited from: • Using the Taxpayer Mid-Level-Exception (MLE) • Aggregate two or more players in a trade • Send out cash in trade They can only: • Re-sign own free agents • Sign draft picks • Sign players to minimum contracts

Source: Author's elaboration based on data from *NBA Collective Bargaining Agreement, 2023*

While the table above provides a regulatory overview of the thresholds that define the NBA's salary cap system, it remains necessary to examine how these financial limits affect the actual distribution of team performance. The central rationale behind the salary cap and its layered tax mechanisms is to sustain a competitive balance by preventing wealthier franchises from consistently outspending their rivals. In theory, the progressive penalties and operational restrictions should disincentivize excessive payroll growth and foster a more level playing field across the league. However, the extent to which these financial constraints translate into parity on the court remains a matter of debate.

A useful way to investigate this question is to analyse the relationship between total payroll and sporting performance during a given season. By plotting franchise spending levels against the number of regular-season victories, it becomes possible to assess whether higher expenditure is systematically associated with superior results, or whether the NBA's regulatory architecture succeeds in limiting the impact of financial disparities. Figure 4.1 illustrates this relationship for the 2024–25 season, thereby offering an empirical representation of the correlation between economic resources and competitive outcomes (Spotrac, 2025; ESPN, 2025).

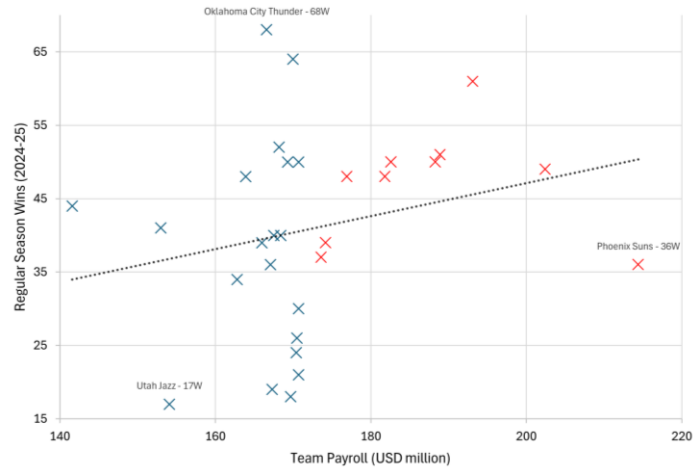


Figure 4.1. Relationship between team payroll and regular season wins, season 2024-25

Source: Author's elaboration based on payroll data from *Spotrac*, 2025 and team performance from *ESPN*, 2025

Figure above highlights the ambiguous effectiveness of the NBA's salary cap system in aligning financial expenditure with sporting success. Although a positive trend can be observed, teams with higher payrolls tend on average to achieve a greater number of victories, the correlation is far from deterministic. Several outliers challenge the assumption that spending alone secures competitiveness: the Oklahoma City Thunder, for instance, achieved the best record of the season despite maintaining a payroll below many of their rivals, while the Phoenix Suns and other high-spending franchises struggled to translate financial power into consistent performance.

This evidence underscores the dual nature of the NBA's regulatory framework. On the one hand, the presence of aprons and progressive tax mechanisms appears to curb the excesses of wealthy teams, preventing a linear relationship between financial resources and victories. On the other hand, the persistence of a positive trend line suggests that money continues to matter, even within a tightly regulated environment. In practice, the salary cap does not eliminate inequalities but moderates their impact, producing a system where economic investment increases the probability of success without guaranteeing it. This partial mitigation of financial disparities reflects a key philosophical difference with UEFA's Financial Fair Play: whereas FFP often entrenches the dominance of established powers by restricting external inflows, the NBA system seeks to balance incentives, accepting inequality as inevitable but attempting to contain its disruptive potential.

Beyond the aggregate relationship between payroll and regular-season performance, a complementary perspective can be gained by examining which franchises have ultimately won the NBA title in recent years and how they ranked in terms of payroll spending. Table 4.2 reports the champions of the past ten seasons (2016–2025), their payroll level, their relative ranking among all thirty teams, and their tax status for the corresponding year. This overview allows for an assessment of whether financial power translates into championships and to what extent the league’s regulatory framework has succeeded in preventing the concentration of titles exclusively in the hands of the highest-spending franchises (Spotrac, 2016-2025).

Table 4.2. *NBA champions, payrolls and luxury tax status from 2016 to 2025*

Season	Luxury Tax Threshold (USD million)	NBA Champion	Team Salaries (USD million)	Payroll Ranking	Note	Estimated Tax Bill (USD million)
2024-25	170.8	Oklahoma City Thunder	166.6	24 th	Under Tax Threshold	-
2023-24	165.3	Boston Celtics	184.9	4 th	Over 2 nd Apron	43.8
2022-23	150.3	Denver Nuggets	160.7	8 th	Over 1 st Apron	17.3
2021-22	136.6	Golden State Warriors	175.9	1 st	Over 1 st Apron	170.3
2020-21	132.6	Milwaukee Bucks	133.2	7 th	Over Tax Threshold	0.9
2019-20	132.6	Los Angeles Lakers	118.0	22 nd	Under Tax Threshold	-
2018-19	123.7	Toronto Raptors	137.3	3 rd	Over 1 st Apron	25.2
2017-18	119.3	Golden State Warriors	136.0	1 st	Over 1 st Apron	34.5
2016-17	113.3	Golden State Warriors	100.3	14 th	Under Tax Threshold	-
2015-16	84.7	Cleveland Cavaliers	107.0	1 st	Over 1 st Apron	53.6

Source: Author’s elaboration based on data from *Spotrac*, 2016-2025

The data reported in Table 4.2 provide a nuanced picture of the interaction between financial expenditure and competitive success. On one hand, several cases confirm the conventional wisdom that higher spending increases the likelihood of securing championships: the Golden State Warriors (2017–18, 2021–22) and the Cleveland Cavaliers (2015–16) all captured titles while leading or ranking near the top of the league in payroll. In these instances, financial strength coincided with competitive dominance, reflecting the persistent value of economic

resources even within a regulated environment. On the other hand, there are notable exceptions that undermine a purely deterministic interpretation. The Los Angeles Lakers in 2019–20 and the Oklahoma City Thunder in 2024–25 both achieved championships despite ranking in the lower half of the payroll table, the latter even staying under the tax threshold altogether. These cases demonstrate that factors such as player development, roster continuity, and strategic management remain decisive, limiting the extent to which payroll alone dictates outcomes.

Taken together, the evidence suggests that the NBA's regulatory architecture moderates, but does not erase, the structural advantages of wealthier franchises. While money often correlates with success, championships are not monopolized by the highest spenders, a scenario that stands in contrast with UEFA competitions, where financial resources and competitive results are far more tightly aligned. This relative unpredictability strengthens the NBA's product by sustaining fan engagement and validating the rationale behind the salary cap: to ensure that economic inequality shapes, but does not completely determine, sporting outcomes.

4.3 Revenues sharing and financial regulation

The financial regulation of the NBA includes a second fundamental mechanism, revenues sharing, that, in combination with the salary cap, highlights the NBA's distinctive regulatory design. It is a framework that addresses both the revenues side and the cost side of team finances, thereby seeking to engineer stability and parity across the league. There is a crucial difference between them; in fact, the salary cap operates *ex ante*, by setting limits on what teams are allowed to spend, while revenues sharing works *ex post*, redistributing certain resources among franchises with the aim of mitigating structural inequalities. These two instruments reveal the NBA's choice for a deliberately centralized system, one that actively reshapes both income distribution and spending behaviour in the pursuit of competitive balance.

The revenues sharing mechanism is the product of collective bargaining between the NBA and the NBPA which formally agree on the structure of these rules, codifying it in the official CBA that is available to the public (NBA, 2023). The CBA defines the scope of the Basketball Related Income (BRI) and specifies a fixed share of local revenues that each franchise is required to contribute to a wide league pool. This share is now roughly half of these revenues, which include primarily ticket sales, regional broadcasting rights, and local sponsorship (Forbes, 2023;

Sportico, 2023). The total amount collected by the NBA is then redistributed among all franchises according to a formula designed to bring small-market teams closer to the league average. As a result, large-market franchises such as Los Angeles or New York inevitably act as net contributors, while smaller-market teams typically become net beneficiaries. Importantly, this redistribution is conditional: to remain eligible for full participation, beneficiary teams must demonstrate a commitment to financial efficiency, such as maintaining payrolls close to the salary cap (NBA, 2023). This requirement was introduced to ensure that revenues sharing functions not as a permanent subsidy but as a mechanism of solidarity with accountability. The financial scale of the mechanism is far from marginal. In recent seasons, the revenue-sharing pool has redistributed several hundred million dollars annually, with individual beneficiaries receiving transfers in the range between 20 and 40 million dollars annually (Forbes, 2023). This order of magnitude illustrates the structural importance of the mechanism: it does not eliminate market disparities, but it does reduce them sufficiently to allow small-market teams to remain competitive both financially and athletically.

This logic contrasts sharply with UEFA's model described in Chapter 3, where the distribution of competition revenues is closely tied to sporting results and the size of national markets, enabling already dominant clubs to capture a major share of income. The NBA's model, by contrast, deliberately separates redistribution from performance: financial support is based on structural conditions, not success on the court. The difference is not merely technical but also normative, as it reflects two distinct understandings of competitive balance. Regarding transparency, whereas UEFA openly publishes detailed breakdowns of revenues allocations for its competitions, the NBA merely outlines the criteria of its revenues sharing system without disclosing any official data. This lack of specificity compels this thesis to rely on indirect estimates drawn from media reports and financial analyses.

Against this backdrop, the following lines present an illustrative reconstruction of how revenues sharing operates in practice. The exercise relies on publicly available estimates of team revenues and applies conservative assumptions regarding the allocation of national income. Although necessarily approximate, the reconstruction is intended to demonstrate concretely the redistribution logic used in the NBA's system and to provide a critical point of comparison with the UEFA's approach. This exercise proceeds in two steps: first, national revenues are identified

and, under the assumption that they are equally distributed across all franchises, they are deducted from total revenues to obtain the local component, the one used for revenues sharing. Second, a simulation model of the redistribution will be created. It is important to stress once again that this model presented here does not reproduce the actual revenues sharing transfer, but that the data emerging from this exercise are just an illustrative estimation. What reflects reality is not the magnitude of the numbers, but the functioning of the mechanism itself. The divergence from real outcomes also stems from the deliberate restriction of the sample to seven franchises (three from large markets, one from a mid-sized market and three from small markets) to create a varied yet manageable dataset. This simplification serves the analytical purpose of highlighting the redistributive logic of the system rather than providing an empirical account of its financial scale. The first step of this illustrative exercise is reported in Table 4.3, which reconstructs the main component of national income based on contracts and industry estimates.

Table 4.3. *Estimated national revenues per franchise, season 2024-25*

Source of National Income	Total Annual Value (USD)	Value per Franchise (USD)	Contract Origin / Reference
National Broadcasting rights (ESPN/ABC, TNT)	~2.6 billion	~87 million	9-year \$24B deal, from 2016/17 to 2024/25 season (ESPN, 2014)
Nike's global apparel deal	~125 million	~4 million	8-year \$1B deal from 2017/18 to 2024/25 season (ESPN, 2015)
League-wide Sponsorship (Google, Kia, etc.)	~350 million	~12 million	No official data for the 2024/25 season; based on the 2022/23 estimates (Sportico, 2023)
Licensing and Digital (NBA 2K, League Pass)	~200 million	~7 million	Industry reports (Sports Business Journal, 2023)
International Broadcasting and Events	~150 million	~5 million	Tencent deal and global games, valid until 2025 (Reuters, 2019)
Total (estimate)	~3.4 billion	~115 million	

Note: Table 4.3 reconstructs the main components of NBA national revenues for the 2024–25 season. Figures are derived from publicly available contracts and industry estimates: broadcasting (ESPN, 2014), Nike apparel deal (ESPN, 2015), league-wide sponsorships (Sportico, 2023), licensing and digital operations (Sports Business Journal, 2023) and international broadcasting (Reuters, 2019). While not official disclosures by the NBA, these estimates provide a consistent benchmark for isolating the national component ($\approx$ USD 115M per franchise) from local revenues.

Source: Author's elaboration

Building on this distinction, Table 4.4 develops an illustrative simulation of the revenues sharing mechanism applied to a representative sample of seven franchises. The selection includes three large-market teams (Lakers, Warriors, Knicks), one mid-market team (Celtics), and three small-market teams (Grizzlies, Jazz, Pacers). The exercise is necessarily hypothetical: it assumes that each team contributes 50 percent of its local revenues to the central pool, and that the entire pool is then redistributed proportionally to the revenues gap below the sample mean. The purpose is not to reproduce exact transfers but to make the redistributive logic of the system visible in practice.

Table 4.4. *Illustrative simulation of the NBA revenues sharing mechanism with a sample of 7 franchises, season 2024-25*

Team	Total Revenues (USD million)	Local Revenues (USD million)	Contribution (USD million)	Redistribution Received (USD million)	Net Balance (USD million)
Los Angeles Lakers	516	401	200.5	-	-200.5
Golden State Warriors	765	650	325.0	-	-325.0
New York Knicks	504	389	194.5	-	-194.5
Boston Celtics	403	288	144	126.7	-17.3
Memphis Grizzlies	291	176	88	428.6	+340.6
Utah Jazz	367	255	126	223.7	+97.7
Indiana Pacers	304	189	94.5	393.5	+299.0
TOTAL			1,172.5	1,172.5	0.0

Note: Table 4.4 is an illustrative simulation based on a representative sample of seven franchises. Contributions are set at 50% of local revenues and the pool is redistributed proportionally to the revenues gap below the sample means (~335M). The exercise is not intended to reproduce actual transfers, which are much smaller in magnitude (typically 20–40M per team), but to illustrate the structural redistributive logic of the NBA system.

Source: Author's elaboration based on revenues estimates from *Forbes*, 2023 and *Sportico*, 2023

The results of the simulation highlight three features of the NBA's design. The first one is that, as expected, large-market franchises emerge as substantial net contributors, with Warriors, Lakers and Knicks transferring between USD 195 and 325 million each to the pool without receiving any redistribution. Second is that the small-market teams become the main beneficiaries: Memphis and Indiana, in particular, receive transfers of over USD 300 million, while Utah receives about USD 98 million. This demonstrates how the mechanism directly compensates for structural disadvantages linked to market size. Third, mid-market teams such as Boston remain close to neutral, contributing but also receiving partial redistribution. This

positioning underscores the direction logic of the mechanism: large-market teams finance the sustainability of small markets, enabling them to remain competitive both financially and athletically. In contrast, UEFA's design allows large clubs to capture disproportionate income streams, reinforcing existing hierarchies. This juxtaposition underscores the normative divergence between the two models: redistribution as solidarity in the NBA, versus redistribution as reward in UEFA.

Unlike UEFA, the National Basketball Association does not publish consolidated and detailed financial reports of its activities. The available information mostly comes from independent sources used in this chapter (such as Spotrac, Forbes, Statista), which allow for an analysis of specific aspects like payroll structures, the functioning of the salary cap and revenue-sharing mechanisms, but do not enable the construction of comprehensive and standardized economic-financial indicators. For this reason, unlike the previous chapter dedicated to UEFA, no section on Key Performance Indicators has been developed here. The analysis has instead focused on the regulatory tools that characterize the league and their impact in terms of competitive balance and internal redistribution, which represent the distinctive features of the NBA model. This informational asymmetry should not be regarded as a limitation of the analysis, but rather as an additional element of comparison: while the European model is marked by transparency and an explicit solidarity function, the American model pursues competitive balance through strict internal rules and with limited external accountability. This difference will become even more evident in the following chapter, which is devoted to the comparative assessment of the two systems.

5. Comparative analysis: UEFA vs. NBA

5.1 Framework of the competitive analysis

The analysis can now move to its fundamental and final stage, the comparative examination between UEFA and the NBA based on the evidence and characteristics developed in the previous chapters. The purpose is not only descriptive but evaluative, aiming to critically judge two different governance models and to understand how they affect both competitive balance among teams and long-term sustainability. In doing so, the discussion will try to address the research questions and evaluate if these tools achieve their stated objectives and if they could be implemented in a different way.

The analysis unfolds in several steps. First, it examines the governance and regulatory instruments of both UEFA and the NBA, paying close attention to their intended purpose in terms of fairness and sustainability. Second, it evaluates empirical evidence, assessing whether these models have in practice delivered the competitiveness they were designed to promote. Third, it employs a SWOT analysis to identify the strengths, weaknesses, opportunities, and threats of each system. The final part highlights the paradox that lies at the core of this research. The UEFA Champions League, despite having hosted more than one hundred different clubs in the last fifteen years, has been won by only a handful, suggesting that the regulatory framework tends to reinforce the advantages of the richest teams, while the NBA, through a closed league limited to thirty franchises, has achieved greater competitive variety and ensured the structural survival of all its members. This comparison reveals that institutional openness without effective redistribution leads to concentration and fragility, while closed systems equipped with redistributive mechanisms can achieve balance and long-term viability.

5.2 Governance, regulation, and sustainability

The governance frameworks of UEFA and the NBA embody two contrasting approaches to the regulation of professional sport, with far-reaching consequences for both competitive balance and financial sustainability. UEFA presents itself as the guardian of an open and meritocratic system, but its regulatory instruments have largely failed to fulfil their stated objectives. The introduction of Financial Fair Play in 2010, officially intended to enforce financial discipline, curb excessive debt, and promote long-term sustainability across European clubs, has in practice

disproportionately favoured established elites. With their secure and high revenues streams, top clubs were able to comply with FFP requirements with little difficulty, while smaller clubs, those the regulation was ostensibly meant to protect, found their upward mobility curtailed. As a result, FFP has entrenched inequalities rather than alleviated them, illustrating how a sustainability measure can paradoxically undermine both balance and fairness. The forthcoming Champions League reform of 2024/25, based on the so-called ‘Swiss model’, is officially presented as a tool to enhance excitement and ensure financial stability, but its structural design does not break with the dynamics outlined so far, rather intensifies them. This new format expands the competition from 32 to 36 teams, replacing the traditional group stage with a single-league structure of eight, instead of six matches per club, thereby increasing the overall games in a season. Such an expansion, however, primarily translates into higher revenues for clubs with strong commercial appeal and the depth to monetize additional games, while at the same time, the introduction of historical coefficient-based qualification slots effectively guarantees access for historically powerful clubs that may be underperforming on the pitch, but whose brand value remains high. This mechanism undermines the very notion of inclusivity, a core element of UEFA’s governance and a point of criticism against the proposed European Super League, and risks consolidating the dominance of elite clubs while raising new entry barriers for emerging ones. Even though post-reform financial data are not yet available, the structural design itself suggests a trajectory in which revenues will indeed increase, but in a way that largely favors the top clubs, leaving the majority of participants further behind. In this sense, UEFA’s governance remains more attuned to revenues maximization and elite protection than to genuine competitive redistribution or systemic sustainability. This imbalance was already evident in the KPIs analyzed in Chapter 3, where it was shown how competitions such as the Europa League and the Nations League displayed redistribution ratios above 100% and high marginal distribution efficiency, meaning that a large share of their limited resources was channeled back to participants. Yet these same tournaments generated negative ROI, signaling that solidarity in UEFA’s model occurs only at the margins, while profitability is overwhelmingly concentrated in flagship events like the Champions League and EURO 2024. This asymmetry highlights a governance logic where redistribution is reactive and secondary, rather than structurally embedded.

The NBA, by contrast, has constructed a governance model explicitly designed to sustain equilibrium and guarantee the survival of all its franchises. The salary cap, complemented by the luxury tax, limits financial disparity by redistributing excess spending of wealthier teams to their competitors. The draft system directly supports weaker teams by granting them access to the most promising young talent, while revenue-sharing arrangements spread national broadcasting and commercial income across all franchises, irrespective of their market size. These mechanisms ensure that even small-market teams remain financially viable and periodically competitive. Unlike UEFA, the NBA demonstrates that a closed and franchised league can promote both sporting fairness and financial sustainability when equipped with robust redistributive governance.

The comparison highlights a striking paradox. UEFA's nominally open competition, lacking strong redistributive tools, has produced financial fragility and an oligopolistic concentration of success. The NBA's closed structure, on the other hand, has sustained both balance and stability by embedding redistribution into its institutional design. The lesson is clear: it is not institutional openness in itself that determines fairness or sustainability, but the quality and enforcement of governance mechanisms.

5.3 Competitive balance: empirical evidence

When turning to the outcomes on the field, empirical evidence makes it even clearer how the regulatory tools adopted by the two federations have produced, over the last fifteen years, entirely contrasting results in terms of competitive balance, which has been one of the key objectives both UEFA and the NBA explicitly sought to achieve through the introduction of these rules. As illustrated in Figure 5.1, the distribution of Champions League winners between 2010/11 and 2024/25 is heavily concentrated: Real Madrid alone has lifted the trophy six times, Bayern Munich, Barcelona, and Chelsea follow with two each, while only three other clubs have managed to win once. In total, out of more than one hundred teams that participated in the competition during these fifteen seasons, only seven achieved the ultimate victory.

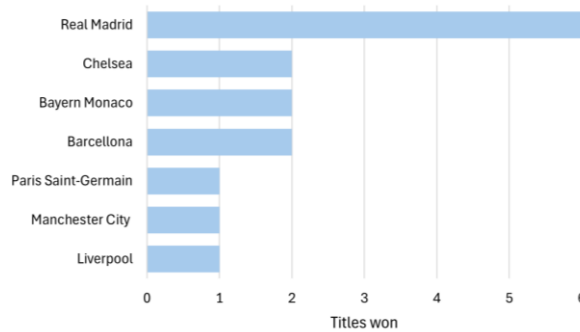


Figure 5.1. *Distributions of Champions League titles, from 2010/11 to 2024/25 season*

Sources: Author's elaboration based on data from *UEFA*, 2025

Figure 5.2, by contrast, shows the distribution of NBA champions over the same period; although dynasties exist, such as the Golden State Warriors with four titles, nine additional franchises also triumphed, meaning that one-third of the league's thirty members won at least once.

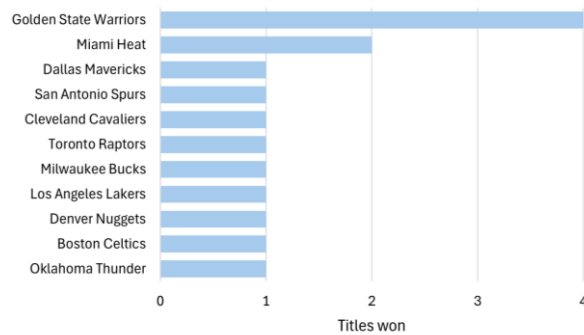


Figure 5.2. *Distributions of NBA Championship, from 2010/11 to 2024/25 season*

Sources: Author's elaboration based on data from *NBA*, 2025

This data, if read superficially, might not immediately reveal the underlying problem. A deeper look, however, and in particular an analysis of the variety of winners in both absolute and relative terms, exposes a substantial divergence. In absolute terms, as shown in Figure 5.3a, the numbers appear relatively close: over the last fifteen years, seven different clubs have won the Champions League, compared to ten franchises that have won the NBA Finals. This gap, though seemingly narrow, becomes enormous once these data are related to the pool of participants. As illustrated in Figure 5.3b, when the number of winners is considered in relation to the total number of teams that had the opportunity to compete, the contrast is striking: while the NBA is a closed system with only thirty franchises, all of which have been present throughout, the Champions League involved 113 different clubs in the same period with only 6% of teams able

to win the competition. Thus, what might appear at first as a modest difference in absolute terms translates into a dramatic imbalance once relative terms are taken into account.

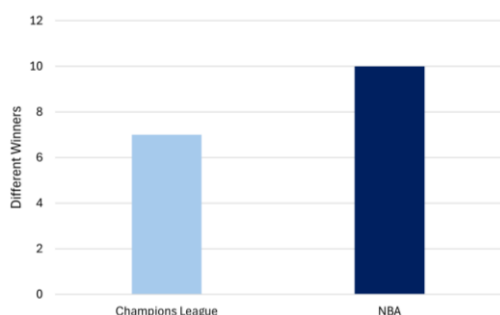


Figure 5.3a. Number of different champions, 2010/11–2024/25 (UEFA Champions League vs. NBA)

Sources: Author's elaboration based on previous data

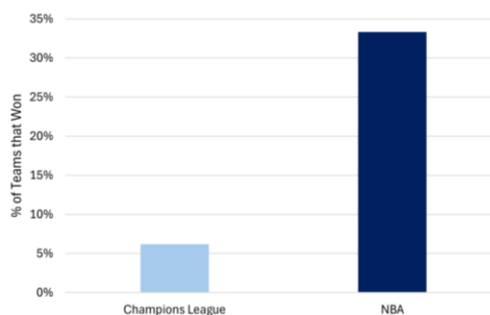


Figure 5.3b. Share of teams winning the Championship, 2010/11–2024/25 (UEFA Champions League vs. NBA)

Sources: Author's elaboration based on previous data

These figures underscore that UEFA's structural openness in terms of participation does not translate into openness of outcomes. Many clubs may enter the competition, but only a small elite can realistically aspire to win. Conversely, in the NBA's closed system, the regulatory mechanisms of salary cap, draft and revenues sharing ensure that participation is more meaningfully connected to the possibility of success. In relative terms, therefore, the NBA has achieved a far more equitable distribution of championships.

Figure 5.4 reinforces this conclusion by applying the Herfindahl-Hirschman Index (HHI) to measure the concentration of titles.

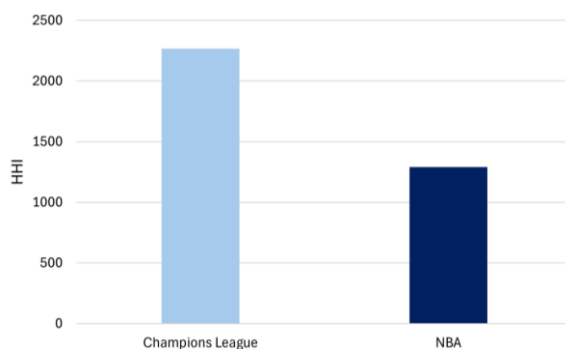


Figure 5.4. Concentration of Championships (HHI), from 2010/11 to 2024/25 season (UEFA Champions League vs. NBA)

Sources: Author's elaboration based on previous data

With a score of roughly 2,267, the Champions League falls within the range of highly concentrated 'markets', comparable to an oligopoly in industrial economics, whereas the NBA registers a far lower HHI of 1,289, signaling only moderate concentration. These findings are not merely descriptive but substantively critical: despite allowing broad access to participation,

the Champions League has entrenched the dominance of a small oligarchy of clubs, while the NBA has demonstrated that its institutional mechanisms can prevent permanent monopolization of success. The paradox could not be clearer: in UEFA's open competition, more than one hundred clubs compete, but very few can truly aspire to victory; in the NBA's closed league, success has been distributed far more widely. This evidence confirms that what matters is not the formal degree of openness but the quality of governance and regulatory tools, which in UEFA's case have failed to deliver balance and sustainability, and in the NBA's case have sustained both

5.4 SWOT analysis

In order to complement the institutional and empirical comparison, a SWOT analysis has been carried out for both UEFA and the NBA, followed by a synthetic comparative framework. Table 5.1 summarises the main strengths, weaknesses, opportunities, and threats of UEFA's model. Among its most evident strengths are the global prestige of the Champions League brand and the unparalleled breadth of participation, which provide cultural and commercial legitimacy. Yet the weaknesses are equally evident: financial fragility among many clubs, overdependence on broadcasting income and a competitive imbalance that restricts real success to a handful of elites. Opportunities exist in the form of expanding global markets and digital engagement, but these are threatened by the growing appeal of alternative competitions, such as a potential Super League, and by the risk that structural inequalities will undermine the credibility of UEFA's open model.

Table 5.1. *SWOT analysis of UEFA governance and competitions*

Strengths	- Strong institutional legitimacy as it is the governing body of European football - Prestigious competitions such as Champions League and the European Championship that have worldwide visibility and commercial appeal - Broad representativeness, with 55 national associations - Model with promotion and relegation that preserves sporting merit
Weakness	- Fragmented governance structure leading to slow decision-making - Unequal distribution of revenues, largely concentrated in top-tier competitions - Limited effectiveness of FFP - Exposure to internal crisis as the European Super League project
Opportunities	- Implementation of new financial sustainability regulations to enhance credibility - Reform to improve transparency and efficiency - Expansion into emerging markets through broadcasting and commercial partnership - Digital innovation and new platform to engage younger audiences
Threats	- Breakaway initiatives challenging UEFA's legitimacy - Growing economic inequality between the elite and smaller clubs - Dependence on volatile broadcasting rights markets

Source: Author's elaboration

Table 5.2 illustrates the corresponding SWOT analysis for the NBA. Its strengths lie in a robust regulatory architecture, combining the salary cap, the draft and revenues sharing, which not only enhances competitive balance but also secures the financial survival of all franchises. Weaknesses are primarily linked to market saturation in the United States and the potential perception of exclusivity, given the closed nature of the league. Nonetheless, opportunities for global expansion remain significant, as basketball consolidates its international presence. Threats include the increasing financial power of European and Asian basketball markets, yet these do not appear to undermine the NBA's systemic sustainability in the short term.

Table 5.2. *SWOT analysis of NBA governance and competitions*

Strengths	- Centralized governance structure enabling fast and cohesive decision-making - Robust financial system that fosters sustainability - Strong global brand recognition supported by diversified revenues - Advanced use of digital marketing and fan engagement strategies
Weakness	- Heavy dependence on superstar players to drive commercial value and audience interest - Governance dominated by franchise owners, resulting in limited inclusiveness - Absence of promotion and relegation, reducing sporting openness
Opportunities	- Expansion into new markets through overseas games and projects such as the Basketball Africa League - Exploitation of technological innovation - Growing popularity among younger generations worldwide - Potential adjustments to strengthen competitive balance through regulation
Threats	- Strong competition from other US leagues and from global football in international markets - Reputational risks in politically sensitive markets as China - Possible saturation of the domestic market with declining ratings in some segments - Increasing influence of superstar players that may destabilize franchise dynamics

Source: Author's elaboration

Finally, Table 5.3 directly compares UEFA and the NBA across different dimensions. UEFA's strengths are increasingly undermined by weaknesses in governance and regulation, while the NBA's supposedly restrictive format has proven more capable of ensuring fairness and long-term viability.

Table 5.3. *Comparative overview of centralized and federated governance structures in professional sport*

Dimension	UEFA	NBA
Governance	Federated and multi-level structure, with broad representation, but slow and inefficient decision-making	Centralized governance under the Commissioner and BoG, enabling fast decision-making but limited democracy
Financial Regulation	FFP and cost control rules, mostly ex-post, are often criticized for favoring the wealthiest teams	Salary cap, luxury tax and revenues sharing, ex ante instruments that enforce financial sustainability and competitive balance
Revenues Distribution	Highly unequal; revenues are concentrated in the top competitions	Relatively equitable; central media rights and revenues sharing guarantee that even small-market franchises can remain financially viable
Competitive Balance	Dominance of a few elite clubs and limited unpredictability of results	Greater balance across franchises, with mechanisms preventing excessive concentration of talent
Market Strategy	Heavy dependence on European broadcasting rights and a few premium tournaments	Strong global trend and aggressive expansion into international markets
Main Risks	Internal fragmentation and alternative projects that undermine legitimacy	Over-reliance on superstars and potential alienation of local fans

Sources: Author's elaboration

The critical conclusion that emerges is that institutional openness alone is insufficient to guarantee either competitive balance or financial sustainability. UEFA's governance, by relying on nominal inclusivity without meaningful redistribution, has entrenched inequality and risks undermining the very credibility of European football. The Champions League reform of 2024/25, marketed as a step towards sustainability, appears instead to reinforce the dominance of established elites and to increase financial polarisation. The NBA demonstrates that balance and sustainability are not by-products of tradition or prestige, but the result of deliberate regulatory choices: salary caps, luxury taxes, drafts and revenue-sharing mechanisms that actively redistribute opportunities. Unless UEFA moves towards comparable forms of redistributive governance, its competition will remain open only in appearance, accessible in

entry but closed in outcomes. This finding speaks directly to the central research question of this thesis: openness without redistribution leads to oligopoly, while closed systems with strong corrective mechanisms can deliver fairness and systemic viability.

5.5 Critical conclusions

The comparative analysis conducted in this chapter allows for a critical reassessment of the central research questions of this thesis. The evidence leaves little doubt that institutional openness, as embodied by UEFA's Champions League, has failed to generate genuine competitive balance or financial sustainability. Despite the participation of more than one hundred clubs since 2010, only seven have been able to lift the trophy, as demonstrated by the empirical evidence in Figures 5.3a and 5.3b, while the concentration of titles measured through the Herfindahl-Hirschman Index (2,267) places UEFA firmly in the category of highly concentrated markets. The SWOT analysis confirmed this diagnosis, revealing how UEFA's greatest strength (its prestige and global visibility) has been undermined by structural weaknesses such as financial fragility and dependence on elite clubs, while the threats posed by alternative competitions and systemic inequality further compromise its legitimacy.

The NBA presents the opposite trajectory as it is a league with only thirty franchises, but with ten different champions emerged in the same period, corresponding to one third of all participants. Its HHI of 1,289 reflects a more moderate level of concentration, supported by redistributive mechanisms such as the salary cap, the draft, and revenues sharing. The SWOT analysis emphasised how these instruments ensure both balance and sustainability, with weaknesses primarily limited to external market saturation rather than internal governance failures. The empirical findings are therefore consistent with the structural comparison: closure combined with strong redistribution has proved more effective than nominal openness without it.

At this point, the paradox is clear: UEFA remains formally open but substantively closed in outcomes, perpetuating an oligopoly of success and exposing many participants to financial vulnerability. The NBA, by contrast, shows that equilibrium and survival are not historical accidents but the result of deliberate regulatory design. The Champions League reform of

2024/25, far from resolving these problems, risks exacerbating them by entrenching elite privileges through expanded fixtures and ranking-based qualification.

From a critical perspective, the lesson is unambiguous. What determines fairness and sustainability is not the degree of institutional openness but the quality and enforcement of redistributive governance. UEFA must therefore reconsider its regulatory philosophy if it is to restore legitimacy and ensure the long-term viability of its competitions. While the specific avenues for reform, whether inspired by mechanisms successfully implemented in the NBA or tailored to the European context, will be discussed in the concluding chapter, the evidence presented here makes clear that without meaningful redistribution, UEFA's flagship competition will remain an open tournament in form but a closed one in substance.

6. Possible applications of NBA governance tools to the UEFA system

6.1 Introduction

The results of this thesis clearly demonstrate that UEFA's attempts to improve the competitiveness of clubs and to ensure financial sustainability have so far been insufficient. Despite new reforms, with the introduction of Financial Fair Play and recently the Financial Sustainability Regulations that include rules about the squad cost ratio (which gradually reduced expenditures on wages, transfers, and agents), all of them have not achieved, at the moment, their stated objectives because the gap between Europe's elite and the rest of the clubs has not narrowed; on the contrary, it has even increased. Today, it can be argued that this mechanism, while well-intentioned, has failed and revealed itself inadequate to preserve equilibrium within European football, as it fails to counteract the concentration of resources in a few dominant clubs.

For this reason, this concluding part of the work will not simply reiterate the limits of UEFA's current framework, but the author will instead explore possible new practices that could be considered to strengthen both competitiveness and long-term sustainability. The inspiration comes from the governance model adopted by the NBA, which has proved to be relatively effective in containing financial imbalances and preserving a higher level of competitiveness among franchises. Since a full transfer of the North America system would not be feasible for many reasons, it is important to clarify from the outset that what follows does not represent a simple "copy-and-paste" of the NBA governance model into the European context. First, because the NBA is a closed league of thirty fixed franchises, while UEFA operates within an open pyramid of more than fifty national federations and thousands of clubs, where qualification is based on sporting merit. Second, the NBA regulates a single competition, while UEFA must coordinate multiple tournaments in addition to the domestic championships. Moreover, the NBA distributes revenues generated centrally, while in Europe the largest portion of income comes from domestic broadcasting rights that UEFA cannot control. Finally, the cultural foundations differ significantly: the NBA has been designed from the outset as an entertainment product aimed at maximizing competitive balance, whereas European football is rooted in long-standing traditions, rivalries, and a culture of open competition. For all these reasons, the following proposals should be seen as selective adaptations of certain NBA tools rather than an attempt to

replicate its model wholesale. The objective is to explore how elements such as revenues sharing and cost control mechanisms could be reinterpreted in the European context, with the aim of strengthening the competitiveness and long-term sustainability of UEFA competitions.

6.2 Revenues sharing

UEFA's current distribution system is based on four pillars: a fixed starting fee, performance-related payments, the historical coefficient ranking, and the market pool. While the first three pillars can be considered at least partly linked to on-pitch performance, either in the current season or, as in the case of the coefficient ranking, across previous 10 years, the market pool represents the most distorting element, as it allocates 15% of total revenues (UEFA, 2023) according to the commercial value of national broadcasting markets. This means that clubs from larger countries, such as Italy or England, receive significantly higher payments than equally successful clubs from smaller leagues, regardless of their on-pitch performance.

Proposal 1: Reduction of the market pool

The first proposal would be to gradually reduce the weight of the market pool across all the three major UEFA competitions, moving from the current 15% down to 10%, and eventually even to 5%, to guarantee a higher share for all the participating clubs. Considering only the Champions League, in the 2023/24 season approximately €300 million were distributed through the market pool; cutting this share to 10% would free around €100 million that UEFA could reallocate equally, granting every participant an additional €3.1 million. For a top club, such an amount would be almost irrelevant, but for a mid-tier or small club from outside the top European federations, an extra €3 million could represent a vital injection of money that could allow them to finance the acquisition of higher level players, to invest in infrastructures, or to strengthen their youth academies, thereby improving their long term competitiveness.

- Benefits: this would reduce the gap between large and small markets, reinforce the principle of meritocracy, and give clubs from smaller countries the financial capacity to compete more effectively.
- Drawbacks: clubs from the “big five” leagues would strongly oppose such a measure, as they would lose a portion of their guaranteed revenues. Resistance from elite clubs could

translate into political pressure on UEFA, possibly reviving projects such as the European Super League.

Proposal 2: National redistribution pool (5%)

A second, more innovative proposal goes beyond redistribution among UEFA participants and aims instead to address inequalities within domestic leagues. At the moment, UEFA shares prize money only among those clubs that qualify for the Champions League, Europa League, or Conference League, leaving non-participant teams without any direct benefit. These dynamic risks reinforce a vicious and dangerous cycle: the same clubs accumulate European revenues year after year, while mid domestic teams fall further behind and struggle to close the gap. The proposed idea is to reallocate a fixed and initially small percentage, assume 5%, of the revenues received from UEFA by clubs qualifying for European competitions into a national redistribution pool, which would then be managed by the single domestic federation. At the end of each season, the total amount of this pool would be calculated, and the funds would be equally distributed among those clubs that failed to qualify for such competitions in that year. Although the sums involved would be relatively modest, this measure could represent a first step towards supporting the development of clubs that would otherwise have very limited access to external funds. At the same time, the mechanism would not create excessive distortion, since qualified clubs would continue to retain the majority of their earnings, thereby preserving the incentive of sporting performance. A crucial element of this proposal would be accountability, in the sense that the beneficiary clubs should be required to spend these funds with the clear objective of improving their competitiveness, for example, by strengthening their squads, investing in youth academies or upgrading infrastructure. A failure under accountability should lead to the suspension of the right to receive these allocations in subsequent years

- Benefits: this would spread the benefits of European participation across the entire league, strengthen the competitiveness of mid-table clubs, and increase diversity in European qualifications over time.
- Drawbacks: top clubs would for sure refuse the idea of sharing their European revenues with domestic rivals, while national federations might struggle to agree on redistribution criteria.

It is important to note that UEFA already provides solidarity payments to non-participating clubs, but these do not come directly from the clubs that participate in European competitions. Instead, they are financed directly by UEFA, and this results in difficulty in trying to balance the competition because the richest clubs continue to accumulate resources without redistributing any of their revenues within the domestic leagues. The mechanism proposed here would therefore represent a more radical shift, as it would require qualified clubs themselves to contribute to the pool, thereby redistributing part of their European income to support their national rivals.

An idea of how this mechanism could operate can be illustrated by taking as an example the case of Italian clubs for the 2023/24 season. Table 6.1 reports the total amount that the clubs received based on official data stated in UEFA's financial report and their potential 5% contribution. The resulting total amount was then redistributed among the thirteen Serie A clubs that did not qualify for UEFA tournaments. Although the amounts involved may appear modest compared to the earnings of Champions League participants, for mid-table domestic teams, these sums could represent a significant share of their budgets, with the potential to enhance competitiveness and increase diversity in future European qualifications. In this simulation, Italian clubs would collectively contribute around €16.2 million to the domestic redistribution pool, which corresponds to approximately €1.5–2 million per club.

Table 6.1. *Simulation of a national redistribution pool: Italian clubs 2023/24*

Club	UEFA Revenues (€ million)	5% contribution (€ million)
Inter (CL)	66.30	3.31
Milan (CL)	48.56	2.43
Napoli (CL)	70.16	3.51
Lazio (CL)	61.54	3.08
Roma (EL)	25.85	1.30
Atalanta (EL)	33.94	1.70
Fiorentina (Conf. L)	17.05	0.85
TOTAL		16.17

Sources: Author's elaboration based on data from UEFA, *Financial report 2023/24*

6.3 European soft salary cap

UEFA, from the point of view of clubs' expenditure, has already understood that this represents a problem, something that creates a too large gap between teams, and so it has already tried to find ways to limit this spending through Financial Fair Play and more recently through the Financial Sustainability Regulations. According to the new rules, clubs have a limit that they can spend on wages, transfers and agents that amounts to 70% of their revenues. The big concern that emerged is that this mechanism is essentially ex post, in the sense that the clubs that eventually overspend this wall are not punished immediately but receive fines, transfer restrictions or even exclusions from competitions at a later moment that can come after months or even years. This allows these teams to overspend in the short term, reinforce the squad and maybe achieve results that other teams cannot achieve because they are simply respecting these limits, and see the consequences of these actions only in the following years.

One of the possible solutions that could be implemented would be the introduction of a European soft salary cap, designed as an ex-ante mechanism. This means that clubs would still have the possibility to spend above a certain threshold, in order to still allow the richest clubs to continue spending, but above a certain limit, which can be defined as a percentage of revenues or as a

fixed amount set by UEFA, they would be immediately charged a luxury tax at the moment this threshold is exceeded. A progressive scheme could be adopted:

- 50% tax on the first 10% of overspending;
- 75% tax on the following 10%;
- 100% tax on any expenditure beyond that level.

This proposed progressive structure would preserve some flexibility because, as said, it would continue to allow teams to spend as much as they want but at the same time, it would make sure that significant overspending would be punished in a strong way. Obviously, the revenues collected through the luxury tax would then be redistributed, and the idea would be to collect them and then distribute them either to the clubs that comply with the cap or through the domestic federation. Both options have advantages, as a direct distribution would reward those clubs that stay under the limits imposed by this new rule, while a domestic allocation would spread these benefits more widely, including clubs that do not qualify for European competitions.

- Benefits: such a system would create a real-time corrective, discourage reckless expenditure, and provide additional funds to compliant clubs. It would increase competitive balance and credibility compared to the current framework, where sanctions are often delayed and ineffective.
- Drawbacks: strong resistance would be expected from top clubs, which would see their spending freedom limited and their financial privileges curtailed. This could lead to renewed political pressure on UEFA or even revive secessionist projects such as the European Super League. Moreover, the implementation of a cap across different jurisdictions could face legal challenges, especially with regard to European competition law and labour regulations.

The contrast between the current UEFA framework and the proposed soft salary cap can be summarized in the following table 6.2, which highlights the main differences in terms of timing, penalties, impact on sporting results, redistribution and political feasibility.”

Table 6.2. *Comparison between UEFA's current cost control system and a proposed European soft salary cap*

Aspect	Current UEFA system	Proposed soft salary cap with luxury tax
Timing	An ex-post mechanism where violations are detected after the financial year	An ex-ante mechanism where penalties are applied immediately within the same season
Type of penalty	Fines, squad restrictions and exclusion from future competitions	Progressive luxury tax on overspending
Impact on sporting results	Minimal in the short term because teams may overspend and still succeed on the field before sanctions arrive	An immediate financial deterrent to limit unfair advantages
Redistribution of funds	None: fines are collected by UEFA without systematic redistribution	Revenues are redistributed among compliant clubs or via domestic federations
Political feasibility	Accepted but criticized as ineffective	Strong resistance from top clubs can lead to potential legal and political challenges

Sources: Author's elaboration

6.5 Conclusion

The proposals discussed in this chapter, a reformed revenues sharing system with national redistribution mechanisms and the introduction of a European soft salary cap with a progressive luxury tax, highlight possible ways to strengthen the competitiveness and sustainability of UEFA competitions. Both measures would contribute to reducing the gap between elite clubs and the rest, offering more resources to mid-tier teams, and creating incentives for financial responsibility. At the same time, it is important to recognize why UEFA has so far avoided such radical reforms. First, strong political resistance from the wealthiest clubs, who would lose part of their financial privileges, represents a constant obstacle. Second, the legal and institutional complexity of European football, characterised by more than fifty national federations and a multi-level pyramid, makes the implementation of uniform rules extremely difficult. For these reasons, a full replication of the NBA governance system in Europe appears almost impossible. Nevertheless, selectively adapting some of its mechanisms could represent an important step towards a more balanced and credible model. Even if such reforms remain politically

challenging, the debate on their potential application underscores the urgent need for UEFA to reconsider its current framework and to explore more ambitious solutions in order to preserve both competitiveness and financial sustainability in the long term.

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