

Agents and intermediaries

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Football agents and intermediaries

In order to understand how and why the modern-day agent's industry developed we must first set out what is meant by the term "agent" in contrast to the synonym of intermediary. We therefore begin with a brief introduction to the differences between the two terms, charting how middlemen in the football market have flipped between the two terms over the last century, before going on to look at the historical development of their activities from the pre-war period through to the present day.

While the words agent and intermediary are used interchangeably in common parlance, there have traditionally been subtle differences between the two which can help us to explain the development of the industry (Frenkiel, 2014). In the business context, both terms are defined as professionals who act with or in between two or more trading parties for legitimate economics activities, illegitimate payments, or a combination of both, offered by a supplier to a consumer. However, while agents are legally authorised, through a legal mandate, to act on behalf of one of the two parties concluding a specific contract, intermediaries mainly carry out only material actions (establishing contracts, arranging meetings, etc.) in order to bring the contracting parties together as fixed by brokerage contracts (KEA et al., 2009). Specifically, while agents mainly centre their profession around the player's or athlete's representation and interests, intermediaries principally focuses on any sort of transactions involving players, clubs, and companies.

The transition of football agents from a social norm lacking any official status, to a coveted, legally recognised profession central to the operation of global football markets can be charted through four periods mirroring the dispersion of the game commercially and in parallel, liberalisation of the labour and transfer markets (Magee, 2002; Gouget and Primault, 2006):

- From the late nineteenth century to the late 1950s: scouting and intermediation on the behalf of clubs
- From the early 1960s to the mid 1990s: the representation of football players
- From the mid 1990s to the mid 2010s: the professionalisation of football agents
- From the mid 2010s to present days: the era of super agents and intermediaries.

From the late nineteenth century to the late 1950s: scouting and intermediation on the behalf of clubs

Intermediaries in the football market have existed since the advent of professionalism, performing scouting and recruitment roles for clubs. As clubs developed, they internalised this activity and by developing their own scouting networks diminished the role of middlemen. These changes in the market led intermediaries to seek other roles and their position as middlemen working between players and clubs started to develop. Their initial role in the UK was largely confined to advising clubs on sourcing new football talent. Although the first case of professionalism in football dates back to 1876 with the transfer of the player James Lang to Sheffield Wednesday, the English FA sought to curb the use of professional players and it was almost a decade later in 1885 when they eventually reluctantly sanctioned professionalism. In this context, football intermediaries operated only on behalf of clubs to scout and recruit players (Roderick, 2001, p. 13).

In the UK, after the introduction of the “retain and transfer” system in 1893 which enabled football clubs to exercise a great degree of control over the movement of players (Magee, 2002), the early years of the twentieth century saw clubs beginning to take more responsibility for their own recruitment of players and intermediaries’ activity was marginalised. The Football Association (FA) felt that intermediaries were against the ethos of football and disapproved of their activity so much that the activities of individuals who attempted to profit as the go-betweens of clubs and players were officially banned. However, despite clubs being regularly warned not to deal with intermediaries, there was still demand for their services (Taylor, 2005).

Regardless of their disputed image, the growth and increasing openness of the international transfer market offered an opportunity for intermediaries to start to gain both exposure and a prominent position in the development of football. From their inception, all of the professional leagues imported foreign players in accordance with the respective domestic transfer market restrictions (Taylor, 2006). Since the English FA was not a member of FIFA at that time, foreign clubs were not obliged to pay any transfer fees for players. Intermediaries appeared from abroad to collaborate with local intermediaries, who mainly operated domestically, in order to transfer British players overseas (Taylor, 2002). Consequently, intermediaries were not welcome and team managers did not want to deal with them.

By the end of WWII intermediaries were widespread throughout the main football markets. However, in general, players were not professionally advised in transfer deals or contract negotiations (Taylor, 1999). Players at that time were seen purely as a commodity without the proper labour legislation in place to protect their rights. Competition from foreign leagues with the strong desire to sign the most high-profile players offered appealing alternatives. In the UK, this situation was also aggravated by the presence of the maximum wage, which remained in place until 1961. Consequently, the best British players were not able to command fair-market compensation from their clubs. The top British players frequently moved to Italy in the 1950s and 1960s through intermediaries who became ever more closely embroiled in negotiations (Harding, 2004).

Within the football transfer markets, there was much collusion between clubs’ managers and directors (Carter, 2006). Players’ transfers were agreed at inflated fees in order to write money on their tax return. The actual fee would be recorded as much lower in the buying club’s accounts and those parties involved in the deal would then split the extra cash and, sometimes, give a small part to the player. While in England club managers were the main drivers of the transfer market, in the rest of Europe club directors became prominent. The nature of the transfer market at that time has been criticised as being akin to slavery where players could be transferred to another club on the whim of their club chairman, while intermediaries acted as

“human flesh brokers” (Wahl and Lanfranchi, 1995). From the mid-1950s, conflicts between players and clubs owners throughout Europe were regular and related to both demands for increased wages and transfers.

From the early 1960s to the mid 1990s: the representation of football players

By 1960 in England it had become apparent that the restrictions in the labour market were not conducive to keeping the best players, and the players’ union, the PFA, chaired by player Jimmy Hill, was using its influence to campaign against the maximum wage and the “retain and transfer” system. The decision to abolish the maximum wage in 1961 balanced the bargaining power between players and clubs to the point where most athletes started negotiating their contracts with the assistance of personal representatives (Magee, 2002). Between 1960 and 1964, the wages of First Division players increased by 61 percent (Szymanski and Kuypers, 1999). Labour market liberalisation continued in 1963 when the High Court ruled in the *George Eastham* case that the “retain and transfer” system was illegal on the basis that it constituted an unjustifiable restraint of trade (Banks, 2002). Through this liberalisation, players began to redress the imbalance of power that had been a feature of their relationships with clubs. In making the transfers of players more flexible, leagues and football associations legitimatised the use of intermediaries. However, there were still restrictions on the movement of players as clubs could unilaterally extend players’ registrations so long as terms equal to their previous contract were offered; in essence they could tie a player to the club for as long as the club was willing to pay for his services, irrespective of whether the player wished to remain at that club.

By the late 1960s, influenced by the general political climate as well as debates going on within sport in general and football in particular, football players in Europe also continued to readdress the power balance. This period of reform and liberalisation was replicated across many major footballing nations, often with governmental support (Marzola, 1981). However, while these reforms facilitated the movement of players domestically, their movement between national federations remained highly regulated. Concurrently, media interest in sports as part of regular television programming expanded very rapidly, bringing enormous amounts of revenue into the leagues. While sports governing bodies have been very keen to restrict the role of agents in all matters relating to the relationships between players and clubs, they have not sought to regulate their activity with third parties and therefore a role in arranging for players to benefit from sponsorship and endorsements has thrived with little or no interference. Recognising these commercial opportunities, the use of agents by players first flourished throughout the 1960s and 1970s.

By the late 1970s, with clubs increasingly looking at global markets, players were marketable beyond their national associations, and agents increasingly started to play an important role in this internationalisation. With different transfer regulations and labour market systems country by country, various information asymmetries arose; for clubs, it was still considerably difficult to obtain reliable information on the quality of players at both national and international levels and, even when this was available, their likely future performance was extremely difficult to assess. As McGovern (2002) outlines, patterns of migration within the football industry were mainly socially embedded along regional lines and appropriate economic evaluations of players were infeasible. In this environment, football agents slowly strengthened their position in the transfer market, establishing migration channels favoured by the loosening of transfer limitations on foreign players in different countries, such as England in 1978 and Italy in 1980, and the emergence of new markets following the fall of the Soviet Union block.

The dual factors of increased internationalisation and the related growth in media coverage combined with the reforms of the transfer market regulations meant that players could begin to exploit their talent in various ways. These combined factors led to wage increases throughout the world of football (Marzola, 1990). As the value of contracts increased, the profession of football agents became more lucrative and a new generation of agents emerged to mainly assist players with their endorsement contracts and provide legal advice to players (Minguella, 2008; Canovi and Mazzocchi, 2011; Caliendo, 2012): Dario Canovi and Antonio Caliendo in Italy, Norbert Pfiffens and Wolfgang Fahrian in Germany, Dennis Roach and Mel Stein in England, Jose Minguella, Alberto Toldra, and Roberto Dale in Spain, and Bernard Génestar in France.

By the 1980s, agents in the UK transfer market were relatively commonplace, yet without official recognition by any football governing bodies, their activity was unregulated. Moreover, the absence of any supervision in transfer negotiations led to an opportunity for inappropriate behaviours to be undertaken by agents, managers, and football directors. The lack of accountability in the transfer market remained exposed to the presence of an unwritten code of conduct based on the bungs culture¹ within the football industry. In the early 1990s the involvement of some football managers, such as Brian Clough and Graham Taylor, in illicit payments received from agents in player transfers confirmed that the activity of football agents needed to be officially regulated by football governing bodies at national and international levels (Bower, 2007).

In 1994, FIFA formally recognised and regulated the activity of football agents with the first licensing system accepted by all football federations signalling the transformation of the activity of football agents into a profession. Finally, this formal recognition implied a more rigorous definition and regulation of the role, duties and responsibility of the agents whose license was officially issued by their national football association. This official recognition meant that some important figures who had long been involved in the football business in various guises could now be classified legitimately as stakeholders.

From the mid 1990s to the mid 2010s: the professionalisation of football agents

The Bosman ruling in 1995 fundamentally changed the way that football in Europe had operated. In the ruling, the ECJ afforded free agency to players once their contracts expired and guaranteed them freedom of movement within the EU in line with all other professions (Dubey, 2000). This new market scenario was favoured by the exponential revenue growth in the football industry resulting from greater competition and deregulation in the broadcasting market which meant that pay-tv incumbents were willing to pay a premium for rights to broadcast live premier league matches. This revenue filtered through to clubs, which in turn sought to employ the best players. Agents found themselves in a market that allowed them to fully exploit players' bargaining power and their transfer freedom across EU borders.

Clubs had to start fully dealing with players' representatives, who negotiated the best possible contracts for their clients as well as for themselves (Banks, 2002). With players able to move without a fee at the end of their contracts, the only way that clubs could recoup their investment in players was to sell them while they were still under contract. Conversely, if clubs wanted to retain players, whose contracts were due to expire, they would need to offer new contracts with improved terms before the current terms expired. Both situations represented lucrative bargaining positions for players and their agents. In the 2001/02 season, Premiership clubs spent £475 million on players' wages and £323 million on transfers according to Deloitte (2003). In that season, agents would have earned about £46 million. One Premier League financial director said, "there is nothing atypical about the amounts that English clubs pay agents. Every club has

its own policies and indeed the levels would vary depending on the agent and the club's 'desperation' for a player" (Wild, 2003).

Recognising the opportunity to profit in the game, a new wave of agents entered the football industry from various business sectors. In England, for example, Jon Holmes used to be a life-insurance salesman; Eric Hall and Athol Still moved into football after representing performing artists; and Cyril Regis, Jasper Olson, and Barry Silkman were former professional players (Harding, 2004). By February 2001, there were 631 licensed agents worldwide and this number increased in the following years, when, under pressure from the EU Competition Commission, FIFA modified the rules governing the acquisition of an official license. In Europe alone, the number of football agents increased by about 1,000 per year equating to around 300 per cent (Poli, 2010c). In December 2009, there were 5,193 officially licensed agents worldwide.

Throughout the 1990s the role of agents was able to develop more fully and their activities on behalf of either players or clubs developed according to their own personal networks. Besides contract negotiations, the role played by agents encompasses the development of transnational networks which scout and train players. Once a talented player is identified, intermediaries organise short-term trials in clubs with which they have existing relationships. Europe-based agents often collaborate with "tipsters" living in particularly fertile markets who, in exchange for a regular salary or periodical commissions, scout local talent and organise tournaments, which their Europe-based partners then attend in order to finalise a deal (Poli, 2010a).

In an increasingly global world, massive investments in football networks are essential in order to recognise and attract the best players (Poli, 2010b). This requires that football agents have a deep and selective knowledge of professional football worldwide so as to be able to scout players on behalf of clubs (Pinna, 2006). Semens (2012) explains that while clubs have their own networks, well-connected agents can act as a link when club networks do not otherwise overlap. Agents are also responsible for the structure of migration channels conceived as information systems that guide labour migrations and govern entry into the foreign labour market. In the transfer market, they control the entry into the migration system and the flow dynamics by motivating players to migrate. In this context, as Poli (2010b) highlights, agents play a key role in manipulating the different steps of players' career trajectories and they can influence clubs' football strategies through their role in recruiting and buying players on the transfer market. These arrangements have been known to include a commission for the identifying agent should the player be sold on for a higher amount in future. This issue is increasingly important to the extent that, in recent years, there has been a proliferation of companies and investment funds whose main business is to invest in football players by buying and selling shares of their economic rights in exchange of financial profit. An established practice in South America, so-called Third Party Entitlement, TPE, has also been deployed in Africa and Europe, particularly when clubs cannot afford to invest in the recruitment of new players. Either setting up or actively taking part in TPE investments, the professional activity of football agents has now acquired an entrepreneurial dimension that goes beyond their historical roles and functions within the football labour markets.

On 3 June 2009, FIFA decided to conduct in-depth reform of the licensing system through a new approach based on the concept of intermediaries in order to overcome the deficiencies of the existing regulatory system (FIFA, 2015e). The member associations of FIFA acknowledged that almost three-quarters of international transfers were organised through unlicensed agents and they sought to deregulate the profession of agents through this new approach. The reform resulted from an extensive consultation process involving all stakeholders in football, except agents. Its proposal was to require clubs and players to record the use of any intermediary in a player transfer, and to regulate how such intermediaries were used. However, the new

regulations, FIFA Regulations Working with Intermediaries (RWI), came into force on 1 April 2015 and no longer attempted to regulate access to the activity, but instead control the activity itself. With no direct link between football's governing bodies and the agents, any sanctions can only be enforced on players or clubs, whose responsibility it is to ensure that their selection of intermediary is behaving in an appropriate way. This radical change, approved by FIFA and supported by the main football stakeholders such as FIFPro, has widely affected the individual associations leaving a regulatory vacuum that is likely to impact on how the intermediary profession might change without a proper supervision and regulatory framework. Therefore, the inevitable result is that there is a huge diversity of national measures to govern the profession's activity (Martins, 2016).

From the mid 2010s to present days: the era of super agents and intermediaries

During the six years leading to the approval of the RWI, FIFA often pointed out that its intention was not to put in place a deregulation, but to switch the focus from agents to single football transactions. FIFA did not want to regulate intermediaries in the same way they attempted to regulate agents (Lombardi, 2016). FIFA in essence admitted defeat in its attempt to regulate players' agents, and it abandoned the agents' regulations in their entirety, discounting the recognition of the Licensed Players Agents as a profession (Bellia, 2016). The RWI are interesting in their approach as they now focus on the regulation of the transaction, rather than the regulations of the individual (agent). This radical change in FIFA's approach focuses more on monitoring the intermediaries' transactions rather than the formalities on their access to the profession as was the case before (Van Megen, 2016). Single transfers have now become the focus as FIFA has ultimately ceased to regulate the agents so abruptly. This new approach is consistent with the introduction of the Transfer Matching System in 2010, which is designed to regulate and monitor the international transfer of players.

Based on these premises, we can consider football players from a different perspective that highlights the football transfer activities as sources of added-value generation in financial terms. In the economic context of the transfer market, football players are not just workers under contract with a club, they are also commodities (Rossi et al., 2016). Theoretically, the resource-based view, RBV, suggests that they can be conceived of as strategic resources which help clubs to obtain a competitive advantage in their industry and generate value, thereby contributing to both the strategic and the financial viability of the club. According to the RBV, resources can be defined as those assets that are tied semi-permanently to the firm and, together with capabilities, are the foundation of the firm's long-term strategy since they are the primary source of profit (Amit and Schoemaker, 1993). These strategic resources are defined as valuable, rare, inimitable, and non-substitutable and any firm has then to identify how to generate, manage, and control them in order to establish and enhance its sustainable competitive advantage and, in turn, its profits (Barney, 1991). The RBV therefore helps us to understand the relationships between resources, capabilities, competitive advantage, and profitability and, as a consequence, can help with strategic planning. Additionally, the firm's returns from its resources depend not only on sustaining its competitive position over time, but also on its ability to appropriate these returns. The issue of appropriability concerns the allocation of rents where property rights are not fully defined.

It follows that different actors in football, including football intermediaries, create value-added chains in order to gain profit from the career trajectory of football players through their transfers between clubs (Poli, 2010). In the football context, since players are valuable, rare,

AQ: Is this a reference to Poli a, b, or c?

inimitable, and non-substitutable for their clubs, clubs' actions in the transfer market, based on their scouting and recruitment process, can be thought of as representing the most important strategic decisions that have to be made. Indeed, contrary to other professional sports (e.g. rugby, basketball), football clubs buy out the contracts of players whose registration rights are owned by other clubs in an exchange for a negotiated amount of compensation. In operational terms, this financial element to labour market moves, which must be agreed in a relatively open market, has created opportunities for third parties to compete with clubs in the market to acquire these resources and extract economic rents for themselves.

Indeed, for a football intermediary, when it comes to assessing resources owned and controlled by third parties, their main asset is the network of personal relationships that they operate in. Built informally over time, and not governed by contracts, which could expire over time, agents use their networks to obtain information that can help them in making deals. In the context of the transfer market, third parties have helped to turn players into resources, either explicitly or implicitly and, in this respect, TPE investors buy a stake in the player's contract, which entitles them to a share of the financial benefit from a player's transfer. While football intermediaries are often involved in this, there are many other potential stakeholders for TPEs, including holding companies, investment funds, club shareholders and employees, football academies, and even football players and their relatives.

Given the competitive nature of the representation market, some intermediaries have found ways to differentiate themselves from the competition and to make their activity profitable, despite not controlling many resources, by their access to those resources. However, while players are advised by intermediaries, they are not controlled by them, or at least, intermediaries do not have the legal means to control the moves of players and since their relationships with players do not always involve a formal contract, these relationships with profitable clients might be vulnerable. However, intermediaries' revenues are tightly linked to the transfers they are involved with. By investing in TPEs, intermediaries have found a way to convert players into property-based resources, which can be protected and become a source of profit. In theoretical terms, intermediaries have taken advantage of the transfer system that was implemented by clubs under the same resource-based rationale since TPE is derived directly from this strategy. Investing formally in players thus gives intermediaries a competitive advantage in the market and the potential to profit from holding a share of a player's economic rights. This element characterises the so-called super agents and intermediaries together with their abilities to maximise their football networks potentials and capabilities to fully serve clubs and players in generating added-value to their transfer markets operations in terms of capital gains from transfers and contract renewals in salary terms (Widdop et al., 2016).

Despite the presence of high-profile intermediaries such as Jorge Mendes and Kia Joorabchian, most TPE investors, both natural and legal persons, are outsiders to the football world. This enables intermediaries to provide a dual role, one relatively official while the other is less transparent. First, intermediaries, as football insiders, are very often official members of the experts' commission set up by investors in order to give advice on which players should be targeted. Second, the central position of intermediaries in transfer deals also grants them the ideal role of ambassador. Indeed, third parties, although interested in the details and the conclusion of transfer deals, are not supposed to have an influence. In particular, they are not physically present around the negotiation table and have in turn to respect the deal as concluded by the negotiating participants. It is then very tempting to convince an intermediary to represent the interests of the third party during the negotiation or at least to communicate the information shared during the discussion. As clubs have clear incentives to keep third party shares down, intermediaries are the ideal partner for third parties. The conditions under which intermediaries can conduct such an

emissary role are not always transparent, but the numerous ties between agents and third party owners of players' economic rights indicate that such relations exist.

From an intermediary's perspective, TPE has become a strategic investment tool to enter into transfer markets and compete directly with football clubs for the acquisition of football talent at all levels. As happens in many industries, intermediaries have acted as venture capital investors who are ready to support clubs in their transfer strategies and opportunistically exploit the recruitment and career development of football players who are seen as strategic resources.

Market concentration in the representation market across the big five leagues

In 2016, the big five European leagues together generated €13.4 billion in cumulative revenue, and spent €8.2 billion in wage costs and in estimated transfer fees in the region (Deloitte, 2017). With such fees being spent, the most relevant and influential football intermediaries are domiciled in these countries and operate within their professional leagues. The fees paid to agents are clearly significant sums of money. In England, both the Premier League (PL) and the Football League (FL) produce an annual report on the fees that clubs pay to agents, which shows that since the 2008/2009 football season roughly £980 million has been paid by the 92 professional English football clubs to football agents. This is aside from the huge sums estimated to be paid by players themselves. Since October 2010, the Transfer Matching System (TMS) has tracked all international football transfers and its Global Transfer Report states that between 2011 and 2016 \$1,396 million were spent by clubs to pay intermediaries commission for their roles in international transfers (FIFA TMS, 2017).

By investigating the level of market concentration in the representation market in terms of market share and market power in 2016–17, we are able to ascertain how the representation of players is distributed and how their market transfer evaluations are apportioned between agents. While market share is defined by the total percentage of professional players represented by an agent or an agency within the big five European leagues, the concept of market power is based on the total sum of the potential transfer market value of the players involved. This in turn gives us an indication of competitiveness within the market for agents and intermediaries.

In order to complete this analysis, data was collected on the main agent or intermediary for every player registered to a club in the big five European leagues and, where applicable, also on the second named agent. The potential transfer market value of each player was calculated based on an economic model that takes into consideration variables relative to players and their teams.

The actual market concentration can be seen in more detail in Figure 11.1. Indeed, 113 intermediaries or agencies represent half of the players' market share. On average, these agents manage the career of more than one football player in the big five, and one-quarter of the players are represented by 27 agencies, corresponding to roughly 2.8 per cent, on average, of the representation market in football. In terms of market power, half of the players' market value is managed by 71 individual intermediaries or agencies, 7.32 per cent on average during the season 2016/17, while one-quarter of players' market value is represented by only 17 agents on average, equal to 1.75 per cent of the representation market on average.

A more interesting insight is also to assess which agencies hold a dominant position in the big five leagues, both in terms of the market share and according to the average total amount of the estimated transfer value of their protégés. For this reason, the following analysis offers a detailed overview of the most influential agents and intermediaries, from both a numerical and a financial perspective, allowing also an assessment of the agencies which have been able to increase their market power and influence over the time period.

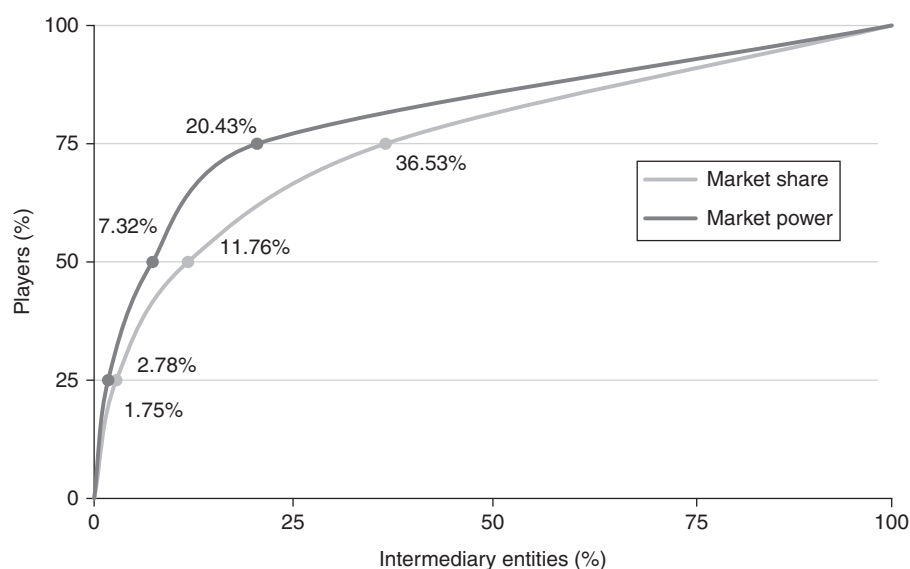


Figure 11.1 Market concentration in the big five in season 2016/2017.

Table 11.1 Top 10 football agencies in with the highest market shares

Rank	Agency/Agent/Intermediary	Type	Market share %	Average number of represented players
1.	WMG (USA)	GG	1.97	49
2.	Sports Total (GER)	GS	1.36	34
3.	Stellar Group (UK)	GG	1.36	34
4.	Bahia Internacional (SPA)	GS	1.36	34
5.	Groupe USM (FRA)	GS	1.28	32
6.	Base Soccer (UK)	GS	1.2	30
7.	Promoesport (SPA)	GS	1.2	30
8.	Rogon (GER)	GS	1.04	26
9.	Groupe USM (FRA)	GS	0.96	24
10.	Pastorello & Partners (ITA)	GS	0.92	23
Total			12.65	316

The 10 individual agencies with the most clients among the players in the big five leagues managed the careers of roughly 316 players, equal to 12.6 per cent of the players' market, as shown in the following Table 11.1. In terms of the typology of agencies, the top agencies are all global specialists, meaning that they focus predominantly on football representation and they operate at international level. The exception to this is WMG and Stellar Group which are involved in other commercial elements of sport and entertainment.

In the last five years, the agency has gone through an expansion process which will impact on its dominant presence in the representation market. In June 2013, WMG announced the appointment of highly rated consultants, including Chiel Dekker in Netherlands, and the agents Frederic Dobraje, Gregory Dakad, Cedric Mazet, and David Martinez in France (WMG, 2013). According to Mike Watts, WMG COO, "the appointment of these five consultants gives us a great opportunity to manage the careers of leading Ligue 1 and Eredivise players locally,

which we see as a huge advantage for both the athletes and for Wasserman” (Long, 2013). In line with this expansion strategy, on 13 November 2014, WMG acquired the Dutch football agency Sport-Promotion founded and owned by Rob Jansen, one of the most respected agents in Europe, who currently represents International Dutch players such as Daley Blind, Marco Van Ginkel, Daryl Janmaat and Leroy Fer. Paul Martin, EVP managing executive for global football at WMG, said of the new collaboration: “the continued development of our European football practice is a priority for us and we firmly believe that this acquisition will enable us to go from strength to strength as we continue to grow our European presence” (WMG, 2014). In July 2016, Wasserman continued the expansion of its global football division with the acquisition of French-based agency, Mondial Promotion, which represents over 60 clients, including the likes of Didier Drogba, Diafra Sakho, Arouna Koné, Pape Souaré, Bafetimbi Gomis, Idrissa Gana Gueye, and Marouane Chamakh. This acquisition further adds to Wasserman’s elite client base which already includes Ross Barkley, Steven Gerrard, Jordan Henderson, John Stones, Daley Blind, Chris Smalling, and Wilfried Bony, amongst others. Casey Wasserman, chairman and CEO, of Wasserman, said: “Mondial has done an incredible job dominating the French football market. Their impressive roster speaks for all the hard work Pierre, Etienne and Thierno have done and will significantly add to our portfolio. Our clients have always been our top priority,” said Pierre Frelot, co-owner of Mondial. As part of Wasserman, we will now have access to a global wealth of services and opportunities for our clients and we look forward to doing great work together. (Heitner, 2016).

In Table 11.2, intermediaries are ranked in terms of market power measured by the yearly potential total amount of transfer fees that could have been generated by players represented by them. Amongst the top 10 agencies, an estimated €2.71 billion could have been generated in transfer fees. With a potential of €653 million, at the top of the rankings is Gestifute, the Portuguese agency run by Jorge Mendes that represents the archetype of the generation of super agents and intermediaries. In the last years, like few other prominent intermediaries, Mendes was quick to provide his services to the new flow of Chinese interest and money in football facilitating players’ transfers to China and advising Chinese entrepreneurs on investing in European football. This market expansion became more evident when, Shanghai Foyo, a company majority owned by Fosun, huge industrial, pharmaceutical and entertainment holdings, bought stakes in Gestifute’s holding company Start followed by the launch of a marketing and football agency joint venture in Chinese football in January 2016 and by Fosun’s acquisition of Wolverhampton

Table 11.2 Top 10 football agencies in with the highest market power

<i>Rank</i>	<i>Agency/Agent/Intermediary</i>	<i>Type</i>	<i>Market power %</i>	<i>Represented players’ total value estimation €m</i>
1.	Gestifute (POR)	GS	4.41	653
2.	WMG (USA)	GG	2.62	388
3.	Stellar Group (ENG)	GS	1.93	285
4.	Maguire Tax & Legal (NDL)	GS	1.76	260
5.	Bahia Internacional (SPA)	GS	1.68	249
6.	Sports Total (GER)	GS	1.48	220
7.	Base Soccer (UK)	GS	1.22	181
8.	Euro Export Ass. e Prop. (BRA)	GS	1.08	160
9.	Pastorello & Partners (ITA)	GS	1.07	158
10.	Twenty Two (ARG)	GS	1.06	156
Total			18.31	2710

Wanderers five months later. Since 2001, Mendes has been able to obtain a privileged position via his connections to diverse groups (clubs, players, funding sources, scouts etc.), enabling him to collect more information than those outside of the network and therefore also exercise some influence over how that information is used and whose interests are served (Russo, 2014).

Conclusions

The evolution of the profession of agents and intermediaries has always been strongly linked with the reform of the football transfer market, the recognition of football players' working rights and the improvement of their working conditions. This aspect reveals that the profession of agents has emerged spontaneously in function of players' needs and ambitions to exploit their increasing bargaining power. In this context, agents have conquered a relevant market position that has led some of them to adopt abusive market power behaviour and illegal conducts within the transfer market, such as bribery, child trafficking, and tax evasion. The recent FIFA reform on agents represents the first attempt to regulate the profession in an inclusive manner, after a six-year period of consultation with the major football stakeholders.

With the introduction of the recent FIFA RWI, the concept of intermediation has become the centre of the regulation. It is not anymore solely players' rights and their interests alone but the entire transfer market and its stakeholders that need to be more accountable and transparent during the transfer activity with intermediaries. This change officially recognises that intermediaries are more than simple players' representatives as agents were supposed to be, but that their activity of intermediation also involves more services for clubs, players and leagues on transfer market issues and commercial opportunities. This new regulatory framework broadly regulated this profession at international level but it is highly fragmented and diversified at national level. This situation provides discrepancies and inconsistencies as intermediaries can operate in their country of origin but, at the same time, find regulatory limitations or hurdles to operate in other countries where they find more stringent regulations for their profession. At the moment, this heterogeneity of regulations represents the biggest challenge and it implies that this reform is far from being complete and perfect.

In relation with the FIFA RWI, it is also the increasing market power of the so-called super agents and intermediaries. We are assisting a superstars' effect in the market of intermediaries, wherein a few are strengthening their market position and domination through the leverage of their networks towards new business services and new markets. A ban on TPE is now current and ratified by FIFA, which controls every transfer through the TMS. However, it is hard to support that this ban is enough to limit the diffusion of this practice that leverages the influence of super agents within the transfer market. It is still early stage to assess whether the increasing power of super agents might create further market inefficiencies and integrity issues, but this represents an interesting topic that researchers might look at in the future.

Finally, the new FIFA RWI provides more transparency and, alongside the TMS, more information is now available regarding who the intermediaries are that are currently operating in the market and how much clubs remunerate them for their transfer market service. As clubs and players are required to be more responsible for allowing intermediaries to act on their behalves during the same transfer negotiations, i.e. double representation, this represents an opportunity for football stakeholders to be more aware of football intermediaries.

Note

- 1 This refers to the habit or tendency to facilitate a transfer deal using a secret financial incentive that is unauthorised and undisclosed to a club manager or any other decision maker within a football club.

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