Global banning of a diffused controversial practice: deinstitutionalization in the soccer industry

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Abstract
We study the deinstitutionalization of a controversial practice that had previously reached a level of international diffusion. We draw on international diffusion and deinstitutionalization theory to study the emergence and diffusion of the third-party ownership practice in the soccer industry. We use an inductive case study combining archival and interview data to study the determinants of the international diffusion of a controversial practice at a global scale, the contestation and finally, the deinstitutionalization process that resulted from the ban of the practice. We find that the opacity of the practice can be a diffusion driver, locally and at the international level, nevertheless the opacity also may lead to different meaning creation attempts and potential discursive battles between actors, and eventually to deinstitutionalization of the practice. This article advances our understanding of how controversial practices fare in different institutional environments.
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Keywords
Deinstitutionalization, institutionalization, international diffusion, organization theory.

INTRODUCTION

After setting a scoring record season with Atletico Madrid (Spanish soccer club), the striker Radamel Falcao (Colombian soccer star) was being transferred in 2011 to AS Monaco (French club) for a whopping fee of $70 million. Atletico Madrid, despite being under a financial meltdown, had acquired Falcao from Oporto FC (Portuguese club) for $45 million only a year ago, in 2010 (Bertin, 2013). How could a financially troubled club like Atletico have acquired the star player that contributed to defeating archrivals Real Madrid in the national cup final and helped them to generate an additional income of $25 million? As the financial crisis hit Portuguese and Spanish soccer clubs, limiting their options to raise debt to bring in new talent, investment groups stepped in to help the clubs to participate in the lucrative European transfer market.

The investment groups used an innovative practice common in Brazil and Argentina. The investor would alleviate the financial strain of the club in exchange of a share of the player’s economic rights. The practice, known as Third Party Ownership (TPO) (van Maren et al., 2016) describes the arrangement that allows for a third-party ownership on a professional soccer player. As the practice diffused, it started to rise concerns in some of the soccer institutions in Europe (UEFA) on the possible manipulation by external investors in the fairness of the competitions and the transparency...
of the transfer market. As a result of a lengthy contestation process, FIFA (top international institution in soccer) instructed a global ban of the practice to take effect in 2015 (FIFA, 2015a).

Prior research has explored the fate of institutionally contested new practices such as the one described above (Jung and Mun, 2016; Reinmoeller and Ansari 2016; Sanders and Tuschke, 2007; Briscoe and Murphy, 2012; Davis & Greve, 1997; Fiss, Kennedy, & Davis, 2012). However, much of this work conflate diffusion of these practices and their institutionalization (for exceptions, see Jung and Mun, 2016; Reinmoeller and Ansari 2016) although, recently few authors argued that these processes are analytically separate (Colyvas and Johnson, 2011). In addition, most of these studies shed light on how these practices evolved in a single institutional environment, providing little information on how they may fare in multiple institutional environments. Furthermore, we know very little about how key international constituents interpret and respond to the diffusion of institutionally contested practices due to differences of norms and values in their corresponding international context.

In order to follow the full life cycle of an institutionally contested practice in different institutional environments, we conducted an inductive study (Eisenhardt, 1989) documenting the advent of the third party ownership practice (TPO) in Latin America starting from the 2000s and its subsequent diffusion and deinstitutionalization in Europe in 2015 due to the contestation by key international constituents. In order to answer our multi-faceted research question we combined archival documents and 17 interviews with key informants in the soccer industry. We began writing a case history based on the archival data, which was then enriched with interviews with industry actors and research reports.

Our findings show that institutionally contested innovative practices may diffuse and get institutionalized within their local markets due to the effort of the diffusing actors, however, they
may face contestation by other actors and international institutions when they are diffused to international markets, leading to their eventual deinstitutionalization. We uncover the mechanisms of diffusion and deinstitutionalization, and while doing that, we also provide a multi-faceted account of different institutional actors, some supporting, some opposing this practice. Furthermore, we depict that the opaqueness of the practice helped the diffusion process as predicted by the previous literature (Briscoe and Murphy, 2012, Reinmoeller and Ansari, 2016) but the opaqueness also allowed the opposing parties to construct negative interpretations of the practice within the field. The power imbalances between actors generates a hierarchical contestation process, which can lead to the deinstitutionalization of the practice.

THEORETICAL BACKGROUND

Practice diffusion

Most of the research on the diffusion of practices sought to improve our understanding of “how things—ideas and practices—get from here to there” (Katz, 1999: 145), mainly drawing on economic models (e.g., Banerjee, 1992; Bikhchandani, Hirshleifer, & Welch, 1998; Lieberman & Asaba, 2006), or sociological mechanisms (e.g., Strang & Macy, 2001; Strang & Meyer, 1993). Economists used informational arguments pointing to a growing level of general information about the value of a practice in affecting diffusion decisions, whereas sociologists, with institutional theory as their main anchor, have used more reputational arguments that relate to growing pressures for social conformity to explain diffusion. Diffusion can be facilitated by adopters’ direct contact with agents involved in the practice, such as interfirm ties (Davis, 1991) or by third party carriers of the practice (Strang & Meyer, 1993) or through less direct means such as such as news media reports (Mazza & Alvarez, 2000). Recently, researchers explored how the nature of the practices in relation to their environment had an impact on practice diffusion. For instance, public
controversy about a practice, emerging from an outcry from aggrieved parties, judgments by media commentators and accompanying negative publicity for adopting firms, may conduce other organizations to be wary of adopting this practice. Thus, there has been a shift in focus on evaluating the cultural and political consequences experienced by prior adopters and how these outcomes affected future adoption by other organizations. Empirically researchers started to scrutinize how polemic/controversial practices diffuse (Briscoe & Murphy, 2012; Davis & Greve, 1997; Fiss, Kennedy, & Davis, 2012), but very few researchers have addressed their persistence and institutionalization (for exceptions, see Jung and Mun, 2016; Reinmoeller and Ansari 2016).

**Diffusion vs. Institutionalization of innovative practices**

Institutions reflect “repetitively activated activity sequences” that “reveal a particular reproduction process” (Jepperson, 1991: 145) and institutionalization “reflects the conversion of something into an institution” (Colyvas & Jonsson, 2011: 38). The earlier view was that diffusion and institutionalization are closely related and coupled processes (Madsen & Stenheim, 2014). Institutionalization of a concept or a practice is seen as an important driver of diffusion (Strang & Meyer, 1993). Conversely, widely used practices (i.e. diffused) are more likely to become institutionalized through use. However, recently, other researchers have taken a different view. Their argument is that conflation of these two processes is inappropriate and we need to distinguish the two (Colyvas & Johnson, 2011; Jung and Mun, 2016). In order to distinguish between the two analytically separate processes, studying the diffusion of *institutionally contested* practices may be helpful since the diffusion of such practices does not mean that they are fully institutionalized and accepted with respect to local norms and value systems. There is an increasing interest in studying such practices varying from shareholder oriented governance systems, downsizing, competitive intelligence, and golden parachutes to retiree benefit cuts (Jung and Mun, 2016; Reinmoeller and
Ansari 2016; Sanders and Tuschke, 2007; Briscoe and Murphy, 2012; Davis & Greve, 1997; Fiss, Kennedy, & Davis, 2012). However, these studies don’t distinguish between diffusion and institutionalization (for exceptions, see Jung and Mun, 2016; Reinmoeller and Ansari 2016) or even if they do, they focus only on the initial diffusion and institutionalization of such practices in a single institutional environment. Thus, they provide little information on how an institutionally contested practice fares in multiple institutional environments. In addition, most of this research does not pay attention to how key international constituents interpret and respond to the diffusion of institutionally contested practices although this contestation can be more dramatic due to differences of norms and values in international contexts.

**Contestation of international diffusion of practices**

In previous literature on diffusion, we observe that in many cases, diffusion studies have a clear single-country focus (Ansari, Fiss, & Zajac, 2010; Briscoe & Murphy, 2012; Davis & Greve, 1997; Strang & Meyer, 1993). Researchers paid little attention to the diffusion of managerial theories and practices over international contexts (Goederham et al., 1999; Sanders & Tuschke, 2007). Consequently, we know little about how practices spread over distinct institutional contexts, particularly contexts with widely different norms and values. Relatively few studies that have explored transfer of management practices across borders and concluded that institutional differences of nations influence the ease of diffusion (Casper & Hanckj, 1999; Cole, 1985, 1989; Gooderham et al., 1999; Guler et al., 2002; Kostova, 1999) rather than exploring diffusion processes themselves. In addition, in previous research on diffusion, most diffusers are presented as agentic and adopters as passive, since diffusers are often those considered central or powerful in the context being studied (Whitson, Weber, Hirsch, & Bermiss, 2013) Therefore, most studies do not consider situations in which potential adopters successfully defend themselves from outside
intervention tapping into key constituents’ political support. Thus, we posit that, we may benefit from viewing cross-border diffusion of institutionally contested practices as an ongoing process involving the interaction of diffusers and adopters, both channeling their influence attempts to co-opt key international constituents. In fact, if actors opposing these practices prevail, we may even observe deinstitutionalization of the practice (even in its original context) in international contexts where there is presence of strong international institutions with global regulatory power.

Deinstitutionalization

Deinstitutionalization is the “de-legitimation of an established organizational practice or procedure as a result of organizational challenges to or the failure of organizations to reproduce previously legitimated or taken-for-granted organizational actions” (Oliver, 1992: 564). A number of studies explored why deinstitutionalization may occur. One common explanation suggests that new practices simply displace old ones with new approaches being seen as preferable to existing arrangements (Maguire & Hardy, 2009; Wicks, 2001). Studies in this stream conceptually often depict institutional change processes in organizational fields where after pressures for change or jolts, a new practice is institutionalized, leading to deinstitutionalization of old practices (see, e.g. Greenwood, Suddaby, & Hinings, 2002; Hinings, Greenwood, Reay, & Suddaby, 2004).

A much less studied research stream puts forth that practices can simply be discontinued due to functional, political, and social pressures (Oliver, 1992), by force through regulation (Fligstein, 1990), or voluntarily (e.g. Ahmadjian & Robinson, 2001; Hiatt, Sine, & Tolbert, 2009b; Maguire & Hardy, 2009). To change a practice that has been institutionalized, a modification in the discourse is needed (Maguire & Hardy, 2009). The production of elements that include “claims, arguments, stories, examples, statistics, anecdotes” (Maguire & Hardy 2009: 151) focused in the dramatization of the lack of effectiveness or unfairness of the institutionalized practice produce a
“problematization”. Actors can use different strategies to persuade on the validity of their “problematization”, for example using collective action frames or through the interpretation of the situation and frame courses of action that could appeal existing interests (Fligstein, 2003). The final objective of the “problematization” is to delegitimize the existent practice and eventually deinstitutionalize it.

Despite its relevance, deinstitutionalization has ‘remained largely unexplored’ (Dover & Lawrence, 2010: 307) and mostly deinstitutionalization has ‘often been studied indirectly, as a by-product of research on the adoption of new practices’ (Maguire & Hardy, 2009: 148), thus, more studies are needed to focus on deinstitutionalization per se, and uncover institutionalization and deinstitutionalization processes in international settings.

Overall, we posit that we need to understand better the international diffusion of controversial, but innovative, practices, where they may face contestation impeding them to get fully institutionalized in these international contexts. As most studies only focus on diffusion of practices or their deinstitutionalization, they largely omit what happens when a controversial practice is diffused but not institutionalized in another context due to potential contestation. In this paper, we set out to untangle this process by examining not only firms’ interaction with various institutional actors but also paying attention to institutions’ interactions among themselves. Specifically, we explore what are the factors that explain the international diffusion of controversial practices and their subsequent deinstitutionalization due to contestation? Numerous scholars have called for cross-setting comparison of the diffusion of the same object (Denrell & Kovács, 2008; Strang & Soule, 1998), tracing these diffusion processes across different countries will help us to shed light on how controversial practices diffuse in different institutional environments.
RESEARCH METHOD

Given the limited theory and empirical evidence on our research question, we conducted an inductive study, tracing the diffusion of the TPO practice which originated in Latin America (e.g. Brazil and Argentina) and afterwards spread into Europe (into various countries such as UK, Portugal and Spain). To tackle process-based research questions that extant theory does not address well, inductive studies are a good choice (Eisenhardt, 1989). In order to obtain rich and detailed data on our multi-faceted research question (Yin, 2003), we used a single-case design, focusing on the TPO practice in the soccer industry. Single cases allow immersion in rich data, which can help sharpen existing theory by pointing to gaps and beginning to fill them. They can also provide inspiration for new and untested ideas (Siggelkow, 2007).

Research context

As noted above, our research setting is soccer. We examine the advent of TPO practice in this industry starting from mid-1990, but with a focus on the diffusion of this practice between 2006 and 2015 as this is when the contestation and deinstitutionalization of this practice took place.

The governing organizations of soccer are organized with a pyramidal structure. At the top of the pyramid is the International Federation of Association Football (Fédération Internationale de Football Association, or FIFA) which governs soccer associations at the international level and organizes major international tournaments, like the FIFA World Cup. FIFA is comprised of six confederations (and their administrative bodies), that represent national federations and organize their own local tournaments: AFC (Asian Football Confederation), CAF (Confédération Africaine de Football), CONCACAF (Confederation of North, Central American and Caribbean Association Football), CONMEBOL (Confederación Sudamericana de Fútbol), OFC (Oceania Football Confederation) and UEFA, the biggest confederation.
The most visible actors, professional players and clubs, do not have a direct linkage with the institutional actors at an international level (i.e. UEFA in Europe, or FIFA worldwide). A representation of the main ties between the different actors shows how there is a disconnection between the national leagues and their federations (see figure 1). While at a national level, the league can have its own institutional representation (as it happens in countries like UK or Spain), the international level competitions (including the Champions League in Europe or the World Cup) are organized by institutions that mostly have links with the respective national federations but not necessarily with the clubs (see figure 1). Thus, while soccer clubs and professional players are the most visible actors in the industry, they participate in competitions that are organized by institutions where they have limited direct influence.

Insert Figure 1 about here

Our research setting is particularly appropriate for this study as TPO practices were introduced and diffused into an industry with many strong players and institutional actors at an international level which allows us to observe the contestation process. Our longitudinal approach provides enough distance to observe how international diffusion of a practice and its subsequent contestation may ensue over time.

Data Sources

Our data consists of archival documents and interviews. We used archival data of 98 newspaper articles from Factiva and EBSCO databases with a keyword search on ‘third party ownership practice’. In addition, we used 98 local news articles from 3 key markets of UK, Portugal and Spain respectively through general internet search. Finally, we also examined 3 research reports from companies which observe this industry closely.
Using extensive archival data is appropriate for our setting for several reasons. First, the large quantity of documents over the time period capture important and objective information about how the industry evolved. Second, a large proportion of these documents are news articles, which helped us to understand the perspectives and statements of the different actors in our story. These news articles provide extensive coverage of different parties’ opinions and how they acted, and in the case of local news articles, they allowed us to gain more profound insights regarding the local contexts. Finally, the three extensive research reports provided us with more sophisticated and higher level data since they were prepared by experts of the field. These reports, by themselves, were also key in shaping the discourse regarding the TPO practice.

In addition to these archival documents, we interviewed 17 knowledgeable actors from the soccer industry to gain more insights. Our interviewees ranged from investment fund managers that used TPO practices extensively, to highly knowledgeable academics which observed the industry very closely (for a list of our interviewees and their current positions, please see table 1). We enriched our findings by integrating these interviews into the case.

Data Analysis

We began by writing a case history based on the archival data described above. We first compiled facts about the case and quotes from key players from archival sources such as news databases (such as Factiva) and local newspaper articles. These sources helped us identify key stakeholders and actors, such as FIFA, soccer clubs, and investment funds and examine their perspectives, arguments and strategies. Next, we filled in the gaps by adding data from research reports. We finalized our cases by analyzing 17 interviews with industry actors to enrich the data with personal stories and quotes. Each researcher reviewed the data to form independent views of the accounts.
We synthesized these views within the case history. The resulting case was about 45 pages long, including quotes and timelines. As we developed the case history, we also marked key events (e.g. beginning and final ruling of highly visible court cases, FIFA ruling banning the practice) that shaped the diffusion of the TPO practice.

Reconciling these with previous theory and empirical evidence from prior studies, we looked for specific constructs and themes emerging from the case. Then we formed relationships between these constructs by iterating between theory and data (Eisenhardt, 1989). Finally, we compared our findings with extant literature to identify similarities and differences in order to raise the generalizability of the emergent theory. The emergent theory combines elements of institutional and diffusion theories.

**CASE CHRONOLOGY**

Before delving into the theoretical framework that emerged from our data, it is useful to give a brief chronological summary of the events that took place in the soccer industry with respect to the practice.

**The TPO practice**

On December 19th of 2014, the FIFA’s Executive Committee (FIFA, 2015b) approved the decision to ban the Third-Party Ownership practice (TPO). The ban came into force on May 1st of 2015. This decision put an end, to a practice that has transformed the soccer industry in the last decade (Duff & Panja, 2013). The TPO had become the focus of discussions between soccer global institutions, associations and federations, clubs, investors, professional players’ agents, and players from around the world (Montenegro, 2015).
TPO practice has been used to enable a “physical or legal person, who is not a soccer club, invest in the economic rights of a professional player, potentially in order to receive a share of the value of any future transfer of that player” (FIFA, 2015b). The TPO practice is articulated as a "separate private law contract between a third-party and a club or a player" (van Maren et al., 2016: 2). It had become a dominant arrangement in the Latin-American soccer leagues of Brazil and Argentina (KPMG, 2013), but it was also highly prevalent in Portugal, Spain and the Eastern European leagues: Albania, Bosnia, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Romania, Serbia, and Slovenia (Hall, 2015).

**Early diffusion and institutionalization of the TPO practice in the soccer industry**

The soccer industry is governed by a diversity of actors with a complex relationship structure (see figure 1). The soccer industry off-season transfer market generated over 4 billions USD in transactions in 2014, and it has been steadily growing during the last decade (FIFA TMS, 2015; Poli, Ravenel, & Besson, 2015). In 2014, over 13,000 professional players were transferred worldwide. Brazil is the country that contributed with the highest number of players engaged (646) and released in the market (689); the transfer market generated over 230 million USD in intermediaries fees (FIFA TMS, 2015).

Brazil, largest transfer market (by number of transactions) in the soccer industry, had been traditionally a soccer power horse at national level (winning several World Cups at international level), with many of its global stars playing in the European clubs. Despite this global success, the financial health of many of the Brazilian clubs was often a subject of concern that substantially weakened their ability to retain young talented professional players. In the 1990s, it became popular that local businessmen would get involved in the management of the clubs, they would provide funds to the ailing club in exchange of holding the economic rights on some of the promising stars.
What started as a singular, almost philanthropic activity, soon became a common, investment driven arrangement between third-parties, football clubs and professional players’ agents (KPMG, 2013). The widespread use of the practice became evident as reports suggest that by 2013 "almost 90% of the soccer players in the Brazilian First Division had their economic rights shared between different stakeholders, including companies, private investors, relatives, investment funds or others” (KPMG, 2013). The third-party investors had entered in an industry that had traditionally been run by national federations, soccer clubs, and professional player’s agents.

**International diffusion of the TPO**

If soccer clubs and players compete following a sports success logic, investors follow an economic logic. The diffusion of the practice in Brazil was driven by an increasing possibility to obtain substantial returns as investors would participate in the economic rights of players being sold to European clubs. Traffic Sport (a Brazilian society based in Sao Paulo) was able to gain an average 62% return in their first 21 player transactions between 2008 and 2012 (Duff & Panja, 2013), other investors go further saying that they managed to generate returns of 150% a year (Downie, 2008).

The diffusion and institutionalization of the practice in Brazil in 2013 generated a perception of market saturation to some of its most active investors (Rossi, Semens, & Brocard, 2016). The pioneers of the TPO practice in Brazil had become relevant local actors in the national Brazilian league; DIS (Esporte e Organização de Eventos) was now a partner of the Santos soccer club (Duarte, 2014), Traffic Sports had taken a position in most of the players at Palmeiras soccer club (Gibson & Conn, 2014a). There had also been new entrants, such as the MSI group led by Kia Joorabchian (Jackson, 2006), that had brought the practice from the Brazil context to the UK. The MSI group used the TPO practice to bring promising South-American stars to the Brazilian soccer
club Corinthians, and then transfer them to the UK premier league to have direct access to the wealthier European soccer transfer market (Brassell, 2014). Similar arrangements were happening in Argentina with some of the promising talents from the top soccer clubs of Buenos Aires, River Plate and Boca Juniors (Jackson, 2006). Finally, as an alternative approach to the internationalization of this practice, Doyen group built upon the influence network of “star” football player agent, Jorge Mendes, to replicate the Brazil’s TPO model in Portugal (Conn, 2014).

Some illustrative examples of the transactions in the transfer market where some of the above-mentioned groups participated can be seen in Table 2. As seen in Table 2, it was Doyen group that became a prominent user of TPO to participate in the intra-European transfer market, spreading the practice to Portugal, Spain and other European countries.

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Insert Table 2 about here

The diffusion of the practice in Europe was constrained by the different country regulations that determine whether the federative and economic rights of the soccer players can be dealt separately. This meant that while the federative rights could stay with a soccer club, the economic rights could be partially or fully transferred to a third-party (investor). Such arrangement was not legal in countries like Germany, and became prohibited in England after the eruption of the Tevez & Mascherano case triggered by the MSI group who attempted diffusion of the TPO practice to the English soccer league (KPMG, 2013).

Despite the legal boundaries in some of the important soccer markets in Europe, the prominence of TPO practice at the international level became substantial and started to attract the attention of all soccer institutions and actors (Gibson & Conn, 2014a). Despite not participating directly in the German or England transfer market, third-party investors had over 500 million USD invested in
international players transferred in 2013 (Duff & Panja, 2013), a substantial participation on a market of almost 4 billion USD in transfer value (FIFA TMS, 2015).

**Contestation and deinstitutionalization of the TPO**

The international diffusion of the practice outside of Brazil, or Argentina, went mostly unnoticed. The only notorious exception was the Tévez/Mascherano affair in 2006-2007 involving the West Ham English soccer club (Abatan, 2012); which resulted in the English Premier League (EPL) ban for the season 2008/2009 of any direct involvement of third-party owners in the economic rights of soccer players. As later cited in Gibson & Conn (2014a) from confidential FIFA sources “gaining a thorough understanding of this form of investment in the soccer market has been challenging due to the limited economic data available and the varied global relevant of third-party ownership”.

The secrecy regarding the transfer fees and contractual arrangements between soccer players, agents, and soccer clubs had made it difficult to expose the prevalence of the practice (KPMG, 2013). The local restriction of the practice in markets such as England, Germany and later France (Abatan, 2012), would only mean that investors had to sell their position in the soccer player when it would join a club in such countries. In fact, the financial strength of the English clubs, leading the transfer market net purchases year after year (FIFA TMS, 2015), made them the buy-side of the most common arrangement for a successful TPO practice operation: invest in a soccer player while competing in Portugal and Spain and sell it to a club in England. The rise of Doyen Group is linked to the exploitation of this lucrative arrangement: investing in soccer players in Portugal and Spain clubs, selling its stake when transferred to France or England.

The uneven regulation in Europe regarding the practice created what was described as a sense of unfairness: while Portuguese and Spanish clubs could get support from external investors to acquire
new soccer players for their squads (sharing ownership), the clubs in the French or English league would have to commit additional financial resources to buy-out third-party investors (Geey, 2012).

As a result of the mounting pressure on UEFA and FIFA, coming both from the English and French Soccer federations (Conn, 2014), UEFA started to change its stance towards the practice (see Table 3). From being neutral in late 2011: "UEFA is aware that some clubs use third party ownership to ease liquidity concerns...the competitive advantage should not be overstated" (Reck, 2012), to adopting a much more clear aggressive stance. After more than three years of intense debate, in late 2014 the FIFA passed the ban to the TPO practice, not only affecting the European soccer leagues, clubs, players, agents, and TPO investors; but also the clubs and players in Brazil that had triggered the global diffusion of the practice (Duarte, 2014).

As this chronology shows, the TPO practice has been first diffused in Brazil and Argentina and then across Europe and eventually banned/deinstitutionalized globally. Below, in two phases, we describe how interaction among different institutional actors influenced how these events unfolded.

FINDINGS ON THE EVOLUTION OF THE TPO PRACTICE

Phase 1: Local diffusion and subsequent internationalization of the practice

As described above, in the first phase, we first note that the new practice is created by local businessmen to help out the clubs. Although it was initiated as a more of a philanthropic act, over time companies/funds which were more oriented towards economic gain, followed suit to make the TPO practice ubiquitous in the international soccer industry since Latin American market was becoming saturated. Below we scrutinize this process through different mechanisms.

Transposition
Our data show that transposition was used by investment funds as a cognitive tool in the beginning. In fact, this is the first instance in our story that the TPO as we know came to exist, otherwise it could have been only used sporadically on a very limited scale to help the clubs philanthropically by local businessmen. Transposition is the process through which actors select and transport managerial practices across institutional fields (Boxenbaum & Battilana, 2005; Schneiberg, 2013; Sewell, 1992). Transposition occurs because practices “can be applied to a wide and not fully predictable range of cases outside the contexts in which they are initially learned” (Sewell, 1992: 17). As Boxenbaum and Battilana, (2005) argue, the most important facilitating condition at the field level for transposition, is the presence of a major problem in the field. Previous empirical research on transposition already highlighted an “acute sense of crisis” (Djelic, 1998: 280). We also find a similar situation in our case where the amounting financial problems of the clubs allowed the funds to transpose the TPO practice from the finance industry, invest in players and co-finance their transfer fees.

The president of Traffic, an investment fund, put forth that the inspiration for transposition came from the finance field: “Instead of investing in the stock market or real estate, these people are investing in buying the economic rights to football players” (Downie, 2008).

As a soccer club manager in Spain described in the interviews:

“This is a classic structure of an investment project…it is not a financial product but a (soccer) player, the only difference is that you must promote the product…to showcase it, you need clubs, and this is when the investor closes the deal with the clubs”.

Similarly, a soccer journalist paraphrased with an analogy from venture capital field: “It’s venture capital, only the investment is in people instead of widgets” (Bertin, 2013). Even early disputes in arbitrage courts would reinforce the concept that “professional soccer is an economic activity”, as the legal advisor to the association of European leagues mentioned, and was reported
by legal experts analysis: economic rights can be hold jointly by multiple actors (van Maren et al., 2016).

Routinization

After initially transposing the TPO practice from the finance industry, investment funds also engaged in routinizing this practice within the Brazilian and Argentinian market with each transfer transaction. To illustrate this point, Rafael Botelho, the legal and corporate affairs director for the investment fund, Traffic Sports, stated that:

“In my twelve years at Traffic Sports, where I have read, drafted, and signed more than five hundred player contracts, I do not recall a single contract without any TPO involved” (Hall, 2015).

Routinization occurs “when the innovation has become incorporated into the regular activities of the organization, and the innovation loses its separate identity. At that point, the innovation process in an organization is complete” (Rogers, 2003: 429). Fichman (2001) defines routinization as “the extent to which an innovation has become a stable and regular part of organizational procedures and behavior” Although these definitions are conceived for the organizational level and involve technological innovations, we can also extrapolate routinization to the field level and apply it to managerial innovations and diffusion of new practices. In this case, considering routinization as institutional work (Lawrence & Suddaby, 2006) may be helpful. Institutional work is defined as “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006: 215). Once created, “institutions are transmitted by various types of carriers, including routines” across different actors (Lawrence & Suddaby, 2006: 216). Routinization as an outcome, not only leads to a taken for grantedness of the practice but also entails a practical consciousness that does not require conscious reflection or very calculative actions enacting the institutionalized practice (Giddens, 1979).
As it was recalled in the interview with a manager of one of the larger clubs in Brazil, that had also taken personal investments in players’ economic rights: “It became the norm, from the players in the base, in the young categories of the club”, it was a way of “making things easy”, as investors cash out as players were transferred, they would “reinvest taking a percentage on the new incorporations in the roster or youngster team”.

Eventually the practice got routinized to an extent that, at some point, almost 90% of players were owned partially by TPOs in Brazil. Observing this level of prevalence, Brazilian Government legalized the TPO practice and created an institutional framework through a new regulation Law 9615/9 called Pele Act in 1998 (KPMG, 2013) which effectively distinguished between federative and economic rights of the soccer players and allowed third parties to own the economic rights. A similar situation happened in Argentina where the practice was legal, but in 2013 tax authorities introduced new regulation to make it more transparent and ensure that the transactions were properly taxed (KPMG, 2013). Therefore, we can argue that the practice not only got widely diffused, but also came to be institutionalized within the Brazilian and Argentinian contexts on a cognitive and legal basis.

**Creation of multinational firms as bridging agents**

Once the practice got highly diffused in the large markets in Latin America (such as Brazil, Argentina and Uruguay), multinational investment funds (such as Doyen and MSI) were created with the purpose of bridging the practice from Latin America to Europe. Multinationals are widely recognized as key agents in the diffusion of practices across national borders by transmitting organizational techniques to their subsidiaries and other organizations in the host country (Arias & Guillen, 1998; Delmas & Toffel, 2004). They generate value by leveraging tangible and intangible resources across national borders. At the most fundamental level, their value creation is based on
international arbitrage. This arbitrage is made possible by the multiple embeddedness of the multinational firm – it is embedded in both its home and host environments, so it can capture the gains from trade by internalizing market transactions. The benefits of arbitrage are reinforced by aggregation and economies of scale and by adaptation of central value propositions to suit local contexts (Meyer, Mudambi, & Narula, 2011). We argue that multinationals also play a “bridging” role, by acting as intermediaries between two different national contexts. An example of these funds is Doyen sports investment, and this is a statement from its corporate website (Bertin, 2013):

“Doyen Sports Investments is a private fund dedicated, amongst other activities, to providing an important and growing alternative source of financing for football clubs and football PLCs. Soon support will be given directly also to some Leagues. Doyen Sports Investments chose Spain as entrance market due to the visibility and quality of the Spanish football.”

In the interview held with a Doyen representative it was mentioned that the financial crisis in Europe provided an opportunity to enter and bring the practice to Spain and Portugal clubs “once these clubs had no access to finance, they had to find another way to remain competitive in the transfer market…we could provide the finance and the expertise… the scouting network”. As he elaborated in more detail describing how the practice was introduced:

“Nelio Lucas (Doyen founder) already had a very good contact network in Spain and Portugal…this was a tool that was brought in, that worked for the Brazilian and Argentinian market…it’s like bringing in a new technology from someone you already know… so it was well accepted”

Phase 2: Contestation and deinstitutionalization of the practice

We argue that the international diffusion of the TPO practice did not go through smoothly due to the contestation of various institutional actors in the field of soccer. The intertwined field of international soccer championship comprises several institutional actors of varying hierarchy and together they form a complex web in which they all influence each other. Below we analyze this phase of the story paying attention to different actors’ positions with respect to the TPO.
Demonizing

The contestation on the practice has been particularly visible in the description that some of the influential actors have done of the TPO arrangements; in particular the president of the UEFA, Michael Platini, has stated in several occasions that TPO is a form of “modern slavery” (van Maren et al., 2016). We can analyze this depiction of TPO as slavery through the lens of institutional work. Lawrence and Suddaby (2006) identified nine categories of institutional work that create institutions, five categories that maintain them and three categories that disrupt them. In order to maintain the current institutional order of the field, influential actors identify and evaluate the moral status of other participants in the field, both as an enactment of institutionalized beliefs and as way of maintaining the power of those beliefs (Lawrence & Suddaby, 2006: 232). One of the maintaining actions of institutional work is deemed as demonizing. Actors use demonizing in the public arena in the form of negative statements for practices that deviate from the institutional norms. In our case, we can characterize demonizing as an active resistance to institutional change in the form of new practices, since actors may use demonizing to explicitly reject new practices and delay their adoption.

Platini had demonized the TPO practice at multiple occasions (BBC, 2015):

“I don’t think it’s very good if players from several teams belong to a financial company or belong to people. I think ethically, morally, it is not good.”

“Today, it's shameful to see some players with one of their arms belonging to one person, a leg belonging to a funds pension located who knows where, and a third person owning his foot. We're dealing with a type of slavery that belongs to the past”

Similarly, there were other arguments by other influential institutional actors arguing that the TPO practice was dehumanizing. The Football Players’ Association (FIFpro) president indicated:

“Footballers are still treated like commodities, not as human beings. TPO opens the door to parasites who manipulate players for profit” (FIFPro, 2015).
One of the main opponents of the practice, UK Premier League and its president, equally challenged the practice on the base of how it threatened the integrity of football:

“We believe (TPO) threatens the integrity of competitions, reduces the flow of transfer revenue contained within the game, and has the potential to exert external influence on players’ transfer decisions” (Gibson & Conn, 2014b).

In defense of the TPO, the proponents of the practice defended TPO based on an economic/legal rationale. The Spanish Football League (LFP) defended the legality of the practice in open discussion forums and articles (van Maren et al., 2016). In addition, the competitive benefits of the TPO arrangement, as it helps non-elite clubs to recruit promising talent, have been a key argument by José Luis Tebas (CEO of LFP) when defending that thanks to the TPO his soccer league is more attractive and can reach a wider audience (van Maren et al., 2016). The use of the TPO arrangement has been particularly popular in clubs that were under financial distress, for instance Atlético de Madrid used TPO to recruit top talent, and successfully managed to reach the finals of the European Championship despite having financial difficulties and being under a high debt burden (Bertin, 2013).

Thus, the discussion on the morality of the practice shows powerful voices in the institutions of UEFA, FIFPro and Premier League with a strong narratives against it, meanwhile the actors that defend its legal grounds publicly are only the Spanish and Portuguese League managers; TPO investors themselves had a rather low profile and avoided exposure to the media.

**Agenda setting**

Once the actors engage in field level discursive conflicts, we also observe an attempt to set the agenda for the global decision making institution, FIFA. In fact, we by escalating the issue to the top institution in the hierarchy, UEFA and other institutional actors (such as English and French
federations) look for a global ban/deinstitutionalization. These organizations, at times, pursue different interests, so in broad terms, they can be considered as interest organizations. In previous literature rooted in political science, interest organizations are deemed to communicate the salience of policy issues to policymakers and the wider public through agenda-setting (Jones & Baumgartner, 2005; Kollman, 1998). Agenda setting is focused on signaling which issues are important and need to be dealt with on the policy agenda, in other words, intends to influence the selection of policy issues. To get issues on the policy agenda, actors must gain sufficient attention for an issue and build credibility that the issue has to be dealt with (Princen, 2011). By highlighting specific issues above others, interest groups draw the attention of policymakers to these issues. To sum up, agenda-setting aims at affecting which policy issues gain attention and become important for policymakers. On a similar vein, in our study, we observe that various organizations opposing TPO, such as UEFA, FIFpro, and English Premier League join forces to set the agenda for the overarching global institution, FIFA. They urge FIFA to act immediately and make sure the issue is salient at the field level with their public statements. For example:

“I have put a lot of pressure on FIFA to stop third party ownership” (Platini, UEFA, president in a an online interview (BBC, 2015))

“So, it’s now time to act, and if FIFA does not address the problem, then UEFA will.” (Gianni Infantino, UEFA secretary in Gibson & Conn (2014b))

The pressure also was coming from other stakeholders, for instance the CEO of the German association of player agents, Gregor Reiter, declared in 2013 on the need that FIFA address the challenge the TPO was introducing "if they (FIFA) don't address it, someone will ask what on earth to we need FIFA for" (Duff & Panja, 2013). The pressure also reached other institutions such as the European Commission that received a joint complaint by UEFA and FIFpro:
Clearly, this is not something that can be accepted by European law and this is precisely why we have now, together with FIFPro, asked the European Commission to investigate and to declare third-party ownership illegal (UEFA, 2015).

Expertise building

When the TPO practice was brought to its attention, FIFA needed to have sufficient knowledge about the practice to take a decision regarding the fate of the practice. This knowledge may be normally acquired through direct contact with agents involved in the practice (Davis, 1991; Strang & Meyer, 1993) or through less direct means such as news media reports (Mazza & Alvarezm, 2000). However, in the case of opaque practices such as TPO, this type of knowledge acquisition can be difficult. Opacity exists when observers find it difficult to identify the characteristics of prevailing practices, and establish causal relationships between the practices and their outcomes (Briscoe & Murphy, 2012; Jiang & Bansal, 2003; Wijen, 2014). Therefore, we observe that FIFA to take a decision on this opaque practice commissioned two reports from expert parties (KPMG and CIES). Experts are typically considered authoritative and they play an important role in “fact-making” (Maguire, 2004). The CIES report (see Poli & Rossi, 2012) was outright against the practice, and although KPMG report had a more neutral tone, the report brought into limelight how widely the TPO practice was diffused (especially in East Europe and Portugal, and to some extent in Spain). As these expert institutions published their reports, not only these reports helped FIFA to build expertise about the practice but also gave FIFA a more “scientific” basis and justification for its decisions. As mentioned in their statement in 2015

“FIFA’s objective was to address TPO on the basis of a sound and detailed understanding of the practice... This was also the reason why FIFA mandated two research studies with a broad scope in terms of deliverables, information and data sought, so that their findings could also contribute to the discussions and consultations that had been set up” (FIFA, 2015b).
Global banning and deinstitutionalization

As a final verdict, FIFA decided to ban the practice globally and effectively deinstitutionalize the practice in Latin America where it initially originated and spread. FIFA took the decision of the ban in their December 19th 2014 meeting, and this was the result of a process of deliberations (see table 6) lead by a specific working group inside the institution. FIFA claimed that:

"TPO has harmful effects on soccer and its essential values, thereby undermining the overall integrity of the game" (FIFA, 2015b)

The ban of the practice took place as FIFA introduced an additional provision to the Regulation and Status of Players (RSTP), the Art. 18ter:

"No club or player shall enter into an agreement with a third party whereby a third party is being entitled to participate, either in full or in part, in compensation payable in relation to the future transfer of a player from one club to another, or is being assigned any rights in relation to a future transfer or transfer compensation" (van Maren et al., 2016).

We argue that the eventual deinstitutionalization of the practice in Latin America took place due to the constant contestation and problematization (Maguire & Hardy, 2009) of the practice by various international and powerful institutional actors leading to the global ban. Brazil soccer authorities swiftly implemented the ban (Panja, 2015a). The effects of the ban in a region where TPO was “part of the football culture” (van Maren et al., 2016: 234) were already anticipated by some of the investors that “rushed to finalize deals”, as a sports lawyer in the region recalled in the interviews. The investment groups like Doyen were also getting ready for a legal battle to overrun FIFA’s ban (Philippin, 2016).

DISCUSSION

This paper uses longitudinal data to explore the international diffusion of innovative practices and their subsequent deinstitutionalization due to heavy contestation from powerful institutional
actors (see figure 2). Our study of the international diffusion of the TPO practice reveals how international institutions can challenge the legitimacy of this practice using different discourses and through escalating the issue to the next institution to the geographical hierarchy eventually leading to banning of this practice. While prior studies have focused on how practices get diffused (Abrahamson, 1996; Strang & Macy, 2001; Strang & Meyer, 1993) or how they get deinstitutionalized (Ahmadjian & Robinson, 2001; Maguire & Hardy, 2009), we try to provide a full picture tracing a controversial practice from its cradle to grave. We find that actors that diffuse their practice internationally, should not take different institutional environments for granted, institutional contestation may lead to deinstitutionalization of their practice even in their home market.

---------------------------------------------------------------------
Insert Figure 2 about here
---------------------------------------------------------------------
Our contributions are twofold. First, we contribute to the emerging research on controversial practices (Briscoe & Murphy, 2012, Reinecke and Ansari, 2016) and the role opacity plays in their persistence. Prior work (Briscoe & Murphy, 2012, Reinecke and Ansari, 2016) puts forth that enacting the practice discreetly allows it to diffuse under the radar relatively fast and limits reputation damaging leakages. In addition, researchers argue that actors can adapt certain practices to pursue multiple agendas since they may be subject to multiple interpretations (Benders and van Veen, 2001). Practices with dubious legitimacy may persist because organizations adapt them to increase their zone of acceptability (Ansari, Fiss and Zajac, 2010), or positively present their own legal version of the practice (Reinecke and Ansari, 2016). In contrast, we argue that once the practice becomes public, its opacity may work against it. We posit that this opacity may lead to different meaning creation attempts and potential discursive battles and power games between actors. In our study, supporters theorize this practice as a specific solution to an organizational
problem (not enough financing of clubs) whereas opponents problematize this practice via using more general field level moral arguments (e.g. slavery).

Our second contribution is related to the response of institutional constituents is an important missing link in previous diffusion studies that attended mostly to organization-side dynamics. We observe that clubs may challenge a controversial practice by involving different hierarchical levels of institutions and getting their support. Their influence attempts start from country federations, then reach to the European level institution (UEFA) and finally to the global institution (FIFA) which has the power to ban the practice. We observe an influence chain from local actors leading all the way to the global institution where field level decisions are taken. Our findings paint a picture of diffusion and eventual deinstitutionalization due to contestation not only as an arena where proponents and opponents compete horizontally, but also as a power contest among institutions with different levels of geographical hierarchy.

**CONCLUSION**

In this paper, we explore *the factors that explain the international diffusion of controversial practices and their subsequent deinstitutionalization due to contestation*. The research streams of practice diffusion (Abrahamson, 1996; Strang & Macy, 2001; Strang & Meyer, 1993) and practice deinstitutionalization (Ahmadjian & Robinson, 2001; Maguire & Hardy, 2009) have traditionally developed separately. However, in the case of controversial practices, we believe that studying these practices from either of these research streams will give us only a partial picture and does not allow us to understand the life cycle of these type of practices. Therefore, this study takes an important step towards uncovering this process, showing that while diffusing practices internationally, different institutional environments should not be taken for granted as they are shaped by the interaction between firms and various institutional actors of varying geographical
hierarchy. It attempts to build a much-needed bridge between studies of diffusion and deinstitutionalization by following a controversial practice from its birth until the moment it got deinstitutionalized.

Regarding generalizability, it is critical to acknowledge that this is a single case study. However, we believe that our findings continue to be relevant for other contexts as well. To illustrate, pharmaceutical companies in the United States, in order to promote their drugs, traditionally gave financial incentives to practicing doctors which many argue would risk influencing their decisions on patients’ treatment. When they carried this practice this to Europe and beyond, over time, there was a certain level of contestation within each market about the morality of these practices. Recently, many countries, either in the form of trade association codes of conduct or legislation, had taken measures against these kind of practices, including in the United States where they originated. For instance, direct company sponsorship of healthcare professionals to attend scientific meetings are not permitted in the United States and Norway. Within the past five years, the US and UK, among other countries, have prohibited branded promotional aids. In 2013, the US legislators passed the “Sunshine Act” which required pharmaceutical companies to collect and track all financial relationships with doctors and teaching hospitals and disclose this data to Centers for Medicare and Medicaid Services. In 2016, Europe followed suit, and enacted a similar code of transparency. Overall, it is hard to argue that we observe a full deinstitutionalization of this kind of controversial practices, however, it seems that there is a trend towards this direction. Here we need to draw an important distinction between deinstitutionalization pressures and actual deinstitutionalization. Whether or not deinstitutionalization actually occurs may depend on the effectiveness of maintenance activities that affected actors may engage in (Cristiansen and Kroezen, 2016). In our study, we don’t observe such maintenance activities in the presence of
opaque companies which shy away from visibility. Instead, they left these activities to their
transaction partners, football clubs. The fact that investment funds didn’t participate enough with
these discursive battles may have steered this practice towards deinstitutionalization. As an
alternative strategy, rather than confronting institutional actors directly, they morphed this practice
into a new one (which is buying into the clubs instead of players, for example, the recent acquisition
of Valencia Football Club in Spain) after the ban, when faced with deinstitutionalization. This
development is consistent with the emerging research on intentional use of market actions as a
form of corporate political activity (Funk and Hirschman, 2015). Funk and Hirschman (2015)
recount the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010,
which sought to bring order and transparency to the lightly regulated derivatives market. After
implementing Dodd-Frank act’s derivatives rules, financial firms found a way to transform their
business practices to change the effect of the law since they couldn’t transform the law directly
through their lobbying activities. Transactions that had been conducted as “swaps” which would
be subject to the new regulations were transformed into “futures” or “futurized”, since they were
less regulated than swaps post-Dodd-Frank act (Bloomberg Businessweek, 2013; Rosenberg &
Massari, 2013).

Future qualitative studies in these and other industries are needed to further uncover how
controversial practices fare in different institutional environments and expand our knowledge of
firms and institutional actors using political strategies to influence the diffusion or
deinstitutionalization of these type of practices.
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FIFA. 2015a. Third-party ownership of players’ economic rights FIFA’s regulatory approach to TPO.

FIFA. 2015b. Third-party ownership of players’ economic rights FIFA’s regulatory approach to TPO (FAQ).


Deep Into Stories

UEFA. 2015. UEFA and FIFPro launch complaint against third-party ownership.
FIGURE 1.
Actors and relationship dependencies in the soccer industry

![Diagram of actors and relationship dependencies in the soccer industry]

FIGURE 2.
Evolution of the TPO practice in the soccer industry

<table>
<thead>
<tr>
<th>Phase 1. Local diffusion and subsequent internationalization of the practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mechanisms (actor):</strong></td>
</tr>
<tr>
<td>• Transposition (TPO investors)</td>
</tr>
<tr>
<td>• Routinization (Clubs, Agents, TPO investors)</td>
</tr>
<tr>
<td>• Creation of multinational firms as bridging agents (TPO investors, Agents)</td>
</tr>
<tr>
<td><strong>Illustrative examples:</strong></td>
</tr>
<tr>
<td>• Introduction of TPO practice in private contracts between agents and clubs.</td>
</tr>
<tr>
<td>• Routinization of the TPO participation as clubs adopted this practice to acquire and retain new talent.</td>
</tr>
<tr>
<td>• Diffused through international transfers where the TPO retained ownership, evidence of profit formula with substantial economic gains.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase 2. Contestation and deinstitutionalization of the practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mechanism (actor):</strong></td>
</tr>
<tr>
<td>• Demonizing (UEFA).</td>
</tr>
<tr>
<td>• Agenda setting (UEFA, FIFPro, UK Premier League, Other leagues)</td>
</tr>
<tr>
<td>• Expertise building (FIFA)</td>
</tr>
<tr>
<td>• Global banning and deinstitutionalization (FIFA, UEFA, National Federations)</td>
</tr>
<tr>
<td><strong>Illustrative examples:</strong></td>
</tr>
<tr>
<td>• UEFA challenging the moral foundations of the practices, calling TPO’s activity as “slavery” and as a threat to the fairness and future of soccer.</td>
</tr>
<tr>
<td>• Clubs and Leagues defended their ability to self-regulate the soccer industry. Clubs co-opt leagues to defend their interests.</td>
</tr>
<tr>
<td>• UEFA influence FIFA to act, as part of a power move in the institution.</td>
</tr>
<tr>
<td>• FIFA bans the TPO participation in players.</td>
</tr>
</tbody>
</table>

Contestation & Deinstitutionalization
<table>
<thead>
<tr>
<th>Date</th>
<th>Actor profile – Details on role</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th July 2015</td>
<td><strong>Soccer agent</strong> – Owner of ScoreAgency advising clients in Europe.</td>
</tr>
<tr>
<td>9th July 2015</td>
<td><strong>Soccer player</strong> – Retired professional player in top clubs in Spain.</td>
</tr>
<tr>
<td>17th July 2015</td>
<td><strong>Soccer player advisor</strong> – Long term advisor of a professional soccer player in UK and Spain.</td>
</tr>
<tr>
<td>19th August 2015</td>
<td><strong>Soccer player advisor</strong> – Manager of a family business wealth management for soccer players.</td>
</tr>
<tr>
<td>20th August 2015</td>
<td><strong>Lawyer</strong> for Latam soccer clubs and players - CPA Ferrere, Uruguay.</td>
</tr>
<tr>
<td>3rd September 2015</td>
<td><strong>Journalist</strong> - editor at a major sports newspaper in Spain</td>
</tr>
<tr>
<td>23rd September 2015</td>
<td><strong>Soccer industry expert</strong> - director of CIES – consider as the reference knowledge center on the soccer industry.</td>
</tr>
<tr>
<td>28th September 2015</td>
<td><strong>Soccer Investment Fund</strong> - executive at Doyen Sports, the leading actor in Europe. Active actor in Portugal and Spain TPO expansion.</td>
</tr>
<tr>
<td>30th September 2015</td>
<td><strong>Sports economics expert</strong>, part of the runner-up team for the presidency group of a soccer club in Spain.</td>
</tr>
<tr>
<td>30th September 2015</td>
<td><strong>Soccer club manager</strong> - Manager in the past of a top club in Spain and currently owner of a second division club, advisor to a soccer agent and representation company in Spain.</td>
</tr>
<tr>
<td>30th September 2015</td>
<td><strong>Lawyer</strong> - legal counsel to sports clubs and players at in the Spanish league.</td>
</tr>
<tr>
<td>7th October 2015</td>
<td><strong>Lawyer</strong> – working with top European clubs, mostly in Spain, with and without TPO participation. Represent soccer players interest in legal cases.</td>
</tr>
<tr>
<td>13th November 2015</td>
<td><strong>Soccer agent</strong> – CEO of the German association of Player Agents, visible voice asking for regulation on the TPO to UEFA/FIFA.</td>
</tr>
<tr>
<td>9th April 2016</td>
<td><strong>Lawyer</strong> – advising Brazilian clubs and soccer players, head of one of the most important sports law firms in the region.</td>
</tr>
<tr>
<td>10th August 2016</td>
<td><strong>Soccer club manager</strong> – leading position in talent recruitment and club management at one of the top soccer clubs in Brazil. Involved with the Brazilian Football Federation and with an extended experience in the industry.</td>
</tr>
<tr>
<td>10th November 2016</td>
<td><strong>Lawyer</strong> – legal advice and collaboration with investment funds in the soccer industry, legal arrangements for players and clubs. Reference law firm in the cases defending the TPO practice. Based in Brazil but with offices in Europe.</td>
</tr>
<tr>
<td>14th December 2016</td>
<td><strong>European leagues representative</strong> – legal advisor to the association of European leagues, observer of the contestation process in Europe and the different actors’ interests.</td>
</tr>
</tbody>
</table>
TABLE 2. Examples of TPO transactions

<table>
<thead>
<tr>
<th>Season</th>
<th>Soccer Player</th>
<th>TPO ownership</th>
<th>Clubs Involved</th>
<th>Transfer amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/2008</td>
<td>Breo Rodrigues Borges</td>
<td>30% by Traffic Sports (invested $250K)</td>
<td>From FC Sao Paolo (Brazil) to Bayern München (Germany)</td>
<td>$19 million (TPO profit $5.7 million)</td>
</tr>
<tr>
<td>2006/2007</td>
<td>Rafael Sóbis</td>
<td>25% by DIS (invested $1.2 million)</td>
<td>From International (Brazil) to Real Betis (Spain)</td>
<td>$13 million (TPO profit $3.2 million)</td>
</tr>
<tr>
<td>2014/2015</td>
<td>Eliaquim Mangala</td>
<td>33% by Doyen (invested €2.6 million)</td>
<td>From FC Porto (Portugal) to Manchester City (England)</td>
<td>€54 million (TPO profit €15.2 million)</td>
</tr>
<tr>
<td>2011/2012 and 2013/2014</td>
<td>Radamel Falcao</td>
<td>50-55% by Doyen (invested overall €22 million)</td>
<td>From FC Porto (Portugal) to Atlético Madrid (Spain), and then to AS Monaco (France)</td>
<td>€40 million and €60 million transfers (TPO profit estimated about €12 million).</td>
</tr>
</tbody>
</table>

Source: authors compilation of data from news articles (Bertin, 2013; Conn, 2014; KPMG, 2013; Panja, 2015b)

TABLE 3

Actions taken by UEFA/FIFA in relation to the TPO practice

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 -2011</td>
<td>FIFA Financial Fair Play regulations approved by executive committee (in force in 2011)</td>
<td>FIFA receives the pressure from UEFA to introduce more strict norms on the financial management of clubs. It introduces limits on the expenditures and requires for specific operating ratios, otherwise it sanctions the clubs with competition and economic penalties.</td>
</tr>
<tr>
<td>2012</td>
<td>2012 - FIFA requires disclosure of TPO participation</td>
<td>As a first step to make the practice more transparent, FIFA requires to inform on the ownership of players using the Transfer Matching System (TMS), that is the point of control on the transactions occurring in the market.</td>
</tr>
<tr>
<td>2014</td>
<td>FIFA creates the TPO Working Group</td>
<td>The growing pressures (in particular from UEFA) and worries on the TPO practice results in the creation of a working group, the first actions of this group is to commission studies to understand the scope and depth of the practice adoption across international soccer.</td>
</tr>
<tr>
<td>2015</td>
<td>FIFA bans TPO practice</td>
<td>On May 1st 2015 the Third-Party Ownership (TPO) ban comes into effect. This means that no soccer player can be transferred if a third-party holds an economic interest in the player.</td>
</tr>
</tbody>
</table>

Source: Authors’ adaptation of FIFA reports (Conway, 2014; FIFA, 2015a)