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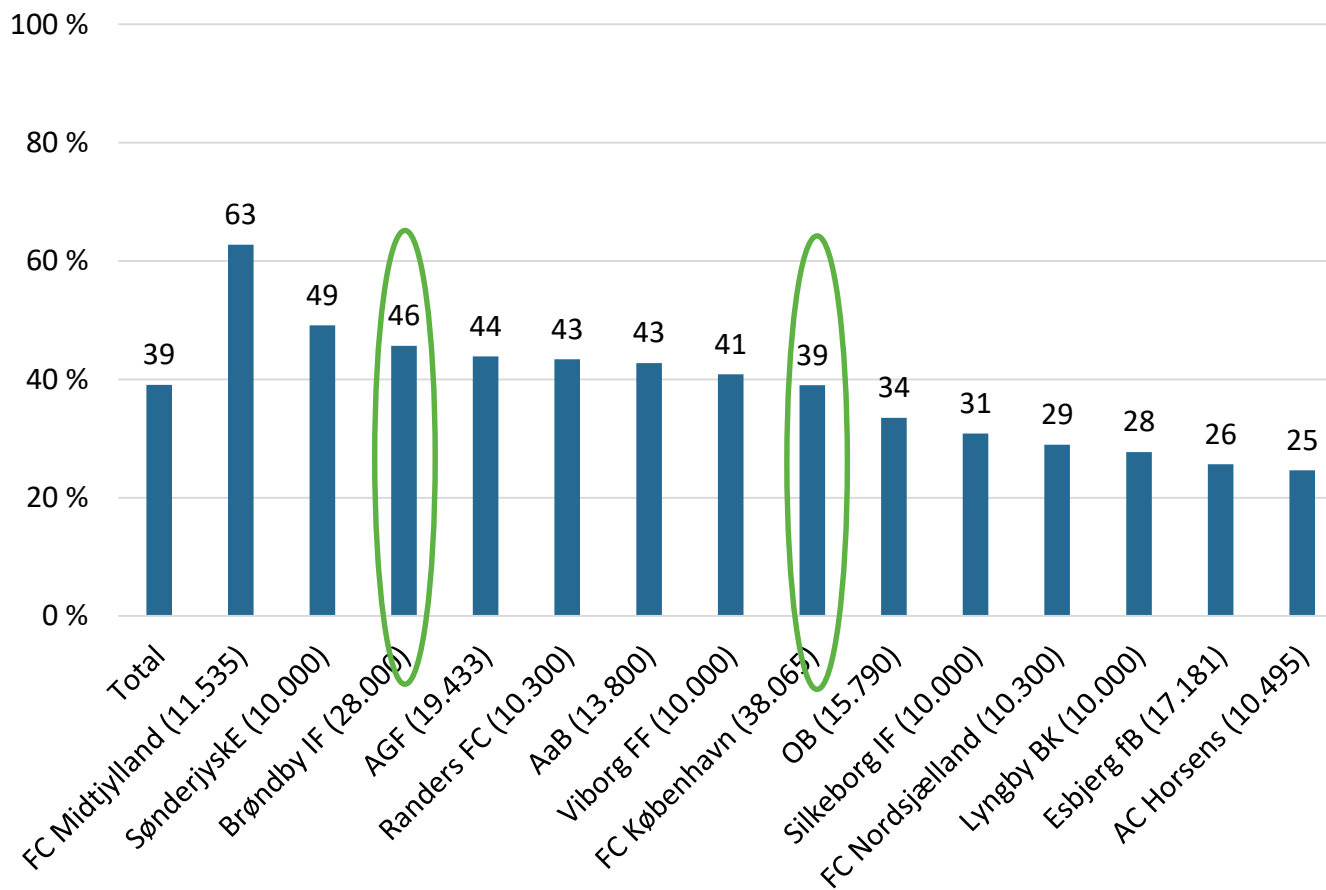


Photo: Colourbox

Making necessity out of virtue. How underperforming Danish league stadiums put authorities under pressure

Play the Game Conference 2017, 29.11.2017

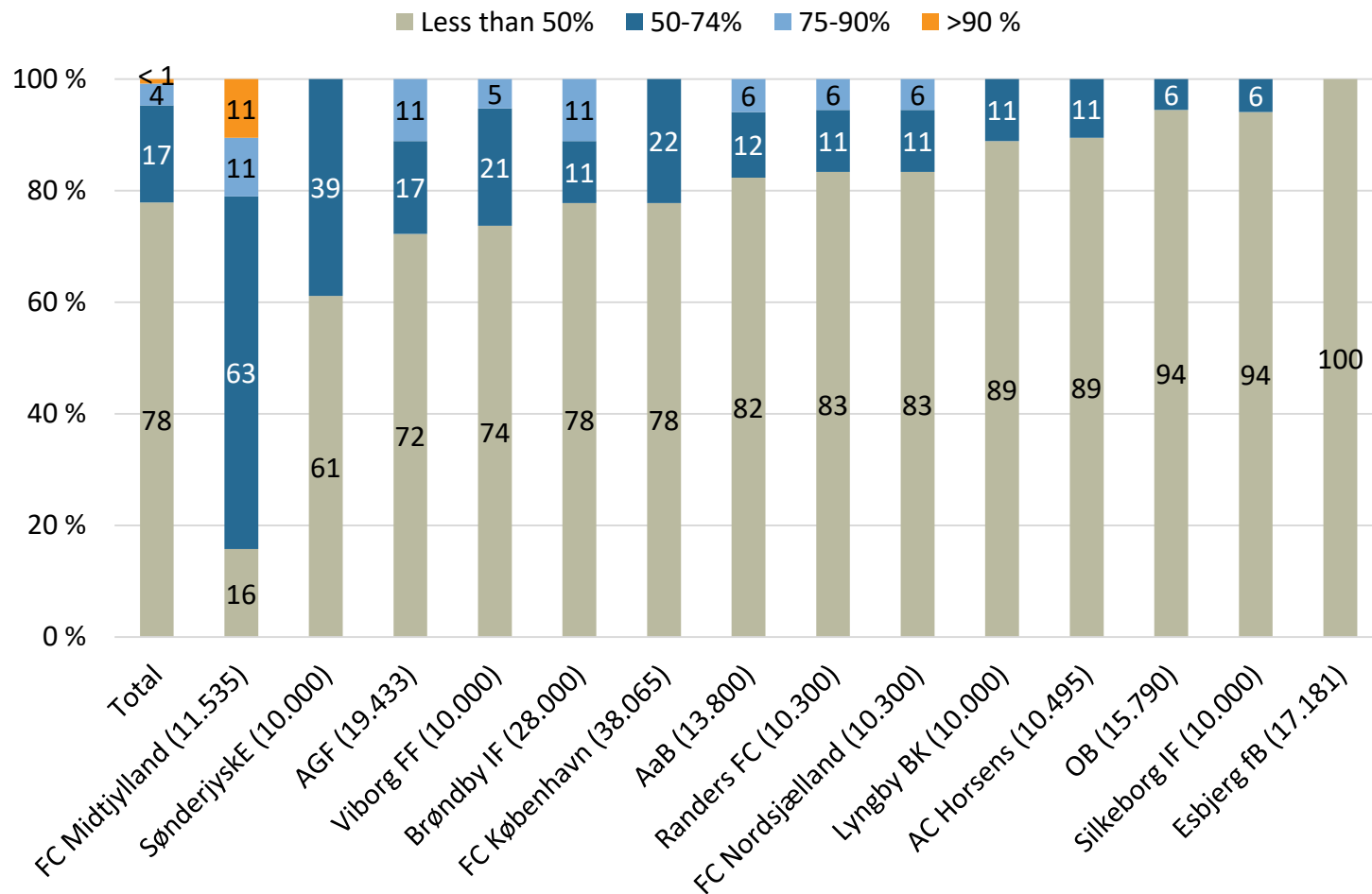
Average capacity utilization in the Danish first tier, 2016/17 (%)



Note: Capacity in brackets



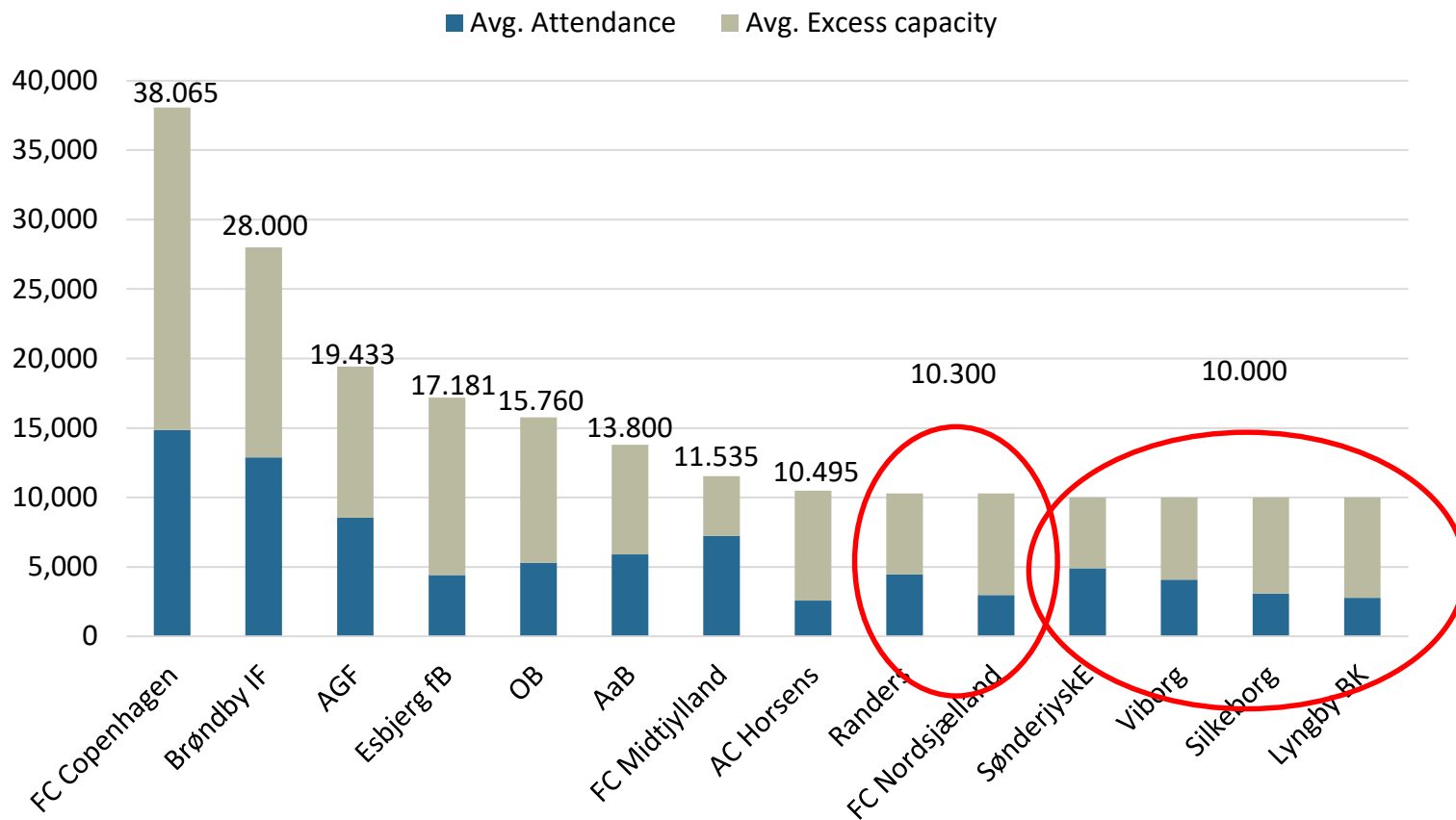
Average capacity utilization in the Danish first tier, 2016/17 (%)



Note: Capacity in brackets



Average attendance and excess capacity in the Danish first tier, 2016/17

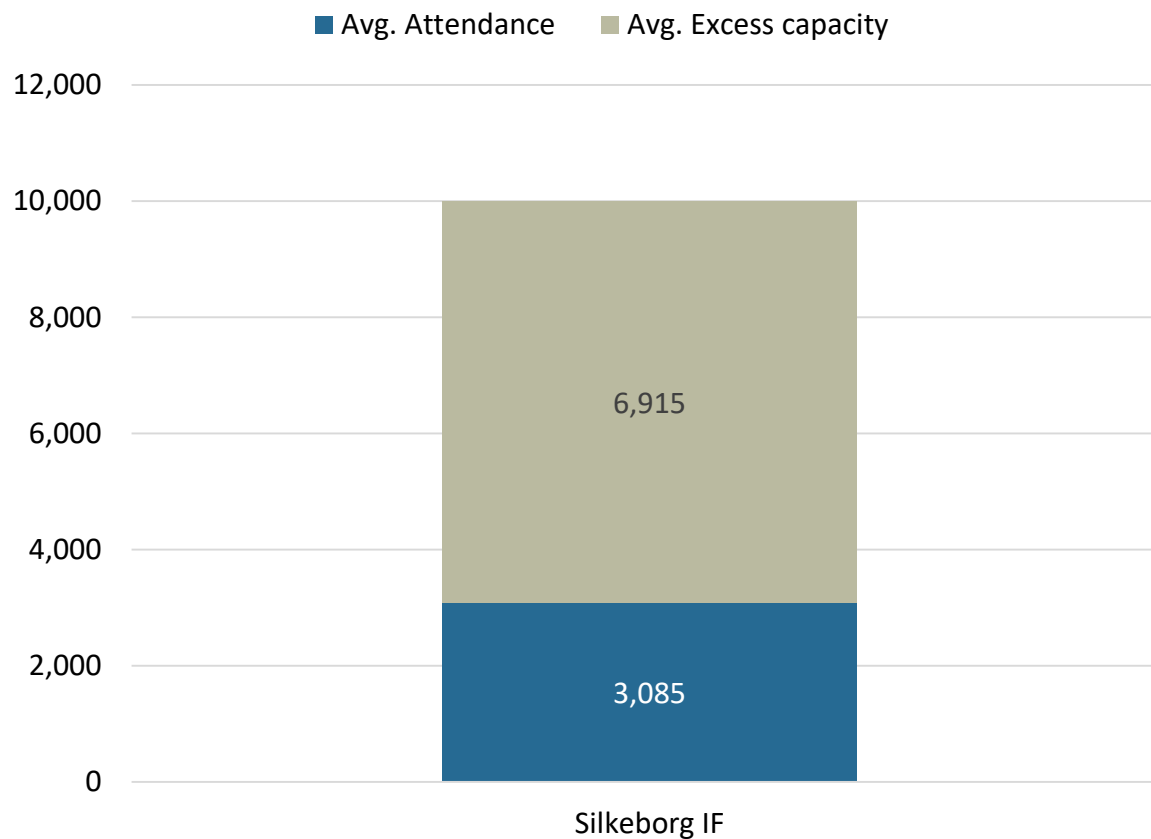


MAKING LICENSING CRITERIA A PUBLIC CONCERN

- In 2003 the Danish Football Association (DBU) introduced new standards for the 1st tier
 - Minimum capacity: 10,000 (3,000 seats)
 - UEFA demands a 8,000 all-seater
- Soft regulation
 - No explicit hierarchy between the issuer (DBU) and the adopter (municipality)
 - DBU has no formal authority to sanction the municipalities
 - However, explicit rules that the clubs need to follow



Minimum capacity: 10,000



THE CASE OF MARIAGERFJORD MUNICIPALITY

- Hobro IK won promotion in 2015/16 and the stadium did not comply with DBU's standards
- Hobro is a small village (population:11.864)
- Key theoretical circumstances relevant for understanding the decision to co-fund the stadium:
 - Rationality (economic impact and growth)
 - Identity (branding)
 - Situation (large amount of municipal financial reserves)



Source: Alm, J. & Storm, R.K. (2017) "From Standard to Directive: A Case Study on the Peculiar Policy Processes of Danish Stadium Funding" in Journal of Global Sport Management vol 2 (4), pp. 293-301.
<http://www.tandfonline.com/doi/full/10.1080/24704067.2017.1381569>



Regression models: Demand for stadium attendance, 2010/11-2015/16 (N = 1,149)

Independent variables	Model 1.		Model 2.		Model 3.		Model 4.	
	B	SE B	B	SE B	B	SE B	B	SE B
Premier League clash	0.013	0.020			0.034	0.021		
Big 5-6 clash	---	---	-0.008	0.028			0.018	0.032
TV3 plus	-0.003	0.028	-0.008	0.027	-0.005	0.028	-0.010	0.027
Personell costs home	0.114**	0.055	0.114**	0.055	0.121**	0.055	0.116**	0.055
Personell costs away	0.067***	0.020	0.066***	0.020	0.066***	0.020	0.065***	0.020
Position home	-0.030***	0.003	-0.030***	0.003	-0.030***	0.003	-0.030***	0.003
Position away	-0.014***	0.003	-0.014***	0.003	-0.014***	0.003	-0.014***	0.003
Probability home win	0.439	0.393	0.426	0.393	0.435	0.393	0.408	0.393
Probability home win SQ	0.025	0.416	-0.015	0.416	-0.020	0.415	0.002	0.415
Distance	-0.0002*	0.0001	-0.0002*	0.0001	-0.0002*	0.0001	-0.0002*	0.0001
Weekdays	-0.006	0.021	-0.0148	0.416	-0.003	0.021	-0.015	0.018
Saturday	-0.085***	0.022	-0.085***	0.023	-0.086***	0.022	-0.084***	0.022
New or reconstr. Arena	-0.024	0.042	-0.021	0.042	-0.016	0.042	-0.025	-0.042
Average temperature	0.036***	0.004	0.036***	0.004	0.036***	0.004	0.036***	0.004
Average temperature SQ	-0.001***	0.000	-0.001***	0.000	-0.001***	0.000	-0.001***	0.000
Derby	0.123***	0.030	0.122***	0.030	0.125***	0.030	0.120***	0.030
Brøndby away	0.369***	0.035	0.371***	0.035	0.373***	0.035	0.376***	0.035
FCK away	0.312***	0.043	0.313***	0.043	0.318***	0.043	0.315***	0.043
Rain or snow	-0.060***	0.018	-0.061***	0.018	-0.023	0.024	-0.052***	0.018
Premier League*rain					-0.082**	0.035		
Big 5-6*rain							-0.101	0.062
Intercept	8.376***	0.119					8.390***	0.118
R-squared within	0.441		0.441		0.444		0.442	
R-squared between	0.753		0.752		0.754		0.753	
R-squared overall	0.470		0.468		0.475		0.470	
N	1149		1149		1149		1149	

Note: *significant at 10 %, **significant at 5 %, *** significant at 1 %.

Working paper: Nielsen, Storm & Jakobsen (2017) "Factors related to spectator demand in Danish soccer".



TWO FACTORS CENTRAL TO DBU'S POWER

1. Municipalities stand alone opposing the standards

- Others have already applied the standards
- Would make their prior investments meaningless

2. Obscurity where the standards are issued from

- Unclear to municipal politicians whether and how they can oppose the standards: who are the issuer in the first place?
- DBU argues that the standards were prompted by the clubs
- Clubs point towards DBU/and or UEFA
- The league association argues that the standards are "voluntary"

"As with monopolistic markets, standardization sometimes concentrates power but dilutes responsibility," Brunsson (2005a, p. 28).



Summing up

Problem

- Danish League Stadiums are unutilized
- They are usually paid for with public money (welfare economic problem)



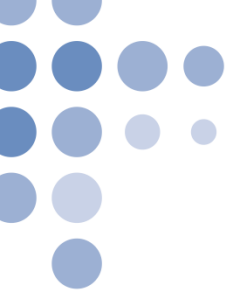
How has this situation come about?

- The issuing of standards (by private organisations)
- Specific circumstances (rationality, identity, and circumstances)
- And the institutionalization of ideas of impacts that doesn't exist

Solutions

- DBU and the Danish League association should stop issuing their standards in rigid ways (i.e. flexibility needs to be implemented)
- The Danish municipalities should raise their voice and oppose the standards





Questions and discussions

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TWO FACTORS CENTRAL TO DBU'S POWER

"DBU has these rules. If you want to play in the first tier, then you must comply. And we wanted a team that could play in Superligaen (the first tier, red.). This is why we applied for for the funding. We simply had to." (Interview Informant 1, 2016)

"(...) Well, when the rules are like that, then I thought that we had to do it." (Interview Informant 3, 2016)



Photo: Flickr/Bronski Beat

FROM STANDARD TO DIRECTIVE

- DBU has the monopolistic power over the 'product' of soccer
 - General categories and not individual actors
 - DBU is not to blame



Photo: Flickr/Bronski Beat

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Source: Alm & Storm (2017)





RATIONALITY AND IDENTITY

"We must say that the PR (branding) we have got in the municipality (from the soccer club) is impossible to buy." (Interview Informant 1, 2016)

"If you look at it from a financial perspective, it has been a cheap investment for the municipality versus the publicity gained. There is no doubt about it." (Interview club, 2016)

"The whole time our opinion has been that this has been a major thing for the visibility of Mariagerfjord Municipality and Hobro, and it was something that we absolutely wanted to support if it was possible." (Interview Informant 2, 2016)

Source: Alm & Storm (2017)



SITUATION

■ THE SPORTING SITUATION

"The argument was that if they did not get that stadium, they would have been relegated and that was not our intention" (Interview Informant 3, 2016)

"The worst-case scenario was if DBU relegated HIK because the stadium did not comply with the requirements" (Interview Informant 2, 2016)

■ THE FINANCIAL SITUATION

- Money left in financial reserves
- 'Once in a lifetime opportunity' to assist

Source: Alm & Storm (2017)



Photo: Flickr/Bronski Beat