



POLITICAL FOOTBALL

Argentina has fantastic football traditions and its leading clubs enjoy iconic status. But despite attempts to become more entrepreneurial, many clubs see selling players as their main revenue stream while the government owns the TV rights and is seen to be using 'football for all' to buy votes. Dermot Ledwith reports.

ARGENTINA HAS GIVEN THE game countless world-class performers and hosting the Copa America in July will provide an opportunity to show the world that the nation's passion for the game still burns bright, and how far the country has come since the dark days of 2001.

Only ten years ago financial meltdown saw the Argentinian government enforce strict economic conditions on its people, including the freezing of all bank accounts. Now plans are afoot for a joint bid to host the 2030 FIFA World Cup with Uruguay to celebrate the centenary of the first World Cup there.

The Copa America is being shared around the nation with matches being hosted in eight different cities. The event also provides Argentina the chance to renew perhaps the biggest rivalry in international football - with Brazil - in its own backyard.

Domestically Argentina knows all about football rivalries. While many suggest that the biggest club match in the world is 'El Clásico' between Barcelona and Real Madrid, in Argentina this is nothing compared to the duel between Boca Juniors and River Plate, dubbed 'El Superclásico'.

In 2004, the English newspaper *The Observer* declared El Superclásico number one in its list of 50 sporting things you must do before you

die', stating: "Derby day in Buenos Aires makes the Old Firm game [in Glasgow, Scotland, between Rangers and Celtic] look like a primary school kickabout."

Founded in 1905 and 1901 respectively, Boca and River share over 100 hundred years of rivalry, in a country that will not celebrate 200 years of history for another five years.

Both clubs are owned by their members imposing a key commercial restriction that prevents them from raising equity finance from private investors.

However, they rely on huge fanbases. A number of polls have calculated the two clubs enjoy a following of somewhere between 70 per cent and 80 per cent of the nation, in a population of approximately 40 million.

River, known as the millionaires, claims on its own website to be the biggest club in Argentina, offering a record breaking 33 Argentinian titles and a huge fanbase as evidence. Meanwhile, Boca boasts the title of winning the most international titles in world football, equal with AC Milan at 18.

"El Superclásico is always the event of the year," Pablo Fuentes, marketing director at Boca Juniors, told *SportBusiness International*. "The expectations and nerves of the people increase as the fixture gets nearer. Football is an integral part

of the lives of Argentinian people on a par with politics and the economy."

River's marketing director, Norberto Cao, agrees: "Football is more than just the most popular sport in the country; it's the ideological lifeblood of the masses and perhaps the only event with a solid place in the heart of all social classes.

A clash of 'mythical passions'

"El Superclásico is a clash of two mythical passions in Buenos Aires; it's north against south; the middle and upper classes against the working class. The country comes to a standstill the day River meets Boca."

Andres Stalman, managing director at branding agency Cato Partners, believes the two clubs need and feed off each other: "El Superclásico is part of the very fabric of Argentinian life. They are both strong and successful brands with great histories.

"Both have learnt how to use their fans' irrational love to reinvent themselves over time without losing out to tradition. At the turn of this century Boca made huge efforts to create a global brand. They knew how to take advantage of success on the pitch to increase marketing activities and multiply revenue streams."

The success of winning two Intercontinental



Cups in 2000 and 2003 in Asia opened Boca's eyes to foreign markets.

"Without wishing to sound vain, Boca is the number one brand in Argentinian sport," Pablo Fuentes explains.

"We created a marketing department more than 15 years ago, and have strived to be at the forefront of commercial initiatives. This puts us ahead of many Argentinian clubs which have only started marketing departments in the last two or three years.

"Recently we've seen a growth in activities that allow us to improve our performance and become more professional. We have specific objectives in international markets and take the brand to them by entering teams in international tournaments at every opportunity."

Boca Juniors will be in London this summer taking part in Arsenal's pre-season Emirates Cup. Meanwhile conversations have been held with the American MLS (Major League Soccer) to create a Boca franchise in a US city, although Fuentes concedes this opportunity is still a long way from becoming reality.

Over at the rivals, Norberto Cao doesn't see River as a brand, but a 'symbol of belonging': "I don't think anyone wears a River product for its quality, more for the emotional sense of being part of the clan."

Faced with huge debts, River is going through a period of administrative change under the watchful eye of Argentina's 1978 World Cup-winning captain Daniel Passarella, who became president in late 2009.

"Very little was done until Passarella arrived but now we are repositioning River as one of the world's most important clubs and international markets are key to this," adds Cao. "Passarella's main concern is to put the club back on an even financial keel, which we have almost achieved. The next step will be to promote the club's image overseas."

Part of Passarella's strategy has been to offer the fans the chance to invest in an emergency fund, named the 'fideicomiso', Cao explains: "Passarella positioned the 'fideicomiso' to the fans as a way to be part of the clubs recovery and change its history. It is also an excellent investment paying an annual return higher than the market value.

"Our supporters have demonstrated their love for the club and our finances are now in a much better state."

But Argentinian football is about more than Boca and River. Three other clubs share the title of 'un grande' (a great) of the domestic game. Independiente, known as 'the King of Cups', Racing and San Lorenzo de Almagro have huge

traditions and are well supported. The format of the league, in which two titles - apertura (opening) and clausura (closing) - are contested every calendar year, making the championships closely-fought affairs in which the larger clubs do not dominate.

Proof of this is Boca and River's lack of recent success. Neither club has claimed a title since 2008. The shorter leagues give a competitive edge to the Argentinian league and may perhaps provide a blueprint for some European leagues in the future.

Another factor affecting the competition is the exodus of talent. A report by Euromerics in 2010 stated that Argentina had overtaken Brazil as the world's number one exporter of footballers, with 2,204 players playing in foreign leagues compared to Brazil's 1,374.

Flying the nest

As the stock of Argentinian players increases abroad they are leaving at increasingly young ages, many without even experiencing the domestic league. Barcelona's Lionel Messi is the prime example.

"No short-term strategy to stop the flow of players leaving Argentina exists," says Gerardo Molina, CEO of Euromerics. "For a start it would mean the end of many clubs for whom selling players is their main source of income."

Molina's study concludes that clubs should consider players as an investment to give the fans a better quality product, rather than as an asset to export: "The regulation of this area is key if we want to develop a competitive sports sector that can generate jobs.

"The clubs can't compete with salaries abroad, especially those in Europe. As a result the Argentinian league becomes less attractive and loses fans. In 2010 Argentinians saw 68 per cent more Spanish, Italian and English football compared to 2009."

The drop in interest in the domestic game coincides with the TV rights of the Argentinian league being bought by the government in 2009 and shown on public TV in a plan dubbed as 'futbol para todos' (football for all).

President Cristina Kirchner's controversial plan to finance domestic football is part of her longstanding battle with media giant Grupo Clarin, whose cable TV channel TyC previously held the rights. According to TV *Sports Markets*, the government pays the Argentinian football association, Asociación del Fútbol Argentino, ARS\$600 million per year in broadcasting rights to use the sport as a tool of political propaganda.

In a country where football and politics are intrinsically linked, it is seen as a populist vote winning move that will become a key debate in the build-up to October's general election.