

Real Madrid Transfer Ban

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Real Madrid is a soccer team that operates in Madrid, Spain. Real Madrid have a team value of over \$3.2 billion making them the most valuable soccer team in the world and allowing them to generate a revenue of nearly \$750 million dollars last year (Forbes, 2016).

Real Madrid have found themselves under scrutiny recently due to an investigation by FIFA, the governing body for global soccer. FIFA announced recently that they were going to open investigations into them, and their neighboring team Athletic Madrid, due to suspected infringements on the official FIFA regulation on transferring or signing of individuals under the age of 18 (FIFA, 2016). The specific FIFA regulation that was broken was Article 19 (Fernandez-Abascal, 2016). The Article has three exceptions to which a transfer of a minor is permitted. The first, and most applicable to Real Madrid, states: "The player's parents move to the country in which the new club is located for reasons not linked to football"(FIFA, 2007).

FIFA felt there was enough suspicious activity within Real Madrid's signings to open an investigation as well as to fine them 360,000 CHF and impose a ban on them from two consecutive transfer windows, which is the period at which they can recruit new players (Fernandez-Abascal, 2016).

This scandal has not been taken lightly by Real Madrid with them appealing the sanctions, and the club president and the team manager rejecting the validity of the allegations. Both have denounced the decision, with the team manager, Zinedine Zidane, calling the decision "absurd" (de Menezes, 2016) and Real Madrid's CEO, Jose Angel Sanchez, mirroring this sentiment calling the sanctions absolutely unjustified and stating "Real Madrid have values and no one has deviated from them" (Siguro, 2016).

To look at what values Sanchez was invoking, it is important to look at how they expect to be perceived, which is a large part of Real Madrid operations. This is best shown in the fact that Real Madrid give a blue book to all of their players and employees that outline how they expect anyone associated with Real Madrid to conduct themselves (Genoud, 2014). This blue book defining the clubs expectations outlines a set of values. With entries like “protesting...is a sign of weakness...Real Madrid never complain” (Shaw, 2014) and “Even in the bad days we remember what it means to be Real Madrid” and “History has turned this club into a school of winners”. “A player from Real Madrid never gives up”. “The ethics of effort is our greatest value,” (Genoud, 2014) show this sense of pride and dignity in what it means to be Real Madrid and to be part of their incredible history, which guide their core values. Therefore this scandal can certainly reflect badly on Real Madrid as their sense of dignity and historic pride can only be tarnished by allegations and investigations into them.

For Real Madrid to best re-align themselves with their set of values it is important to review strategies that give insight into the decision itself, like the Consequentialist strategies of Utilitarianism and Pragmatism.

Utilitarianism strategy gives the guiding ethic that an action or decision is right as long as it is in the benefit of the majority (Hall, 2015). This means that a pros and cons list can be compiled to analyze the decision to re-align their actions with their values, with the guiding philosophy of doing what is the most good for the most people.

Re-Align	Don't Re-Align
<ul style="list-style-type: none"> • Avoid transfer ban (+) • Avoid future financial fines (360,000 CHF) (+) • Lose to competition (-) • Lose of competitive advantage (corporate size gives economy of scale) (-) • Gain/recapturing of public perception (+) • Admit wrongdoing (-) 	<ul style="list-style-type: none"> • Maintenance of Long-term team strength (+) • Lose of short term ability to ameliorate team (-) • Affect on public Perception (-) • Potential for regulation change (+) • Future exoneration (+)

Looking at the results of the Utilitarian analysis there is clearly value in re-aligning their actions to their values. The most evident value is the financial value of no longer being subjected to fines and sanctions, but there is also value in less tangible methods of potentially regaining some public esteem. However the biggest value in terms of realigning lies in their short-term ability to still recruit and add players due to the sanctions being lifted. This gives them the ability to ensure their continued financial and sporting success.

However there are still cons to re-aligning as well as large benefits of deciding not to realign which brings the question of whether or not Real Madrid can practically afford to make the decision to realign.

This leads to looking at the situation and analyzing the decision more pragmatically. Pragmatism can be defined as, "... what a concept means are its consequences. Humanism says that when these are satisfactory, the concept is true" (Seigfried, p.283, 1990), showing that there is a human, ethical, nature to the acceptance of a decision.

Thus the ethical value of the situation needs to be viewed as well. FIFA argue that these rules are in place to enforce the minor's rights and protect them, and their families, from exploitation (FIFA, 2016). However there are arguments that the rules imposed actually hinder the minor in the long run due to limitations it imposes on the teams, as they are required to find loopholes and bend the rules to now acquire the youth player (Lembo, 2011) as Real Madrid are now being investigated for.

This raises the question as to whether or not Real Madrid even need to, or can, realign their actions. The main factor lies in maintaining competitiveness, as Real Madrid is not the only team to be punished with Atletico Madrid, Barcelona F.C in 2014, and Chelsea in 2011 all recently being punished as well (Fifield, 2016). If Real Madrid did realign they would miss out on the best talent and lose some of the competitiveness that has made them the highest valued team. A statement by Jose Angel Sanchez furthers this where he warns that other teams, specifically in the English Division, are to be the next under investigation and probed (Wallace, 2016). When paired with the ethical questions raised in the Pragmatism analysis, a view that potentially the rule itself may be an infringement on each corporation's ability to operate rather than as a safeguard for the protection of minors could be drawn. This is especially pertinent as many clubs feel that the rule is redundant, as they can offer a better opportunity to many of these players (in terms of education,

living standards, as well as personality traits like leadership and determination) than they receive in their current situation, as Arsene Wenger, manager of Arsenal has stated "...we give them a top-level education, we give them a top-level scholarship, and we look after them socially" (Van Wijk, 2009).

Overall Real Madrid breaking from their set values in this scandal and its negative implication has reflected badly on them. Real Madrid have the infrastructure and capability to follow these rules and therefore could mitigate some of the scandal by changing their ways. However the arguments presented about the ambiguity to the extent the regulation in question protects these minors, and the rising tide of clubs joining the debate, could foreshadow a future change. Regardless, it could well be that this investigation may not be as scandalous as FIFA or the media have made it out.

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