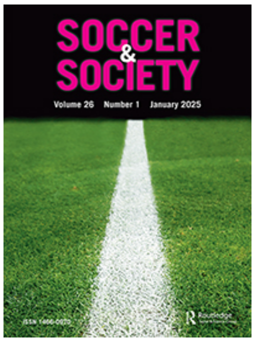

Soccer & Society

ISSN: (Print) (Online) Journal homepage: www.tandfonline.com/journals/fsas20

Ownership in the League of Ireland: why Irish professional football clubs are transitioning to the co-operative model

Barry Kearney & Olive McCarthy

To cite this article: Barry Kearney & Olive McCarthy (29 Jan 2025): Ownership in the League of Ireland: why Irish professional football clubs are transitioning to the co-operative model, Soccer & Society, DOI: 10.1080/14660970.2025.2457148

To link to this article: https://doi.org/10.1080/14660970.2025.2457148

Published online: 29 Jan 2025.

SOCCER & SOCIETY
https://doi.org/10.1080/14660970.2025.2457148

Routledge
Taylor & Francis Group

OPEN ACCESS Check for updates

Ownership in the League of Ireland: why Irish professional football clubs are transitioning to the co-operative model

Barry Kearney and Olive McCarthy

Centre for Co-operative Studies, University College Cork, Cork, Ireland

ABSTRACT

The League of Ireland (LOI) is the Republic of Ireland's top tier of professional football. In the 2022/2023 season, six of the nineteen clubs in the LOI were owned and governed as co-operative organizations. This paper identifies the key motivating factors behind the emergence and development of co-operative clubs in the LOI. To achieve this, semi-structured interviews were conducted with board members of five co-operative clubs in the LOI and with two key stakeholder organizations. The research found that the co-operative model was adopted by supporters and communities as a last resort option following decades of financial distress and poor corporate governance under the investor-owned model. This paper argues that the co-operative model has succeeded in saving numerous clubs from the brink of financial collapse and the model could be considered by other clubs in the LOI as a viable alternative model of ownership.

Introduction

Across European professional football there is a growing demand for supporters and communities to be more involved in the governance of football clubs to ensure an alignment of objectives between clubs and their key community stakeholders.[1] There are now professional supporter-owned football clubs across Belgium, England, Germany, Italy, Spain, and Scotland.[2] The co-operative model has emerged in Ireland as an alternative vehicle to achieve this stakeholder model of governance.

In 2022, 30% of the football clubs in the League of Ireland (LOI) were structured and governed as co-operatives. Despite this high concentration of co-operative ownership within the top tier of Ireland's football league system, there has been an insufficient level of attention or research dedicated to understanding their emergence. This paper sets out to establish the key factors behind the emergence and development of the six co-operative football clubs in the LOI.

The League of Ireland

Organized football began to develop in Ireland in 1880 with the establishment of the Irish Football Association.[3] However, it was not until 1921 that the League of Ireland (LOI) was formed. The LOI is the top tier of the Irish football league system and dates to the

CONTACT Olive McCarthy o.mccarthy@ucc.ie Centre for Co-operative Studies, University College Cork, Cork, Ireland

foundation of the Football Association of Ireland (FAI) in 1921.[4] By 1922, 200 clubs had registered with the FAI to compete in regional leagues across the country.[5] Today, the league continues to be governed by the FAI and clubs are required to obtain licences from the FAI to participate. In 2022, the LOI comprised of two divisions – the Premier Division (with ten clubs) and the First Division (with nine clubs) – with promotion and relegation between the divisions (see Figure 1).

Throughout its history, clubs within the LOI have suffered from serious financial problems. The period between 2005 and 2010, however, was one of the most severe, with substantial financial collapses across several clubs. It was following this period that a sustained and visible resurgence in demand for a more inclusive form of governance and ownership of LOI clubs emerged. For example, in 2012, a survey of LOI supporters, conducted by Supporters Direct Europe, found that 64% of supporters felt they had no involvement in their club and 70% said that they would join a supporters' organization to gain an ownership stake in their club.[6] This period of time was notable for a global financial crisis that occurred across all sectors in the economy, although, as outlined in Tighe and Rowan and Horgan, the chronic and systematic failures in corporate governance across clubs in the LOI played a central role in their financial demise.[7] Numerous LOI clubs were badly exposed during the financial crash due to large wage bills for players' professional contracts which far exceeded the financial limits of each respective club.[8]

Football clubs within the LOI have been predominantly structured as investor-owned firms using a stockholder model of governance.[9] An investor-owned football club is typically owned by a group of capital investors who control the club through exercising voting rights and who are the residual claimants.[10] This model of ownership within the LOI has been historically plagued by poor governance and financial instability, financial mismanagement, and even corporate malpractice.[11] It has been well documented that several clubs under this private form of ownership have experienced administration (e.g. Dundalk F.C., Galway United, Waterford F.C., Cork City) or liquidation (e.g. Limerick, Derry City, Cork City), received penalties for poor financial performance (e.g. Shamrock Rovers and Derry City), and voluntarily withdrawn from the league due to financial problems (e.g. Dublin City, Sporting Fingal, Monaghan United, Kilkenny City).[12]

The FAI and the LOI have engaged in several attempts to reform and improve the structure and performance of the league, however, they have largely avoided the subject of corporate governance. The 2015 Conroy Consulting Report made 18 recommendations, only one of which focused on governance.[13] The Conroy report called on the FAI to introduce a bespoke Q Mark system to set standards for governance across LOI clubs including specific compulsory standards in strategic planning, marketing, academy development, governance, and facilities. No such system was ever implemented by the FAI. The subsequent Gabay report into LOI branding made no recommendations around improving the reputational issues of poor governance and financial mismanagement that prevail in the LOI.[14] Finally, the 2019 Foley review made 16 recommendations, with one governance related recommendation that focused exclusively on the FAI's own governance structures.[15] Across the three reports, just one recommendation was made regarding the governance and ownership of LOI clubs.

A crisis in corporate governance across Europe

Many of the difficulties experienced in Irish football have been mirrored across Europe. The corporate governance of European football has also come under increased scrutiny in the last two decades due to increased concerns regarding financial mismanagement of clubs across all levels of professional football.[16] This crisis in governance not only affects the long-term financial sustainability of football clubs, but also the social relationship between clubs, supporters, and local communities.[17]

The commodification of European football from the 1990s onwards has caused serious conflicts of interest between clubs as profit seeking businesses and as key assets of social importance to local communities.[18] The transition of clubs over the last few decades towards an investor-owned model of ownership has led to a reorganization in the relationship between clubs and local stakeholders.[19]

The investor-model prioritizes the interests of shareholders ahead of all other stakeholders, making it very difficult for supporters or local community groups to have any meaningful impact on key decisions taken by owners.[20] Grassroots supporters are left feeling marginalized and alienated from their clubs, resulting in a disconnect between clubs and their key stakeholders.[21] Several studies have concluded that this disconnect can lead to poor levels of trust between clubs and stakeholders and low levels of transparency and can damage a club's ability to contribute meaningful social value to its community.[22]

In response to these alarming levels of poor governance and the growing disconnect between clubs and their local stakeholders, a resurgence within football around supporters and communities being involved in the governance of their clubs has emerged leading to the formation of co-operatives.[23]

The co-operative approach

A co-operative is a business, owned and democratically governed by those who use its services and receive benefits from its activities.[24] Central to this research is the ongoing debate within the literature with regards to the most significant factors behind co-operative development. While this is a complex debate, there are two main arguments: co-operatives are either 'children of distress' or 'children of vision'.[25]

Tucker argued that co-operatives tend to emerge in situations of crisis where goods or services demanded by individuals or groups in a locality are not being provided by the public or private sector.[26] The 'children of distress' argument takes the view that co-operatives are often the last resort option for communities.

Briscoe and Ward take a different approach, arguing that co-operatives are developed by those with a vision for a different type of approach to doing business.[27] There is a growing theory of social entrepreneurship which argues that the most effective and important factor behind co-operative development is positive grassroots social and collective action.[28]

In the football industry, co-operatively owned clubs belong to the local stakeholders, primarily the supporters of that football club. The co-operative approach recognizes that football clubs are community assets of social value and that there is a need for broad stakeholder involvement in governance. Most importantly, the co-operative approach is driven by the view that supporters should be viewed as stakeholders rather than consumers; football clubs are more than just businesses but are organizations with social and cultural value.[29]

Although this research focuses exclusively on co-operative clubs, it is notable that LOI clubs have a strong history of community ownership. Bohemian F.C., the oldest LOI club in continuous existence, was originally set up as a members' club in 1890 and has retained that model of governance for over 100 years.[30] Shamrock Rovers, the most successful club in LOI history, was initially established as a patron scheme and became a member-controlled club in 2014.[31] Both clubs are run democratically with open membership and annual general meetings where board members are elected to carry out the work on behalf of members.[32]

Sligo Rovers and Finn Harps, two clubs in the north-west of Ireland, are the oldest co-operative clubs in the league, becoming co-operatives in 1988 and 1997, respectively.[33] However, historian David Toms, identifies the recent surge in co-operative ownership in Irish football as a new phenomenon, and something which cannot be tied to any historical precedent.[34] This is illustrated by the fact that, at the time of writing, four of the league's six co-operative clubs (Galway United, Wexford F.C., Cobh Ramblers and Cork City) have become co-operatives since 2010. Curran and Toms assert that, despite an increased interest in the area of Irish sport research, there is still much to be studied on club development in Irish football.[35] The objective of this research is to identify the key reasons why the co-operative model has been chosen.

Figure 1. Map of LOI clubs. The six co-operatively owned clubs are identified in blue, the ten privately owned clubs in black, the two community-owned clubs in red, and UCD AFC, shown in green, is owned by University College Dublin.

Table 1. Profile of participants.

Type	Division	Role
Co-operative	Premier	CEO
Co-operative	Premier	Board Member
Co-operative	First	CEO
Co-operative	First	CEO
Co-operative	First	Board Member
Stakeholder organization		Secretary
Stakeholder organization		Officer

Materials and methods

This qualitative study involved in-depth semi-structured interviews with key stakeholders within the Irish football co-operative sector. A total of seven interviews were conducted during this research with a representative from five (one club was unresponsive to invitations to participate) of the six co-operative clubs (three CEOs and two board members), and a representative from two stakeholder organizations (see Table 1). Research ethics approval was received in advance from the research supervisor, as per university policy, and all ethical guidelines were followed. The primary purpose of conducting these in-depth interviews was to gain direct insights into the key factors behind the emergence and growth of the co-operative model in the LOI from those involved.

The literature has identified numerous stakeholder groups as having views or positions relevant to the research.[36] These include supporters, community groups, local authorities, players, staff, board members, sponsors, media, and supporting associations. This paper focusses on the views of board members and Chief Executive Officers of LOI clubs that currently exist as co-operatives and also the views of two key stakeholder organizations. These latter organizations offer invaluable insights into the emergence and development of co-operatives in the LOI.

All participants were assured that their identity would be kept anonymous in the reporting of the findings and that no quotations would be attributed to any individual or named club. This decision was made to increase the likelihood of open participation from the board members and CEOs of these highly competitive clubs.

To reflect the diverse views of a small cross-section of supporters of football clubs on fan ownership, a snapshot of anonymized public comments made on a short online article by the authors is also provided.

Data analysis

The data collected from interviewees was analysed using a Thematic Analysis approach.[37] The process of interpreting the data involved four tasks: coding the data, categorizing these codes, identifying themes and relationships in the data, and finally, developing concepts and arriving at some generalized comments. Five key themes emerged which will now be discussed.

Results and analysis

A crisis in corporate governance across the LOI

Similar to the phenomenon documented across European football clubs, this research finds that there has been an ongoing crisis in corporate governance in LOI investor-owned clubs for several decades. There was a strong consensus across the participants that the investor-owned model had failed to prioritize the long-term financial and social sustainability of clubs in the LOI. The model was seen to be too heavily focused on short-term sporting success and as having failed to adequately value good corporate governance, long-term financial stability and the involvement of key community stakeholders.

As the CEO of a co-operative club explained:

> People come in, they put money in, and there's short-term success and then suddenly as always happens, a team goes through a fallow period and the investor-owned model just collapses, and everything has been thrown at wages, the best players, the best manager, nothing's been invested in the structures of the club, the academy, and the facilities.

Illustrating this point further, one of the stakeholders pointed out:

> The League of Ireland was listed at one point by UEFA as being one of the most competitive leagues because there were different winners each year, but it was because clubs are winning the league and going bust and then someone else would win the league and go bust.

It was evident from the information provided by the co-operative representatives that they felt the investor-owned model had not been a suitable fit with regards to their own concept of what a football club should represent. For the co-operative representatives, a football club should be governed and operated as an asset of significant social and economic importance within the community, and the longevity and legacy of that asset was very valuable to them.

One of the stakeholder representatives compared the approach of the two different models:

> If you compare the co-operative model to 'Peak 6', an American investment fund that was recently involved in a LOI club, you'd have to think that a collective, community entity, based locally and not for profit, is the better option. If you look at the co-operative clubs in the North-West, is there any other entity that would have managed to keep the football club alive for so long?

To combat the crisis in corporate governance, respondents argued that the FAI could do a better job to regulate the financial governance and ownership of clubs. A board member of one of the co-operatives outlined how the current lack of governance controls impacts his co-operative:

> We had a situation where a club went bust and then came back. They were able to sign one of our best players on twice the money we offered, and they'd just went bust. And now all their debts are gone. And off they go again. While we're still paying for our past mistakes.

Suggestions were put forward by respondents around changes the FAI could make to improve corporate governance in the league and to create a level playing field between co-operative and investor-owned clubs. One co-operative board member suggested:

> The league could help us by introducing controls on what people can spend. Can you just throw away money year after year? Or are you going to build yourself up? If everybody was held to that same standard, then it would give us much more of a fighting chance.

Another board member outlined:

> I'd love to see the FAI put much stricter controls on salary cost protocols. If you've got private owners that are willing to put money in, well they should have to spend a bit on facilities and youth academies as well as your first team, otherwise it's just totally chaotic for the league.

One of the stakeholder representatives argued for the introduction of an ownership test:

> I would favour a fit and proper owner's test in the League of Ireland. If anyone is coming in to invest in a club, the FAI should look at the investor and seek financial information and company information.

There was a strong view that the lack of financial regulation was placing well-run, financially prudent co-operatives at a financial and sporting disadvantage in the LOI and more needs to be done to challenge the overall unsustainable nature of the league's financial environment.

A stakeholder representative explained the challenging environment:

> I think the co-operative model offers the promise of financial stability, but it is useless unless the waters in which the co-operative model swims are suitable for it. Because you will have a board that will manage things prudently but when the overall tendency in the league is towards greater expenditure, it's very hard to resist that.

The co-operative model as a last resort

Decades of poor corporate governance have resulted in a decline in credibility for the investor-owned model, with a subsequent desire by supporters and stakeholders to seek alternative models of ownership and governance. The co-operative model has emerged as a viable option for those communities that seek an alternative model of ownership and governance

The research found that the dominant factor behind the growth of the co-operative model has been as a last resort option during periods of financial distress under the investor-owned model. This finding supports Hamil who found that European football clubs have generally looked to the co-operative model as a last resort option to save their clubs from the brink of financial extinction.[38] A board member from one of the co-operative clubs spoke about their club being saved by the members:

> I suppose, there was nobody coming in to save our football club, so it was a way of doing that . . . and it's in those sorts of situations that co-operatives excel.

A board member of one of the recently converted co-operative clubs outlined how clubs were desperate for local financial support:

> There was no investment coming from anywhere else and they were appealing to the community for small amounts of money but large numbers of people to get involved. I suppose the cynical way to look at it is, if a lot of these clubs were being well funded from sponsorship and businesses over the years, they may never have reverted to a community model.

Another board member outlined how the co-operative model emerged as a last resort option to avoid their club being bought by private investors who sought to move the geographical location of the club:

> Suddenly there was this consortium of guys who wanted to buy our club and wanted to move the club to a different location. And as a reaction to that we became a co-operative . . . when things are going good people become less engaged; it's a crisis that will really get people.

This explanation for the emergence of the co-operative model supports the wider argument that co-operatives are largely developed as spontaneous and direct responses by local communities to crises. These football clubs provide a social hub for thousands of individuals. They are important economic assets in their region, directly and indirectly providing employment and contract opportunities to local businesses. They provide services and supports to local initiatives in schools and communities. For a club to cease to exist, it would leave a significant gap in their region, in their local community, and in the lives of their supporters. The co-operative model has been successful in helping communities avoid these negative outcomes.

To illustrate the precarious situation one of the clubs was in, the CEO outlined how the supporters came to own the club:

> Our hand was completely forced. The club was under private ownership and had a quite a large revenue bill for various forms of tax, employer PRSI, VAT, you name it . . . there was a risk that we wouldn't have a team in the league and we pulled it out of the bag at the last minute thanks to some supporters that will go down in history as saviors at the club.

Essentially, the model has emerged for clubs in the LOI that are not financially appealing to private investment and co-operative ownership is their last option.

An interesting finding was the usefulness of a 'Supporters Trust' to facilitate the transition of a club to the co-operative model. A Supporters Trust is a formal, democratic organization that seeks a stakeholder role in the governance of a sporting organization. One of the interviewees outlined how, prior to transitioning to the co-operative model, supporters had established a Supporters Trust with the intention of buying a percentage of the club and having at least one representative on the board of the privately owned club. However, once the club went into administration, with so little interest from private investors, their Supporters Trust was best placed to gain 100% control of the football club.

Strong culture of co-operative development in Ireland

Ireland has a strong and rich history of co-operative development in several sectors, primarily in agriculture and finance, therefore the co-operative model and its key principles are recognized and broadly understood by Irish communities. This was a key factor behind LOI clubs adopting the co-operative model. This culture of co-operatives was illustrated by one of the stakeholder respondents:

> There's a tradition of co-operatives in this country, which is strong, and which is good. They suit football clubs quite well. They're essentially a social enterprise that need to make some money, but their overall aim is obviously to further their own development and further their own mission. Football in Ireland is very much about passion and not money.

Another stakeholder respondent also spoke about Ireland's strong co-operative culture:

> We saw it with the dairy co-operatives, we saw it with the credit unions, we understand the idea of a co-operative, that it's for a bigger purpose, that you're doing it and giving your time because you want a better price of milk or the fishery co-operatives that are down in West Cork, the energy cooperatives that we see now. They are working to a bigger picture and people are willing to sacrifice and get involved because all of us together will benefit.

Similarly, Wenger spoke about developing communities of co-operative practice and Corcoran and Wilson found that the existence of co-operatives in a region creates a supportive environment for the further development of new co-operatives.[39]

There was agreement across the respondents that the co-operative model has slowly proven itself within the LOI as a viable alternative model for clubs to adopt in situations of necessity. The findings of the research indicate that the perceived success of the early adopters of the co-operative model in the LOI prompted other clubs to consider adopting it during periods of financial distress. Several respondents explained that they adopted the model to replicate the success of other co-operative clubs in the league. This, therefore, suggests that the co-operative model has not only proven itself in wider Irish society, but also proven itself over time in the LOI as a viable alternative business model and could be considered by other clubs.

A board member of a co-operative club stated:

> Yeah, I think it's working, I think it has proven itself over the last few years. One club had a very successful spell, another won the league . . . But again, community, sense of security, that safety element of it. You own the club, you run the club, it's run by supporters. All our committee members are fans.

The CEO of one of the co-operative clubs said:

> We've talked to one particular co-operative club about their community engagement . . . They're very close to their communities, they've very good membership numbers and they've done very well financially on and off the pitch, really admirable. I think they're a great example of what can be achieved. So, they're the kind of model and kind of prototype that we would look at for ourselves.

This finding is a very positive endorsement of the performance and success of the co-operative model in the LOI. It should also be stated that these co-operative clubs have succeeded despite being born out of severe financial distress and often in positions of large debts that were built up under private ownership.

Clubs benefit from a co-operative advantage

Participants outlined the benefits that the co-operative model has provided to clubs, stakeholders and their communities. Several of these benefits address the shortcomings of the private model of ownership which has historically failed to prudently manage the club finances or engage proactively with community stakeholders.

Representatives from co-operative clubs outlined that the co-operative model has provided stakeholders with a process through which they can voice their opinions and align the objectives of their clubs with their own ambitions.

The CEO of one of the co-operative clubs outlined how members have used their voice to direct the identity of their club by bringing forward motions to change their crest, badge and shirt colour:

> Fans have had a key input into the club's identity. When you think of a football club, you think of the badge and the colours and the crest and the kit. These were two motions put forward at a recent general meeting which shows how much of an influence fans have.

Three of the co-operative clubs also voted to ban their clubs from accepting sponsorships from gambling companies. Respondents outlined that these were the type of decisions that fans felt were important to stamp their identity on their clubs.

All five of the participants representing co-operative clubs outlined how essential it was for their clubs to embed themselves within their local communities. The participants explained that this embeddedness was achieved through initiatives within the local community.

The CEO of a co-operative club outlined one of its unique initiatives:

> We give every baby born a free jersey, so that's in connection with the regional hospital, every baby that's born last year and this year just received a nice little official club jersey, a memento for their family and even if they're not a fan they'll probably always remember us now for the rest of their lives as the first present that their baby got.

Another CEO spoke about the club's ethos of being custodians rather than owners:

> We're trying to build greater community engagement. We're trying to devolve responsibility, we're trying to make it a more inclusive club, to improve diversity. We're briefly custodians for a club that's 100 years old. We're there because we love it, and we love helping the community. We love the idea of co-operation and feeling part of a team.

A strong common theme across the respondents was the view that transparency was a very important principle in co-operative clubs and that it has helped to improve relationships between clubs and stakeholders.

A board member of a co-operative club outlined how their club has focused on this:

> This concept of transparency, because we have seen mismanagement at various levels of Irish football over the years - if you have a co-operative, you've a very strong intention to share as much as you can. I think that's a very strong aspect of the cooperative and if you're looking for people to give their time and their money you have to be absolutely transparent and the co-operative helps with that.

Another example was given by the CEO of a co-operative club who outlined how they livestream their AGMs on social media:

> It goes back to being a community owned club. They deserve to know what goes on and we have no issues with that. We invite the local press in, and they all do updates from our AGMs live. It's good, you get a bit of respect from that and people are interested in what goes on.

There was a strong theme across the respondents that long-term planning and financial prudence were core to the ethos within co-operative football clubs. Four of the co-operative clubs highlighted that this was a key principle embedded in the model that helped provide long-term sustainability.

For example, the CEO of one of the co-operative clubs outlined how their club chose not to increase their budget despite having a successful season:

> We really feel like we're level-headed. Our budget last year is the same as our budget this year even though we've qualified for Europe. We didn't go and throw a couple of hundred grand at the wages or anything like that.

Four of the five co-operatives agreed that the model helped to attract finance through fundraising and commercial sponsors. They outlined that stakeholders liked the fact that the clubs were not profit-driven and were embedded in their communities. It was argued by respondents that this increased the club's credibility and trust with stakeholders and sponsors. A CEO of a co-operative club explained:

> The company who were our shirt sponsors for a couple of years, they came on board on the basis that we were a co-operative. In our first meeting, they couldn't get over how the club was structured and the people that they met in the boardroom that day would be the same people that would be out on match night volunteering.

Clubs have an interest in a hybrid model

A strong theme that emerged was that co-operative clubs are struggling to compete financially with investor-owned clubs in the LOI for sporting success which is causing some stakeholders to consider alternative options of financial investment. A board member explained:

> Most of our fans get that this is where we're at. You know, we just don't have the money other clubs do. It is what it is. But it does get frustrating. You know, banging against the ceiling of what we can achieve at the moment.

The findings indicate that, due to these financial challenges, several of the co-operative clubs are open to a hybrid model of ownership if a credible and trusted benefactor were willing to invest in the club. Four of the five co-operative clubs said they are open to selling a percentage of their club to a private investor if they could retain a majority share and a democratic model of governance. They see value in the model of co-operative ownership, although, access to funding is the key issue.

A board member of one of the older co-operative clubs admitted that that they would be open to a change of ownership:

> To be perfectly honest, we've never had anybody look to come and be our sugar daddy. They'd be looked at pretty hard if they did, just to be honest.

A board member of one of the more recent converts of the co-operative model outlined their preferred situation:

> Ideally, that's the kind of scenario we would have (a hybrid-model), we would be open for, but unfortunately there's no sugar daddies with deep pockets at the moment.

Several respondents outlined that their preference would be a 'hybrid-benefactor' model where the members could still run the club democratically and own 51% of the club, but there would be a wealthy local and trusted businessman who could finance their existence. This was an unexpected finding and one that is not widely noted in the football co-operative literature.

This openness to transition away from the co-operative model speaks to the reality that co-operative clubs understand the community benefits of having a member-owned club but are struggling financially to compete with investor-owned clubs. It illustrates the trade-offs that co-operative organizations must consider in all sectors as they attempt to balance their financial and social objectives.

The CEO of one of the co-operative clubs explained:

> I think there might be a way for us in the future to have a win-win where we retain the community engagement level, but we have someone that comes in and maybe backs us but isn't looking for shareholding.

There was also an argument posed by several respondents that the co-operative model had been adopted by some clubs that simply wanted to access fundraising and volunteers but were not committed to the democratic model and that these were the clubs most open to the 'hybrid benefactor' model. As argued by one co-operative board member:

> There's a certain club that I would question whether fan ownership ever really took off. It never felt to me like they had a very engaged base there. I know some of the people involved and it didn't strike me as too healthy. A lot of them would've been happy to see someone come in and just run it for them.

The CEO of one of the co-operatives argued that not all co-operative clubs live by the same principles:

> Some fan owned clubs do have a sugar daddy. There are First Division clubs that have a sponsor, and that sponsor has a very strong say in how the club is run but they're still completely fan-owned legally. I think we're probably one of the very few true fan-owned clubs that don't have private investments coming in or huge donations.

One of the stakeholders involved in co-operative development explained:

> I think one of the challenges co-operatives face is that people perceive that it's a fundraising mechanism and that's not the right way to approach it. I think that some people, some clubs, probably understand the benefits that they are getting from their community more clearly than others.

The difficulty co-operatives have in attracting capital investment is well documented in the wider cooperative literature.[40] Co-operatives typically find it difficult to attract capital due to the lack of incentives to invest. Bijman and Van Bekkum found that this difficulty in attracting capital was the primary reason for co-operatives transitioning to an alternative model of ownership in other sectors.[41]

Co-operatives in all sectors must balance social and financial objectives, however, football co-operatives have the additional objective of balancing sporting success. The findings of this study indicate that co-operative clubs struggle to balance these three objectives, with sporting success being the most prominent objective demanded by members.

As one co-operative club CEO outlined:

> We couldn't balance that piece where you need to give the manager enough money to have us competitive in the Premier Division while planning prudently and financially and upholding requirements to revenue and creditors.

During the COVID-19 pandemic, the members of one of the co-operative clubs voted to sell their club to a private businessman that had a reputation and presence in the local community. The CEO explained that the club was struggling financially during the pandemic due to a total collapse in ticket, match-day and digital media revenue. The CEO stressed that the decision was taken reluctantly during a difficult financial period, and they would have preferred to adopt a hybrid model that allowed them to retain 51% ownership:

> I suppose that was unfortunately a situation that was forced upon us towards the end of that turbulent period there in 2020. I think we would have loved to have patience to look at a fifty-plus-one situation, like they do in Germany where the supporters own the majority or where you still have a couple of seats on the board and a strong influence. But this was forced upon us.

These financial difficulties pose real challenges for the co-operative model in the LOI over the next few years. It is likely that several clubs will be presented with the decision to either stick with the co-operative model or transition to a private or a hybrid ownership model.

Table 2. Sample view of supporters on the subject of supporter-ownership extracted from the online discussions.

Quotes from football supporters on supporter-ownership
Co-operative ownership and fan involvement is important and it's great to see [certain clubs] do well with it. What I do hope is that the governing bodies are in place to make sure that it's done fairly.
That ship has long sailed. The amount of money involved means that fan ownership is not viable.
Ultimately, . . . 50% fan owned [is the most ideal] but with significant outside investment. Reality is the fan owned model, while more sustainable domestically, causes Irish football to lag further and further behind internationally as talent is sucked up abroad.
Not only is supporter ownership possible, but it's also absolutely necessary.
Football clubs are important cultural institutions in their local community – supporter ownership makes sense.
There are no clubs that can turn their noses up at investment. If you want community ownership, then there absolutely needs to be public investment into the league.
Fan ownership would cause a lot of problems, divided opinions, split ownership has never worked out great. Fun idea but not very practical.
Club has to go bust really. That's how I bought my share in [X] when the fans took over. We punched above our weight having been in the premier division for 6 out of 9 seasons with a part time squad and a budget dwarfed by everyone else. It was no trophy obviously but the pride in seeing the club compete with and stay up over better funded professional teams was something else.
A significant benefit of supporter ownership would be a greater feeling of being part of the club you support.

The views of supporters of football clubs on fan ownership

It should be noted that the views of supporters are deeply divided on the subject of supporter-ownership of football clubs. A selection of supporters' views on the subject are shown in Table 2.[42] The discussion and subsequent comments by supporters were provoked by an online article on supporters' ownership in the LOI.[43]

Conclusion

The aim of this research was to identify the key factors behind the emergence and development of football co-operatives in the LOI. The findings show that the co-operative model has emerged as a last resort option for clubs following years of financial distress and poor corporate governance under the investor-owned model of ownership. The co-operative model has a strong and rich history in other sectors in Ireland and is therefore respected and understood by local communities as a viable alternative. There would therefore appear to be a mix of both pull and push factors that have contributed to the development of co-operatives in the LOI. The findings suggest that the model has succeeded in helping communities save their clubs from the brink of financial extinction and the model has helped clubs, to varying degrees, meet their key objectives of financial stability, social impact and sporting success. Without the co-operative model, several of these clubs would no longer exist as key assets of social and economic importance in their communities. This paper has shown that the co-operative model is a viable economic model in professional football and other clubs in the LOI could consider it as an option. Participants did, however, express frustration that the co-operative model is not able to consistently compete financially with the private model of ownership and are open to adopting a hybrid-benefactor model. The views of supporters on the viability of fan ownership are also very diverse.

To address the LOI's chronic issue of financial instability, the FAI needs to introduce stronger corporate governance regulations. A consequence of poor corporate governance by investor-owned clubs is a boom-bust culture in the LOI. This cycle provides investor-owned clubs with a temporary financial advantage and a subsequent sporting advantage. As a consequence, co-operative clubs that have a long-term approach and live within their financial means are put at an unfair sporting disadvantage. To correct this and to promote a more financially stable environment, the FAI should consider introducing a much stricter Fit and Proper test for owners of LOI clubs, stricter salary cost protocols, and regulations around requiring clubs to invest in facilities, youth academies and infrastructure.

The co-operative model has shown itself to be a viable alternative model of governance at clubs in the LOI during periods of financial distress. Considering the history of poor corporate governance within investor-owned clubs in the LOI, stakeholders at other investor-owned clubs should consider establishing a 'Supporter Trust' with the long-term ambition of transitioning their club into a co-operative organization. It should be noted that this research also found strong support for the hybrid model, however, no co-operative club has yet converted to the hybrid model and consequently, there is no evidence to suggest that the hybrid model would be as successful as the co-operative model in saving clubs from financial collapse.

This research recommends that co-operative clubs work together more closely, and with the community-owned clubs, to lobby the FAI for much needed reforms in the LOI. The research found that there was a desire by co-operative clubs to work together more formally to achieve their mutual aims. The Irish Supporters' Network was suggested by several respondents as a possible network that could be expanded to include all of the co-operative clubs and to cover more areas of common interest.

The findings of this research provide a starting point to aid the understanding of co-operative development in Irish football. While this research has found the model to be a viable alternative to the investor-owned model, further research is needed into the long-term benefits and challenges that co-operative football clubs experience. More understanding of the views of supporters will also be important in addressing concerns and building knowledge about fan-ownership.

Notes

1. Brown, 'Our Club, Our Rules'; Torchia, 'Bringing the Football Back'; and Ward and Hines, 'Demise of Members' Association Ownership'.
2. Amirnejad, Elahi and Yazdi, 'Suitable Model of Ownership'; García and Welford, 'Supporters and Football Governance'; Ward and Hines, 'Demise of Members' Association Ownership'; Croci, 'Football Supporters' Trusts in Italy'; Hamil, Walters and Watson, 'Model of Governance at FC Barcelona'; and McLeod, 'Supporter Representation on Scottish Football Boards'.
3. Byrne, *The Story of Irish Football.*
4. Curran, 'Development of Soccer Zones'.
5. Curran, 'Irish Soccer Migrants'.
6. Brown, 'Irish Supporters Survey'.
7. Tighe and Rowan, *Champagne Football; and* Horgan, *Death of a Football Club?*
8. Horgan, *Fall, Death and Rise of Cork City.*
9. Whelan, *Who Stole Our Game?;* Horgan, *Death of a Football Club?*; Horgan, *The Cross Roads*; and Tobin, 'Supporter Ownership'.
10. Ward and Hines, 'Demise of Members' Association Ownership'.
11. Horgan, *Death of a Football Club?*
12. Tobin, 'Supporter Ownership'; and Tighe and Rowan, *Champagne Football.*
13. Conroy, 'SSE Airtricity League Consultation'.
14. Gabay, 'League of Ireland Branding Review'.
15. Foley, 'FAI Review and Analysis'.
16. Hamil, Michie and Oughton, *A Game of Two Halves?*; Hamil et al., *Football in the Digital Age*; Hamil et al., 'The State of the Game'; Brown, 'Our Club, Our Rules'; Houlihan et al., 'Football Money League'; and Farquhar, Machold and Ahmed, 'Governance and Football'.
17. Franck, 'Member's Association'; Ferkins and Shilbury, 'Good Boards are Strategic'; Buchholz and Lopatta, 'Stakeholder Salience'; García and Welford, 'Supporters and Football Governance'; Bilsborough, Leibowitz and Gabert-Doyon, 'Democratising Football'; and García and Llopis-Goig, 'Typology of Football Supporters'.
18. Morrow, *The People's Game.*
19. Hamil et al., 'Governance of Football Clubs'; Tobin, 'Supporter Ownership'; and Brown, 'Heart of the Game'.
20. García and Llopis-Goig, '*Typology of Football Supporters*'.
21. Fitzpatrick, 'Grassroots Involvement in Football Club Governance'.
22. Brown, 'Heart of the Game'; and Supporters Direct, 'Heart of the Game Conference'.
23. Brown, 'Our Club, Our Rules'; Tobin, 'Supporter Ownership'; and Ward and Hines, 'Demise of Members' Association Ownership'.
24. Briscoe et al., 'Developing Ourselves'.

25. Tucker Cited in Ward, Briscoe and Linehan, *Co-operation between Co-operatives*; and Briscoe and Ward, *Co-operatives of Ireland*.
26. Tucker Cited in Ward, Briscoe and Linehan, *Co-operation between Co-operatives.*
27. Briscoe and Ward, *Co-operatives of Ireland.*
28. Ridley-Duff, 'Cooperative Social Entrepreneurship'; Pollet and Develtere, 'Country Case Study: Belgium'.
29. Brown, 'Improving Football Governance'.
30. Burtenshaw, 'Bohemians Bringing Fan-Owned Football into Europe'.
31. Curran, *Soccer and Society in Dublin*.
32. European Football for Development Network, 'Climate Justice Report; and Jack, 'Shamrock Rovers Ultras in Dublin'.
33. Irish Cooperative Organisation Society, 'Irish Co-operative Soccer Stalwart'; and Irish Cooperative Organisation Society, '103rd Annual Report'.
34. Supporters Direct, 'Heart of the Game Conference'; and García and Welford, 'Supporters and Football Governance'.
35. Curran and Toms, 'Introduction'.
36. Senaux, 'Stakeholder Approach to Governance'; and Buchholz and Lopatta, 'Stakeholder salience'.
37. Denscombe, *Good Research Guide*.
38. Hamil, 'Manchester United: A Global Football Brand'.
39. Wenger, 'Communities of Practice'; and Corcoran and Wilson, 'Worker Co-operative Movements in Italy, Mondragon and France'.
40. Spear, 'Co-operative Advantage'; and Perotin, 'Good, Sustainable Jobs in the Community'.
41. Bijman and Van Bekkum, 'Cooperatives Going Public'.
42. Reddit, 'Is Supporter Ownership of Football Clubs Possible?'; and Reddit, 'League of Ireland Financial Investment'.
43. Kearney and McCarthy, 'Community Ownership in the League of Ireland'.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Bibliography

Amirnejad, S., A. Reza Elahi, and H. Akbari Yazdi. 'A Comparative Study to Identify a Suitable Model of Ownership for Iran Football Pro League Clubs'. *International Journal of Applied Exercise Physiology* 7, no. 1 (2018): 30–48. doi:10.22631/ijaep.v7i1.255

Bijman, J., and O. van Bekkum. 'Cooperatives Going Public: Motives, Ownership and Performance'. *Paper presented to the International Conference on Economics and Management of Networks (EMNet)*, Budapest, Hungary, 2005.

Bilsborough, J., J. Leibowitz, and J. Gabert-Doyon. '*Democratising Football*. Commonwealth and the Centre for Local Economic Strategies (CLES)'. *Journal of Crohn's & Colitis* 13, no. 8 (2019): 1055–1066. doi:10.1093/ecco-jcc/jjz021

Briscoe, R., O. McCarthy, M. Ward, and B. Thompson. 'Developing Ourselves'. In *Helping Ourselves: Success Stories in Co-Operative Business and Social Enterprise*, ed. R. Briscoe and M. Ward, 156–177. Cork: Oak Tree Press, 2005.

Briscoe, R., and M. Ward. *The Co-Operatives of Ireland*. Cork: Centre for Co-operative Studies, 2000.

Brown, A. "Our Club, Our Rules': Fan Communities at FC United of Manchester'. *Soccer and Society* 9, no. 3 (2008): 346–358. doi:10.1080/14660970802008967

Brown, A. "*Supporters Direct Europe*, *Improving Governance Project. European Fans Survey: Interim Report 1: Ireland*." *Supporters Direct Europe* (2012a). http://irishsupportersnetwork.ie/wp-content/uploads/2017/02/1-sde-ireland-survey-report.pdf

Brown, A. *The Heart of the Game: Why Supporters are Vital to Improving Governance in Football*. London: Supporters Direct Europe, 2012b.

Brown, A. *Improving Football Governance Through Supporters Involvement and Community Ownership*. London: Supporters Direct Europe, 2013.

Buchholz, F., and K. Lopatta. 'Stakeholder Salience of Economic Investors on Professional Football Clubs in Europe'. *European Sport Management Quarterly* 17, no. 4 (2017): 506–530. doi:10.1080/16184742.2017.1306870

Burtenshaw, R. 'How Dublin's Bohemians are Bringing Fan-Owned Football into Europe', Tribune, July 16, 2021, https://tribunemag.co.uk/2021/07/how-dublins-bohemians-are-bringing-fan-owned-football-into-europe

Byrne, P. *Green is the Colour: The Story of Irish Football*. London: Andre Deutch, 2012.

Conroy, D. SSE Airtricity League Consultation Process 2015. Conroy Consulting, 2015. https://www.fai.ie/sites/default/files/atoms/files/SSE%20AL%20Consultation%20Process%20-%20FINAL%20REPORT%20-%2014%20Sep%202015%20(2)_0.pdf

Corcoran, H., and D. Wilson. *The Worker Co-Operative Movements in Italy, Mondragon and France: Context, Success Factors and Lessons*. Calgary, Alberta: Canadian Worker Cooperative Federation, 2010.

Croci, O. 'Football Supporters' Trusts in Italy: A Horizontal Survey and the Case of Sambenedettese'. In *Football and Supporter Activism in Europe. Football Research in an Enlarged Europe*, ed. B. García and J. Zheng, 65–88. Camden: Palgrave Macmillan, 2017. doi:10.1007/978-3-319-48734-2_5

Curran, C. 'The Development of Gaelic Football and Soccer Zones in County Donegal'. *Sport in History* 32, no. 3 (2012): 426–452. doi:10.1080/17460263.2012.724699

Curran, C. *Irish Soccer Migrants: A Social and Cultural History*. Cork: Cork University Press, 2017.

Curran, C. *Soccer and Society in Dublin: A History of Association Football in Ireland's Capital*. Dublin: Four Courts Press, 2023.

Curran, C., and D. Toms. 'Introduction to Going Beyond the "Garrison Game": New Perspectives on Association Football in Irish History'. In *New Perspectives on Association Football in Irish History: Going Beyond the 'Garrison Game"*, ed. C. Curran and D. Toms, 1–9. Abingdon: Routledge, 2018.

Denscombe, M. *The Good Research Guide for Small-Scale Social Research Projects*. New York: McGraw-Hill Education, 2017.

European Football for Development Network. 'Football for Climate Justice Report, How Can Football Clubs Support Climate Action That is Good for the Fans, Their Communities, and the Planet?'. TASC, (2023).

Farquhar, S., S. Machold, and P.K. Ahmed. 'Governance and Football: An Examination of the Relevance of Corporate Governance Regulations for the Sports Sector'. *International Journal of Business Governance and Ethics* 1, no. 4 (2005): 329–349. doi:10.1504/IJBGE.2005.006716

Ferkins, L., and D. Shilbury. 'Good Boards are Strategic: What Does That Mean for Sport Governance?' *Journal of Sport Management* 26, no. 1 (2012): 67–80. doi:10.1123/jsm.26.1.67

Fitzpatrick, C. 'The Struggle for Grassroots Involvement in Football Club Governance: Experiences of a Supporter-Activist'. *Soccer and Society* 14, no. 2 (2013): 201–214. doi:10.1080/14660970.2013.776468

Foley, K. *FAI Review and Analysis of Football in Ireland: Strategic, Commercial, Operational and Governance of Football in Ireland*. Football Association of Ireland, 2019. https://www.rte.ie/documents/sport/2019/05/fai-review-and-analysis-of-football-in-ireland-final.pdf?app=true

Franck, E. 'Private Firm, Public Corporation or Member's Association – Governance Structures in European Football'. *International Journal of Sport Finance* 5, no. 2 (2010): 108–127.

Gabay, J. *The League of Ireland Brand Report* (Presentation to the Football Association of Ireland, 2016) https://www.balls.ie/news/irish-journalists-react-disbelief-extraordinary-loi-branding-report-354551

García, B., and R. Llopis-Goig. 'Club-Militants, Institutionalists, Critics, Moderns and Globalists: A Quantitative Governance-Based Typology of Football Supporters'. *International Review for the Sociology of Sport* 55, no. 8 (2020): 1116–1135. doi:10.1177/1012690219868661

García, B., and J. Welford. 'Supporters and Football Governance, from Customers to Stakeholders: A Literature Review and Agenda for Research'. *Sport Management Review* 18, no. 4 (2015): 517–528. doi:10.1016/j.smr.2015.08.006

Hamil, S. 'Manchester United: The Commercial Development of a Global Football Brand'. In *International Cases in the Business of Sport*, ed. S. Chadwick and D. Arthur, 114–134. Oxford: Butterworth-Heineman, 2007. doi:10.1016/B978-0-7506-8543-6.50014-7

Hamil, S., M. Holt, J. Michie, C. Oughton, and L. Shailer. 'The Corporate Governance of Professional Football Clubs'. *Corporate Governance the International Journal of Business in Society* 4, no. 2 (2004): 44–51. doi:10.1108/14720700410534967

Hamil, S., J. Michie, and C. Oughton. *A Game of Two Halves? The Business of Football*. Edinburgh: Mainstream Publishing, 1999.

Hamil, S., J. Michie, C. Oughton, and S. Warby. *Football in the Digital Age: Whose Game is it Anyway?* Edinburgh: Mainstream Publishing, 2000.

Hamil, S., G. Walters, and L. Watson. 'The Model of Governance at FC Barcelona: Balancing Member Democracy, Commercial Strategy, Corporate Social Responsibility and Sporting Performance'. *Soccer and Society* 11, no. 4 (2010): 475–504. doi:10.1080/14660971003780446

Horgan, N. *Death of a Football Club? The Story of Cork City FC: Season 2008*. Sportsproview, 2014.

Horgan, N. *Second City 2016: Season 2009. The Fall, Death and Rise of Cork City FC*. Sportsproview, 2016.

Horgan, N. *The Cross Roads: Rise of the Rebel Army and Crisis at the FAI*. Sportsproview, 2019.

Houlihan, A., R. Parkes, M. Hawkins, S. Hearne, A. Ashton-Jones, and C. Schmick. *Lost in Translation: Football Money League*. Manchester: Deloitte, 2009.

Irish Cooperative Organisation Society. '103rd Annual Report'. https://icos.ie/wp-content/uploads/2017/01/ICOS_Annual_Report_1997.pdf, (1997).

Irish Cooperative Organisation Society. 'Irish Co-Op movement's Most Prestigious Honour Awarded to Forestry and Soccer Stalwart - Ray Gallagher'. News Release, December 20, 2012.

Jack, M. 'On the Terrace: Ritual Performance of Identity by the Shamrock Rovers Football Club Ultras in Dublin' (masters thesis), Tufts University, 2012.

Kearney, B., and O. McCarthy. 'Will Big Money Kill off Community Ownership in League of Ireland?', February 16, 2024. https://www.rte.ie/brainstorm/2024/0216/1413832-league-of-ireland-ownership-community-supporters-investors/

McLeod, J. "A Qualitative Inquiry into Supporter Representation on Scottish Football Club Boards'. *Soccer and Society* 19, no. 7 (2016): 889–902. doi:10.1080/14660970.2016.1267635

Morrow, S. *The People's Game? Football, Finance and Society*. Switzerland: Palgrave Macmillan Cham, 2003.

Perotin, V. 'Good, Sustainable Jobs in the Community'. Paper presented at the European Research Institute on Cooperative and Social Enterprises Conference on Cooperatives for a Better World, Venice, 2012.

Pollet, I., and P. Develtere. "Country Case Study: Belgium." In *Co-Operation, Social Responsibility and Fair Trade in Europe*, ed. L. Shaw, 101–124. Manchester: The Co-operative College, 2006.

Reddit. 'Is Supporter Ownership of Football Clubs Possible?'.October 31, 2023. https://www.reddit.com/r/PremierLeague/comments/17kpygc/is_supporter_ownership_of_football_clubs_possible/

Reddit. 'RTE Article on the League of Ireland and Financial Investment'. October 31, 2023. https://www.reddit.com/r/LeagueOfIreland/comments/17kphyt/rte_article_on_the_league_of_ireland_and/

Ridley-Duff, R. 'Cooperative Social Entrepreneurship: Reflecting on a Decade of Embedding Cooperative Studies in Social Enterprise Courses'. Paper presented at the Co-operative Education Conference, Manchester, 1–2 May 2018.

Senaux, B. 'A Stakeholder Approach to Football Club Governance'. *International Journal of Sport Management and Marketing* 4, no. 1 (2008): 4–17. doi:10.1504/IJSMM.2008.017655

Spear, R. 'The Co-Operative Advantage'. *Annals of Public & Cooperative Economics* 71, no. 4 (2000): 507–523. doi:10.1111/1467-8292.00151

Supporters Direct. *The Heart of the Game Conference – Weekend Summary*. Seminar Summary, November 11, 2013. https://www.corkcityfc.ie/home/wp-content/uploads/2013/01/Heart-of-the-Game-Conference_Summary.pdf

Tighe, M., and P. Rowan. *Champagne Football*. UK: Penguin Random House, 2020.

Tobin, S. "Supporter Ownership as a Method of Football Governance: The Concept of a Supporters' Trust and Its Operation within England and the Republic of Ireland." In *New Perspectives on Association Football in Irish History*, ed. C. Curran and D. Toms, 170–186. Oxfordshire: Routledge, 2019.

Torchia, D. 'Bringing Football Back to the Fans'. *Paper presented at the 8th International Conference in Critical Management Studies Conference*, Manchester, 2013.

Ward, M., R. Briscoe, and M. Linehan. *Co-Operation Between Co-Operatives: A Case Study of Agricultural Co-Operatives in the North East of the Republic of Ireland*. Cork: Bank of Ireland Centre for Co-operative Studies, University College Cork, 1982.

Ward, S., and A. Hines. 'The Demise of the Members' Association Ownership Model in German Professional Football'. *Managing Sport and Leisure* 22, no. 5 (2017): 358–373. doi:10.1080/23750472.2018.1451359

Wenger, E. 'Communities of Practice and Social Learning Systems'. *Organization* 7, no. 2 (2000): 225–246. doi:10.1177/135050840072002

Whelan, D. *Who Stole Our Game? The Fall and Fall of Irish Soccer*. Ireland: Gill & Macmillan, 2006.