



Press Release

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HHL Shows Range of Opinions on Controversial 50+1 Rule in Professional Football

The 50+1 rule is one of the most controversial regulations in German football. Professor Dr. Henning Zülch of HHL Leipzig Graduate School of Management views it as one of the cornerstones of the success of German football and its fan culture. In a working paper, HHL presents an overview of the public opinion of Germany's special 50+1 solution.

Prof. Dr. Henning Zülch (HHL):

"Public opinion has shown that there is clear consent to maintain the 50+1 rule in Germany. However, it needs to change its shape. It must be modified to account for the reality and financial needs of the clubs."

Based on this range of opinions and the latest developments, HHL is developing recommendations for action.

"I view the latest developments in European soccer in this context as particularly worrying. Those unable to pay the high transfer fees will not be competitive in the long run. Therefore, the calls for opening up the Bundesliga to strategic investors will become increasingly louder — even or especially during the coronavirus crisis."

(Prof. Dr. Henning Zülch, HHL)

The 50+1 rule

Simply put, it says that a strategic investor can hold the majority of the capital shares of a football club, but never the voting majority. The voting majority — and, consequently, the control — is within the hands of the club's members only. The primary goal is to strengthen the sports-related interests of the clubs and their members over the investors' economic interests. Especially regarding the interaction with the most important stakeholder group — the fans — this rule is unique in that it treats fan welfare as one of the highest goods within the Bundesliga brand.



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Questions for Professor Dr. Henning Zülch (HHL)

1. Why does the 50+1 rule have to be changed?

HZ: The 50+1 rule pursues the goal of an investor being able to obtain the majority of the capital shares in a professional football corporation but not the voting majority and, thereby, the control over the club. The latter is supposed to be in the hands of the registered club and, therefore, its members. However, there are many exceptions to the 50+1 rule which make it less credible regarding its original purpose as described above. People talk about the "Lex Wolfsburg" and "Lex Leverkusen". RB Leipzig, its foundation and naming are also commonly referenced in this context (see Section II.3.).

2. How should the 50+1 rule be changed?

HZ: The basic idea behind the 50+1 rule should be maintained but it must be modified. The teething problems, such as the established exceptions, must be eliminated. There are four specific fields of action or approaches to bring about that change. These include the reduction of the minimum funding period of 20 years, the reduction of blocking shares, stricter controls on investors and the strengthening of member participation (see Section IV).

3. What do fans fear if an investor has unlimited power?

HZ: The fans fear that an investor exerting control might not conduct the affairs of the club in line with its ideals and values. German football lives off of its fan culture and atmosphere at the stadiums like no other country. This culture has been grown, nurtured and given its image by the fans. Investors are often thought to not want to maintain this culture. Rather, they are viewed as a threat which leads to many people wanting to prevent control through an investor by any means. However, a club will not be successful in the future without strategic investors. They are a prerequisite and must correspond with the basic values and strategy of the club. Acceptance for this concept must be created through dialogue. The 50+1 rule and/or its modified version can be seen as a compromise between maximum fan welfare and economic professionalization.

The working paper (in German) is available for download at

<https://www.hhl.de/app/uploads/2020/06/hhlap0186.pdf>