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A Coubertobin Tax Against Muscle Drain

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Developing countries exhibit an increasing outward international mobility of their most talented players toward North American and West European professional leagues. The clearest cases in point are North American baseball and basketball leagues - and the ice hockey league if we include Eastern Europe among the less developed world - while the major West European professional sport that attracts Third World players is soccer (football in the following). Rather weak sport performances and lower comparative wages provide a negative incentive to the most talented players, and trigger their move away from their home developing countries. Such a "muscle drain" is becoming of concern since it affects now very young players, under the age of 18, who are involved into international transfers. All the more so when the transfer of teen age players proceeds with illegal means and clandestine deeds used by outlaw players' agents. Most young players from developing countries are transferred at an underpriced fee. The waste of talented resources is even more obvious when an unsuccessfully tested young player is left by a European professional club as an illegal migrant without assistance and a return ticket to his home country. Here, whatever low is his education and training cost, it is not covered by the market mechanism. In such circumstances, the young player bears the cost of this economic inefficiency; his nursery club and his home country as well, after usually having invested in his education and training.

I would contend that the winners from these distorted international transactions – the professional clubs and the players' agents – should compensate the loosers – the young players, the nursery clubs and the home countries. However, the winners have no good reason to willingly compensate the loosers. Young players in the Third World, their parents and their nursery associations usually cannot afford to sue professional team owners and players' agents abroad, on the one hand. On the other hand, they miss accurate information about the international player market and the required bargaining power to act themselves as performant agents. No – or weak – player unionization in home countries worsens the player bargaining power with a European club, and brings it down to zero. Thus, something is to be done that the players, their parents and nursery clubs cannot do, ***i.e.*** regulating the market in such a way as to reduce its most damageable and illegal market distortions. The only way out seems to be an international intervention with the aim of restricting teen age player movement from developing countries.

I suggests a regulation – in fact a tax – in order to "throw sand in the wheels of the international labor market" for teen age players. Its feasibility is briefly assessed along with some hindrances likely to come about. Our suggested taxation is briefly compared with the new rules adopted by FIFA in September 2001 in order to get to grips with international transfers of football players. Whatever the most efficient regulation, it should be completed with a stronger and worldwide supervision of the players' agent business.

1. Economic underdevelopment and sport: the context of a muscle drain

In 16 LDCs surveyed by UNESCO, athletes and talented sportsmen and women were found to leave their country as soon as their sport performance was of an international standard (Souchaud 1995). This "muscle drain" is disappointing for the local coaches and sport teachers. The best African basketball players migrate and, sometimes change their citizenship. In many professional sports, developing countries and former Soviet economies are utilized as nurseries for sporting talents and provide a huge pool of sporting labor. In French professional football, African players have, every year, provided a substantial percentage of the total labor force. The wage gap between the African and the French labor market for player talents is between one to ten and one to twenty (de Brie 1996). Football players in Cameroon earn premiums and bonuses between $6,000 and $14,000 per year, quite over the domestic average wage, but considerably lower than the average income of a French player. A young African player is always attracted by the dream of being hired by a European club even if he has to wander meanwhile in the labor market.

Latin American countries are also suffering from a muscle drain: 54% of all the professional players in Brazilian football are earning no more than the legal minimum wage. The 9% best paid players were in 1997 earning over $1,400 per month. The same year, Ronaldo (Inter Milan), Denilson (Betis Sevilla), Roberto Carlos (Real Madrid) and Rivaldo (FC Barcelona) were said by *Business Age* to earn collectively over $140 million per year. Such a revenue gap is a strong incentive for African and Latin American players to leave their home country and to look to the European market. From 1989 to 1997, 2,084 Brazilian football players migrated to foreign professional clubs all around the world, in particular in Italy, Spain, Portugal, France and Japan. All these transfers have been reckoned by the Brazilian Football Confederation to yield roughly $500 million to Brazilian clubs. The same tendency to “drain muscles” from developing countries is observed in other sports.

In football, the best players from developing countries are attracted towards the European leagues to maximise their economic returns. Inevitably their home countries are suffering a muscle drain as a consequence of their success in producing players of an international standard. Table 1 provides some evidence of the muscle drain from developing countries to developed countries in football, since it shows the geographical distribution of the domestic team affiliations for the playing squads of the five African nations that qualified for the 2002 World Cup Finals in Japan and South Korea. It appears that only 21% of the players are affiliated to teams in their home domestic league. In the Senegal squad, only three players out of twenty-three were not affiliated to French teams.

Table 1 - Geographic Distribution of Domestic Team Affiliations, African 2002 World Cup Players

Domestic Team Affiliation	Cameroon	Nigeria	Senegal	South Africa	Tunisia	Total
Home country	-	2	1	7	14	24
Africa	-	-	1	-	-	1
England	4	4	-	3	-	11
France	7	3	20	-	2	32
Germany	1	-	-	2	1	4
Italy	3	-	-	1	3	7
Spain	4	1	-	-	-	5
Other European	3	11	1	10	3	28
Rest of World	1	2	-	-	-	3
Total	23	23	23	23	23	115

Source : Gerrard (2002).

In addition to the aforementioned wage gap, the muscle drain is triggered by the low level of sport development in developing countries (Andreff 2001, 2002a). In the developing countries surveyed by UNESCO (Souchaud, 1995), one country had no physical education scheduled in the primary school, three countries had scheduled one hour per week and the other countries between two and three hours per week; in the secondary school, physical education was scheduled two to four hours per week in all countries. The problem is that the hours supposedly devoted to physical education are often never fulfilled, mainly due to a shortage of sport teachers. The ratio of sport participation is usually below 1% of the population in most developing countries. The ratio of coaches to sport participants is very low since most coaches cannot be satisfactorily paid and the number of voluntary workers is not big enough to compensate for the coach shortage.

The amount of government subsidies is too low to secure sporting activities all year long. The state and municipalities' budgets for sports are low in absolute terms. Various sports facilities are entirely missing in most developing countries. In those countries where sports facilities are present, they have to cater a large number of potential participants. Among the developing countries surveyed by UNESCO, one even has no stadium capable of hosting a big sporting event that would conform to international rules and norms. Most domestic sport events are organized in the capitals of LDCs simply because, in each country, the capital is the only one city endowed with appropriate and well-maintained sport facilities. This explains why so few world sport events are located in Third World countries.

Last not least, poor economic and sport development translates into poor performances in international sport events. Several studies have exhibited that economic development is a major determinant of Olympic successes, including the most recent works by Andreff (2001) and Bernard & Busse (2003). The number of medals is well explained by variables such as GDP per capita and population. The winner of the football World Cup has always been from either a developed country or one of the three following most-advanced Latin American countries: Argentina, Brazil and Uruguay. The overall context of sport underdevelopment does not provide a strong incentive for talented players to stay in their home country even if a professional championship does exist there.

2. International transfers of teen age players from developing countries: The jungle of the business world

The muscle drain is not without its problems. First, it undermines the sporting substance of developing countries. Second, it diverts the most talented sportsmen and women, those few who have had the opportunity to benefit from the rare domestic coaches and sport facilities. Third, in some cases, it erodes the capacity of the home country to use its most talented athletes in international competition, a fact which partly explains the poor performances of developing countries in world sport events. For instance, football players from Africa (namely Cameroon, Nigeria, Ivory Coast) were not released by their (European) professional clubs for selection to their domestic national teams to play in matches of the 22nd African Cup 2000 (177 out of the 352 registered players were playing in European clubs at the moment). The African Cup is nicknamed the "cattle fair" because a number of well known European clubs' managers, coaches and players' agents attend it with the objective of recruiting talented players. At the Sydney Olympics, Cameroon, Nigeria and Morocco have had to compete without some of their star football players, in spite of FIFA rules that are supposed to compel clubs to release players selected for national teams.

The worst tendency that accompanies the muscle drain has emerged in October 1991, when the Torino football club has recruited three young players, under 17, who have been junior world champions with the national team of Ghana. In the late nineties, an increasing number of African players under 16 have been tranfered to European clubs. Most young players transferred to European professional clubs eventually do not sign a labor contract and, then, are left aside, cut from their family, their friends, and their home country, with no source of income and no assistance. Such a tendency has been fueled in the wake of the Bosman case. It has created a world unregulated labor market for young and very young talented players, sometimes coined as a "market for slaves", a "child trade" or a "trafficking of human beings" (Tshimanga Bakadiababu 2001). Given the huge amount of money promised by big European clubs to young players, their families and their agents, the home country's clubs have no means for hindering these international transfers, even if they are hardly compensated, or not compensated at all.

Since the Bosman case, European clubs are facing a dramatic increase in the transfer price of European players in a unified labor market. Talented young players "imported" from developing countries can offer an interesting substitute in the face of rising prices in the European market. The Italian football player union contends that a contract for an Italian talented junior player can amount up to 4.5 million euros whereas the average for an African junior player is roughly 4,500 euros. In particular, young Third World players yield a better return to the club when they are able to improve (or to contribute to improving) its sport performances in the professional championship and attract more spectators in the stadium.

On the other hand, once hired, a talented young player from Africa or Latin America can be sold again, after a while[2], at a higher price on the European labor market by the "importing" club to another one. For instance, the Guinean teen age player Oularé was recruited by the Belgian club of Genk for 100,000 euros and transferred two years later to a Turkish club for 5.75 million euros. Manchester United apparently had a partnership agreement with the Belgian club of Antwerp according to which the latter was to recruit and train non-European young players, to obtain their Belgian citizenship, and then to transfer them to Manchester.

Talented teen age players in developing countries are either enroled in clubs affiliated to the national football federation or can be playing for non-affiliated sporting associations that recruit non-affiliated players in their squads. Affiliated clubs are used to proceed by themselves to the sale of young players after a price bargain with foreign clubs or to rely on a go between who has a good knowledge about foreign (European) labor markets, that is a players' agent. However, affiliated clubs are under the supervision and regulation of the national federation as regards the international transfer of players, whether minor or not. Albeit the club affiliation to a national federation does not secure once and for all - namely in the Third World context - that the transfer will come accross through perfectly legal channels[3], it will diminish the probability of resorting to clandestine or illicit recruiting agents.

On the other hand, when it comes to non-affiliated associations, the only way-out for an international transfer of a talented young player is the underground labor market activated by clandestine networks of players' agents. The great bulk of players transfered from developing countries under 18 come by this illicit market where no legal or administrative rule does protect the players from the possible predatory behavior of outlaw agents, since neither the non-affiliated sporting associations nor the clandestine players' agents are under the monitoring of a national football federation or a Ministry for Sports. Namely, an exit letter from the football federation is not required any longer, and a teen age player can leave the country simply with a tourist visa. The worst situation emerges when a player, with his family, enters himself in the market as the seller of his talents and is eventually trapped in the network of illegal players' agents connected with European professional clubs.

In Italian football, 2,273 foreign affiliated players over 16 have been imported through illicit channels and their affiliation and position have been straighten out afterwards. Moerover, 4,809 foreign minor players, from 6 to 16, have been found in Italian football clubs, primarily citizens from Latin American countries, Cameroon, Nigeria and Sierra Leone. In the Netherlands, 36 football clubs have been sued by the immigration office for illicit importation of 26 players, including 18 minors from Latin America and Africa, namely 7 from Ghana and Sierra Leone (Tshimanga Bakadiababu 2001). A report to the Italian Senate states that 5,282 non-European players under 16 are employed by amateur football clubs, often subsidiaries of major clubs playing in Calcio (Division 1). In the context of “baby-calciatore” or “football children”, in 1998, only 23 out of 5,282 non-European teen age players benefited from a labor contract signed in due terms.

In November 2000, fifteen young African players, most of them minor, have lodged a complaint at Brussels and Antwerp courts against all the Belgian professional clubs and players’ agents. They were complaining about a “trade of human beings” since after having been unsuccessfully tested, and thus not hired by professional clubs, they have been abandoned by both clubs and players’ agents. Being minors without a labor contract and without a pre-paid return ticket to their home country (paid by neither the club nor the agent), they *de facto* became illegal migrant workers in Belgium.

Unsuccessfully tested by the French club FC Nantes, at the age of 14, Serge Lebri from the Ivory Coast was also left without money and return ticket. Then he played for five years, as an amateur player, for some French football clubs until August 1999 when he was controlled without a French ID. He was immediately expelled from France back to the Ivory Coast, soon after his eighteenth birthday. The Guinean player Issiaga Conde was invited to join the Nîmes Olympique squad (French Division 2) in 1998 at the age of 16. Right after his arrival in the club, the team managers confiscated his passport. Nevertheless, he started negociating with Toulouse FC (Division 1); without success. After an ID control in October 2000, he was put in jail and sentenced to be expelled back home. Then, for the first time in France, an African football player has sued a football club (Nîmes Olympique) for illegal work and incitement to an irregular stay in France. He was not expelled eventually, due to a personal intervention of Mrs. Buffet, the French Minister for Youth and Sports. She had already been deeply shocked with the previous Lebri story and would not like to face a second one. An official report (Donzel 1999) has screened that Africa is the first sourcing location abroad for French clubs as regards foreign teen age football players.

No money is accruing to either the national football federation or the nursery association with international transfers of teenagers playing in non-affiliated associations in the home developing country. As to transfers of players from affiliated clubs, a dumping price on the European labor market means a low transfer fee which often does not even cover the education and training cost of the teen age transferred player. On the other hand, the players’ agents usually take a lion’s share in the transaction with a high percentage (in any case higher than 20%) charged on the transfer fee and/or on the first wage bills.

3. A Coubertobin tax to regulate the international mobility of young athletes

In 1978, James Tobin, a winner of the Nobel Prize in Economics, recommended a tax on foreign exchange transactions that "will throw sand in the wheels of international finance" and put a brake on too much swift short-term capital movements on the world financial markets (Tobin 1978). On the other hand, Pierre de Coubertin wished all the countries of the world to participate on equal footing to the Olympic Games. How is it possible to reconcile this Coubertinian idea with the harshness of budget constraints in developing countries? We outline below a solution (not a panacea) which is likely to alleviate, along with some of the financial problems of developing countries, the aforementioned problem of the muscle drain. This is the aim of a socalled "Coubertobin" tax. Since the Tobin tax, as noted by Schulze (2000), is targeted at restricting short-term speculation, it must be redesigned to adapt to our purpose.

Tobin was thinking, in 1978, of a multilateral and uniform tax levied on all short-term foreign exchange transactions. The Tobin tax is supposed to achieve three tasks: increase the autonomy of monetary policy, diminish the exchange rate volatility, and provide a source of revenues. It has been suggested that these revenues may help Third World countries to redeem their foreign debt. Another purpose could be to use tax income for a sort of Marshall Plan in favor of developing countries. In 1998, Tobin even mentioned that the tax might be a useful protection for still fragile banking systems in emerging (developing) countries. When it comes to protecting the banking system as well as raising income, the tax may well not be uniform. It may be levied with different rates depending on how long the term of the transaction is, including a possible surcharge on the shortest term transactions considered as speculative attacks (Spahn 1996).

What is suggested here is a Coubertobin tax with the four purposes of: 1/ slightly covering the education and training cost, for his/her home developing country, of any athlete or player transferred abroad; 2/ providing a stronger disincentive to transfer an athlete or a player from a developing country, the younger he/she is when the transfer takes place; 3/ thus, slowing down the muscle drain from developing countries and toward professional player markets in developed countries; and 4/ accruing revenues to a fund for sports development in the home developing country from the tax levied on every athlete or player transfer abroad. The fund would firstly finance sport facility building and maintenance (thus facilitating a sport for all practice), and secondly physical education programs in schools (in some way, a reimbursement of the sporting education received in their home country by migrant athletes).

The idea is to levy the tax at a 1% rate on all transfer fees and initial wages agreed on in each labor contract signed by players from developing countries with foreign partners (usually foreign professional clubs and/or players' agents). By its very existence, the Coubertobin tax should slowdown the muscle drain, but a windfall benefit may be to slightly reduce the labor cost differential (including the tax) between home developing country's and host developed country's labor markets, thus lowering the (surely still strong) incentive for players to leave their home country. A specifically crucial issue is the one of international transfers of teen age athletes from developing countries, albeit it is not the only one. One can get to grips with such an issue through a differentiated taxation including a surcharge on the transfer fee and initial wage of teen age and very young players.

Needless to say that the tax and surcharge rates as well as the age thresholds are only suggested here as examples and can be adjusted and revised at will. When it comes to the issue

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The technicalities of the Coubertobin tax

Let : *FR* stand for the revenues raised through the taxation that are to be placed in a fund for sports development in the home developing country;

Pi stand for the international transfer price (fee) augmented with the first annual wage of the transferred player or athlete (in order to prevent a switch from the fee to the wage offered, or the other way round);

Vl stand for the player's value on the local market in his/her home country;

r stand for the exchange rate between the domestic currency in the home country and the hard currency of the importing host country;

T stand for a Coubertobin tax at a uniform rate of 1% for all transferred players, including those over 18 years old;

s stand for a tax surcharge for players under 18;

a is the player's age at the date of transfer;

a_1 is a first age threshold below which a tax surcharge is to be paid;

a_2 is a second age threshold below which the tax surcharge should be as much deterrent as possible;

a_3 is a third age threshold below which the tax is so heavy that it must have a prohibitive effect on transfers of extremely young players.

For instance, if a_1 = 18 years, a_2 = 14 years, and a_3 = 10 years, we can envisage a tax surcharge such as:

if $a_1 < a < a_2$, the tax surcharge s_1 will be 2% more for each month under the age of 18 at the date of transfer (thus transfering a player of 16 will cost a 48% surcharge),

if $a_2 < a < a_3$, the surcharge s_2 will be 10% more for each month below the age of 14 at the date of transfer (thus transfering a player of 12 will cost a 240% surcharge),

if $a < a_3$, the surcharge s_3 will be a 1000% lump sum tax (for instance $a_3 = 10$).

Thus the full formula of the Coubertin tax will be, under previous assumptions:

$FR = (Pi - r.Vl) . T$, if $a > a_1$ (1)

$FR = (Pi - r.Vl) . [T + s_1 (a - a_1)]$, if $a_1 < a < a_2$ (2)

$FR = (Pi - r.Vl) . [T + s_2 (a - a_2)]$, if $a_2 < a < a_3$ (3)

$FR = (Pi - r.Vl) . (T + s_3)$, if $a < a_3$ (4)

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of who will pay the Courbertobin tax and possible surcharge, it must be the individual or legal body which pays the bill for the transfer fee and the first year wage, whether it is an affiliated professional club or a players' agent. If two bodies are involved, both will help pay. Of course, no one should be taxed twice, once in the developing home country and a second time in the host country; the tax should only be collected in the former country in order to avoid double taxation. Furthermore, there is a risk of bargaining and corruption surrounding the tax collection in developing countries. This is the reason why we suggest that the collection of the Coubertobin tax should be monitored and supervised by an international organization, either an existing one (UNDP or the World Bank) or an *ad hoc* one to be created (a sort of world agency for the Coubertobin tax, for instance, under the joint auspices of UN and IOC). This international organization would govern the whole process of tax calculation, collection and allocation, and would have to solve any emerging conflict between a player's home country or nursery club and his/her recruiting professional club or players' agent.

We could expect the new tax would meet with both hindrance and resistance like those that would be met if the Tobin tax were introduced. First, the Coubertobin tax will not be easy to implement and enforce insofar as it has to be accepted on a worldwide basis. Otherwise, some free riding developed countries (professional clubs) will still transfer teen age players without paying the tax and will concentrate the most talented Third World migrant athletes, while some developing countries will be deprived of the money supposed to reside in their sports development fund. Just like the Tobin tax, the Coubertobin tax must be generalized if one wants it to be efficient. There will be some (transaction) cost in levying the tax - a cost that must be borne by the home country - and a cost of supervision - borne by the above mentioned international organization which will receive some determined percentage of the tax revenues. In any case, a co-operation is required between host and home countries, between their Ministries for Sports and their national Olympic committees and sports federations. Since tax evasion would probably be higher than zero, a specific fine should apply if tax evasion were discovered.

It is clear that the Coubertobin tax cannot be introduced without some sort of general agreement joined by all countries involved in athlete transfers. Athlete transfers from countries that had not joined the agreement should be forbidden and fined or nullified when undertaken in a sort of international underground black market for sporting talents from developing countries. Of course, all the professional leagues and clubs all over the world would attempt to resist the new taxation, and the joint efforts of UN, IOC and international associations or federations (like FIFA in football), as well as political will in home and host countries, would be necessary to break through. The international organization in charge of the tax administration should supervise that tax revenues were really spent on sport development in home countries, including for training the most talented players until 18 in order to raise their international market value. Nevertheless, the suggested Coubertobin tax seems desirable and feasible insofar as transfers of teen age or younger players is assessed as a harmful practice, specifically for developing countries.

4 A brief comparison between the tax and FIFA regulation

A new FIFA transfer regulation (FIFA, 2001) came into force on the 1rst of September 2001; it namely contains a number of clauses relating to the protection of minors, training compensation and a solidarity mechanism. The new transfer rules limit the international transfer of minors (under 18). Transfers of minors are prohibited unless the player's family moves for non-football-related reasons. Within the EU-EEA (European Economic Area), players under 18 can only move if teams undertake to provide both sporting and academic training. The new rules also establish that compensation for training costs incurred between the age of 12 and 21 is payable when the player signs his first professional contract and on each subsequent move to another team up to the age of 23[4]. The first payment of training compensation is distributed on a pro rata basis between the teams contributing to the player's training. The calculation of the training compensation is based on a four-tier categorization of teams to be determined by individual national football associations (federations). Finally, the new rules include a solidarity mechanism whereby 5% of all compensation payments for transfers involving players over the age of 23 will be distributed to those teams involved in the training of the player between the age of 12 and 23. FIFA has introduced new rules basically for securing a training compensation to nursery clubs, and for preventing player movement under 18 except unless it is for sporting or academic training, but without any sport development objective for home countries.

FIFA regulation is a step forward in the same direction as the above-suggested Coubertobin tax (Gerrard 2002). In first analysis, its major advantage is that, being adopted yet, it should be more enforceable than the tax, which is no more than a suggestion until now. However FIFA rules, once actually enforced, may well be circumvented by host professional clubs, players' agents and teen age players (or their parents). We could imagine naturalizing the player on purpose, football-related moves of the player's family hidden behind apparently non-football-related reasons, false declarations about the player's age (a quite common practice in developing countries), and so on. By its very nature, the new FIFA regulation is restricted to football only, while the suggested Coubertobin tax is widespread to all professional – team as well as individual – sports. If only for this reason, the tax would have a higher return and a stronger impact on financing sport development in home developing countries. Take the example of the Dominican Republic which exports exactly no one football player whereas over 1,300

Dominican citizens are operating in various North American baseball leagues: with FIFA rules, Dominican associations or clubs do not even receive a cent; with the Coubertobin tax, a quite significant inflow of dollars would have helped sport development in the Dominican Republic (Andreff 2002b).

A few last remarks open the door to a further and deeper comparative analysis of FIFA regulation and the Coubertobin tax. The return of FIFA rules will surely be higher for the transfer of players over 23 (5% for the solidarity mechanism against 1% for the Coubertobin tax) and even for all players over 18, since the FIFA regulation applies to all cross-border transfers of a player whereas the Coubertobin tax is suggested to be levied only on the first transfer from the home developing country. In this respect, the Coubertobin tax mechanism may be improved or adjusted in increasing the basic tax rate T up to 5%. On the other hand, the amount of money accruing to the home developing country will not be higher with FIFA regulation than with the Coubertobin tax since all the subsequent transfers (after the first one) of an African, Asian or Latin American player usually occur within European and/or North American labor markets, and not back to any Third World country.

When it comes to teen age players, under 18, the Coubertobin tax is definitely better performing than FIFA rules. With FIFA regulation, all transfers under 18 are prohibited from non-EU-EEA areas, thus generating not even a cent for the home developing country. On the other hand, the FIFA rules absolutely block off any sort of market mechanism and reduce teen age player mobility to exactly nothing. Then, these rules negate the usual economic and social right to labor free mobility and, maybe, the basic human right of human being mobility (as for where a teen age player would like to be educated and trained and his family would live with him, once national migration laws had been taken into account). Therefore, FIFA regulation is neither economically, nor ethically better, at least when compared with the Coubertobin tax. Only throwing sand into the wheels of the market, the latter let the market mechanism work up to the moment when it reaches a prohibitive rate of taxation (*s3*) but, even at this point, a club which is very much eager to transfer a player under 10 can accept to pay 1000% of his value. No economic right (to trade) and no human right (to move) is affected there. Moreover, the return of the Coubertobin tax is widely higher than with FIFA rules for players under 18 and, in this respect, the former is more likely to favor sport development in home developing countries than the latter. The younger the transferred player, the larger is the gap between the taxation and what the FIFA regulation yields (zero under 18).

A last note is that without a more efficient supervision of the players' agent business – including the FIFA permit to enter the business -, neither the Coubertobin tax, nor the FIFA rules will be implemented in full – *i.e.* without anyone circumventing them (Andreff, 2004). Outlaw agents should be banned and expelled from the business. European clubs that keep on dealing with FIFA unapproved agents should be fined and demoted for years. Outlaw agents are more inclined to deal with African, Asian and Latin American non-affiliated associations and straight with teen age players themselves (and their parents) insofar as they are crowded out by approved agents from the more profitable market of transactions transfering the most famous European and non-European professional athletes. In France, for example, over 200 agents are in the business whereas only 46 hold a FIFA permit; in Belgium, 26 of them are holding a permit out of 200. Tshimanga Bakadiababu (2001) suggests to create an international professional association of players' agents on the model of the Bar – the association of barristers (attorneys) - which will be likely to sanction those guilty of misdeeds in the business. Such a players' agents association should define and supervise fees and honorariums earned on international transfers of football players. All legal, administrative and sport authorities together should converge toward the enforcement of clear contracts linking players to a players' agent. This should be binding to stay in the business.

Conclusion

The reader must be aware of the limited scope of the policy recommendations sketched in this chapter. By no way a long run solution to the muscle drain of talented teen age players could avoid a policy for sport development – and the issue of the required finance - in developing countries, and could be found without a progress toward self-sustained economic development reducing the wage gap, including the revenue gap of professional sportsmen and women. Unfortunately, the regulation of the international mobility of teen age players can only alleviate the most undesirable consequences of the muscle drain. The suggested Coubertobin tax can put a brake on international transfers of very young players. It is likely to be 100% efficient, namely in entirely phasing out illicit transfers undertaken by outlaw players' agents. We reach here the point at which economic tools must be completed by administrative and legal measures aiming at a control over the players' agent business.

NOTES

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[2] Or even immediately, when a young player has been imported from a developing country, as usual – in particular through the underground market (see below) -, at a dumping price, quite lower than the actual player's value. Thus, investing in a talented young player from the Third World is often an opportunity for a European club to gain some surplus value after a resale. About player trade as a source of finance for European professional clubs, see Andreff & Staudohar (2000). The dumping price most likely appears when it does not even cover the cost invested by the nursery club in the player's education and training, which is quite usual for African and Latin American players transferred to Europe.

[3] In some African countries, the executives of the national football federation utilise the international transfers of players from their country as a way to make illicit money, asking for bribes before delivering the exit letter which is required for the young player to leave the country. For example, the Ghanean football federation seems to have been plagued with bribes and embezzlements for delivering exit letters in a number of illegal transfers, as it has revealed in 2000 (Tshimanga Bakadiababu 2001).

[4] The idea that backs this rule may be expressed as follows: the surplus value appearing in each player's transfer from a European club to another one must be redistributed, including to the nursery club located in a developing country. It should help football clubs of the Third World to muddle through their deep financial problems.

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