



Review Article

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# The Ethics Behind the Recent Takeover of Newcastle United Football Club



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## Abstract

This article uses well-established normative ethical theories from the field of philosophy to evaluate the takeover of England's Newcastle United Football Club by a Saudi-backed investment fund. Major concerns are the human rights record of Saudi Arabia, whether a foreign government in effect owns an English football club, and the risk that an unfair competitive advantage will accrue to Newcastle due to the amount of funds at their disposal. We remained concerned about the sporting ethics of the takeover, but we accept that it has been greeted with enthusiasm by most Newcastle United supporters. This article has long-term relevance since other clubs may be inspired to seek out similar deals to increase their prospects of success in the English Premier League and in European competitions.

**Keywords:** English premier league; Ethical theories; Football finance; Human rights; Newcastle united takeover; Saudi Arabia; Soccer finance

## Introduction

Earlier this year, it was announced that ownership of Newcastle United Football Club had changed hands - ending Mike Ashley's 14-year ownership of the club. The new owners of the club are a Saudi-led consortium comprising of the Public Investment Fund (PIF), PCP Capital Partners and RB Sports & Media [1]. Mike Ashley bought the club in 2007 with promises of bringing back the glory days to the Tyneside club. However, over the years, his relationship with Newcastle fans soured because of the way he ran the club -from renaming the stadium for some cheap Sports Direct advertising and leading the club to multiple relegations from the Premier League to his treatment of club legend Alan Shearer and many poor managerial decisions [2]. The state of Ashley's relationship with the fans led to calls for him to sell the club, which he stated he would do on multiple occasions [2]. However, he refused to sell for years which, partnered with his lack of investment in the club for new on-the-pitch signings, the academy, or the training ground, only made his reputation in the northeast worse. Finally, Newcastle fans began to see light at the end of the tunnel in 2020 as it looked likely the club would be sold as a deal was initially agreed, but the buyers walked away after the Premier League allegedly blocked the deal. It seemed at this point that Newcastle United would be stuck in the vice-like grip of

Mike Ashley for years to come. The same buyers returned in 2021 and completed the takeover, which spawned scenes of celebration across Tyneside [3]. The takeover has given fans of the club hope that the glory days, once promised by Ashley, could return since, thanks to these new wealthy owners [4], they can compete once again with the biggest clubs in England (and perhaps Europe). It must be said, this takeover isn't all as positive as it may sound. There has been mass controversy around the deal since it was announced for many reasons. This article will dive into the issues surrounding the takeover and how ethical, or indeed unethical, it really is. The issues which have arisen surrounding the takeover concern the link to Saudi Arabia - there is human rights issues related to Saudi Arabia which must be addressed along with the idea that this is essentially a state owning a football club - despite the Premier League receiving assurances that this isn't the case [1]. Also, there is the argument that the amount of money Newcastle now have at their disposal will lead to an unfair competitive advantage being gained over other clubs.

## Concerns around Saudi involvement

Without a doubt the biggest question around the ethics of the takeover deal is the human rights issues surrounding Saudi

Arabia. There is no doubt about how unethical the Saudis' record is in this field. There has been a lot of media coverage in recent years around the Kingdom's human rights record - none more so than surrounding the murder of Jamal Khashoggi. Khashoggi was a US-based Saudi journalist who publicly criticized the Saudi government. In October 2018, he was killed after entering the Saudi consulate in Istanbul - accused of ordering this killing is Saudi Arabia's Crown Prince Mohammed bin Salman [5]. Although he has denied any involvement, his reputation has obviously been tarnished. As previously mentioned, the consortium who now own Newcastle United are led by PIF, which is chaired by Salman (BBC,2021b). With this information, it's clear to see why there are concerns around the ethical responsibility of Newcastle's new owners and why people are uncomfortable with the takeover in general. Among others, the fiancée of Jamal Khashoggi has spoken out against the deal, going as far as to call it "heart-breaking" [6].

There are multiple other cases of poor human rights activities on the part of Saudi Arabia which have only made concerns about the takeover worse. The Kingdom's standing around women's rights is far from perfect, with campaigners being imprisoned and allegedly tortured and sexually harassed by interrogators [6]. It is also still illegal in Saudi Arabia to be homosexual and "the death penalty is a possible punishment for same-sex sexual conduct" [6]. Although there is an argument to be made that this takeover is a possible opportunity to incite change, as has been argued by some LGBTQ+ organisations since the deal was announced, it is still very understandable that people are unsure about the involvement of people with these beliefs in the English game. Aside from the humanitarian concerns, there are also concerns about the Kingdom having a stake in a football club. Although the Premier League have received assurances this isn't the case, there is still a lot of concern that behind the scenes, they are much more involved than they want to let on. This can be compared in some ways to the ownership of Paris Saint Germain (PSG) and Manchester City, who are in similar situations with Qatar and Abu Dhabi respectively. There is an argument that this is just entirely unfair as other football teams across Europe simply cannot compete with the financial power of these countries. However, it is the PSG comparison which is most interesting to us. This is because the situation regarding humanitarian issues is also very similar here, with Qatar having their own very public human rights issues, which were highlighted after their winning bid to host the 2022 FIFA World Cup. PSG often have criticism levelled toward them due to their involvement with Qatar but what is important to highlight is how the noise made by people who oppose Qatari involvement in football has progressively gotten quieter over the years. The more of a footballing superpower PSG become, the less controversy there seems to be around the ethical responsibility of their owners. Could this be the case a few years down the line with Newcastle?

### Financial doping concerns

Financial doping can be described as when "the owner of a sports franchise invests his or her own personal wealth into securing high-performing players, rather than relying on the revenue the franchise is able to generate for itself" [7]. Accusations of financial doping have been levelled at football clubs such as Chelsea, Manchester City, and PSG in recent years after each of their own high-profile takeovers. These are clubs which, before they were taken over by oligarchs and Crown Princes, weren't anywhere near the heights of UEFA Champions League finals and didn't have nearly as many trophies as they have now. One high-profile critic of this idea is La Liga president Javier Tebas who claimed it is only clubs like Manchester City and PSG who can pay the money required to sign the best players because "they sign with oil or gas money" [8]. This huge spending is highly criticized in the footballing world as fans believe it gives these richer clubs an unfair competitive advantage over others. It becomes essentially impossible for smaller clubs to compete on any front with the largest clubs as they don't have anywhere near enough financial might to do so. The obvious outlier here is Leicester City's 2016 English Premier League (EPL) title win - but there's a reason that achievement is held in such high regard and that is down to how difficult it is to compete with the super clubs of today. This leads to the question, is it ethical to use outside means, such as money from outside of the club, to gain an advantage on the football pitch? Is it fair that fans of clubs like Burnley or Norwich City know that their clubs, no matter how long they stay in the league, are so incredibly unlikely to compete at the top? Or is it fair that fans of lower league teams know that their clubs can so easily be at risk of having such awful financial difficulties they may be expelled from the Football League like Bury FC was? [9].

### Justice

One definition of justice is the "fairness in the way that people are treated" [10]. The justice ethical theory is one which is critical to mistreatment and unjust treatment of persons in organizations [11]. Justice has been widely used as a reference to the standard of rightness, while fairness provides closure to judgment without referencing one's feelings or interests (Velasquez et al., 2014). Essentially, the widely accepted principle of justice was defined by Aristotle when he said, "equals should be treated equally and unequal's unequally" [12].\_Employees and civilians constantly seek justice and fairness across all forms of living including in professional and social lives [11]. The provision of equal treatment is provided regardless of people's racial background or professional ranks of their social classes. Fairness condemns acts of favouritisms, prejudice, and segregation [11]. Therefore, individuals should be treated according to what they deserve. It is inevitable that justice and fairness will be questioned "when people differ over what they believe should be given, or when decisions have to be made on how benefits and burdens should

be distributed among a group of people” [12]. Therefore, it’s important that we can all accept principles of justice as reasonable and fair standards for what people deserve.

The principle of justice can also be explained as “individuals should be treated the same, unless they differ in ways that are relevant to the situation in which they are involved” [12]. The following example elaborates further on this. If two people both do the same work without any relevant differences between them or the work they are doing, they should earn the same wage. However, if one were to earn more than the other because of their gender or race, then injustice arises as a form of discrimination because race or gender should not be relevant in a working environment [12].

There are three types of justice explained in detail as follows:

a) Distributive justice includes the distribution of the society’s benefits and burdens fairly. When a society’s institutions distribute benefits or burden in unjust ways, there’s a strong presumption that those institutions should be changed. For example, the Southern American institution of slavery was condemned for treating people differently based on their race [12].

b) Retributive justice refers to the extent to which punishments are fair and just. Punishments are based on relevant criteria such as the intent of the criminal or the seriousness of the crime. Irrelevant criteria such as race are discounted. An example of unjust punishment would be chopping off someone’s hand for stealing a dime [12].

c) Compensatory justice refers to the extent to which a person is fairly compensated for what they lost by those who wronged them. There is a moral obligation to compensate an injured party if three conditions are met:

- i. The action which caused the injury was wrong.
- ii. The action was the cause of the injury.
- iii. The action was carried out voluntarily, e.g., it was not an accident.

As previously mentioned, the Saudi PIF is chaired by Saudi crown prince Mohammed Bin Salman, who is believed to have been involved in the murder of Jamal Khashoggi. Salman however, denied that he ordered the murder of the journalist Jamal Khashoggi, but admitted taking full responsibility because the act was committed by individuals from the Saudi government. Khashoggi’s fiancée advised that Khashoggi was the victim of a deliberately premeditated execution where the Saudi state, led by Salman, was responsible [13]. Additionally, U.S. intelligence agencies’ assessment found that the prince has absolute control of the Kingdom’s security and intelligence organizations and this fact made it highly likely that the prince approved the assassination of Khashoggi [14]. Salman has also been accused

of a serious crime such as a military campaign in Yemen which reportedly left more than 110,000 people dead [14]. He is also suspected of allegations of detentions of the activists who are against the Saudi Arabia regime. Recently, the U.S.A. stepped in as Joe Biden’s administration approved to impose visa sanctions on the individuals who act on behalf of foreign governments including Saudi government officials engaged in harassment acts, surveillance, and threats against journalists and activists. Biden’s administration provided retributive justice where punishment was given to the Saudi government by imposing visa sanctions to their government officials based on the seriousness of their crimes, including the assassination of Khashoggi [14].

Further justice was actioned when the U.S. Treasury issued sanctions against former deputy head of Saudi Arabia’s General Intelligence presidency known as Ahmad Hassan Mohammed Al Asiri, who was the leader of the operations and other several members who were assigned to assassinate Khashoggi the journalist [14]. Full justice was not provided since Salman would not face personal accountability for authorizing the assassination of Khashoggi. This highlights how important it is that the Premier League keeps up their concerns around the involvement of the Saudi government in the running of Newcastle United Football Club since the chairman of the PIF is allegedly heavily involved in all of these actions which undermine and threaten human rights activists. This shows the injustice within our political systems, it also highlights the monetary influence and political power of the Saudi’s prince which is practiced negatively leading to the breaching of human rights standards, bypassing the fair justice system, and monopolizing the world political systems through their financial influence. The Premier League must keep track of Salman’s involvement in Newcastle United in order to protect justice within the running of English football. Someone with his background should not be allowed to have too much power - as if he doesn’t have too much already. There are, however, still unanswered questions on the fairness and justice of the assassination of Khashoggi by the Saudi prince, which still leave people with concerns about the Saudi Arabian state as a whole.

### Ethics of care

Ethics of care believes that “context can sometimes overrule justice and our universal code of conduct,” and “focuses more on the interconnectedness of humanity and places a moral significance on our relationships as care-givers and care-receivers” [15]. Within a business environment, there are two moral demands on the ethics of care which are:

- a) “Preserving relationships with all stakeholders,” and
- b) “Exercising special care with stakeholders by attending to their needs, values, and desires.”

Within these demands, there are four elements of care ethics:

- i. Attentiveness is required to recognize stakeholders' needs and to respond to them.
- ii. Responsibility, which allows for ebbs and flows between gender roles and class structure and ties responsibility to those befitting specific roles.
- iii. Competency means providing care, not just acknowledging the need to care, but accepting the responsibility to provide it, and
- iv. Responsiveness refers to understanding vulnerability inequality by understanding what has been expressed by stakeholders.

During his own tenure as Newcastle owner, Mike Ashley failed to maintain the relationships with the fans and other stakeholders. Although he initially promised to bring back the glory days and appointed club legend Kevin Keegan as manager, his relationship with the Newcastle faithful wasn't all positive thereafter [2]. Ashley took the personal decision of renaming St James' Park which has been the home of Newcastle United Football Club since the formation of the club in 1892, renaming the ground to "The Sports Direct Arena." Mike Ashley took this initiative, not in the interests of the football club, but for his own gain - leading to the deterioration of his relationship with the fans. Fans were not happy with the renaming of the stadium because it showed Ashley's lack of interest in the importance and history of St James' Park to the fans. Therefore, fans began to feel their club was being taken away from them by a selfish businessman whose focus was on personal interests and profit gain. The fans were once optimistic about the club's future due to promises of investment into the playing squad, the academy, and the training ground. However, these promises proved to be false, and the club was relegated three times from the Premier League under Ashley's ownership which affected the relationship with the fans as the club struggled to make any progress towards competing in the Premier League, never mind in European competition. Since Ashley bought the club, he failed to maintain a good relationship with stakeholders of the football club, specifically the fans, by not attending to their needs since he did not bring footballing success to Tyneside and failed to protect the club's values and history. Mike Ashley's lack of a good relationship with Newcastle's stakeholders has left them clamouring for an owner who shows any element of care. It remains to be seen whether the new owners can provide this, but it can't get much worse than it was before. If they can live up to any promises made to the fans, and deliver some form of success, it will stand them in good stead to be seen as an improvement on the previous owner.

### Deontology

"Deontology is a theory that suggests actions are good or bad according to a clear set of rules" [16]. This theory is closely linked to the German philosopher Immanuel Kant who believed that

every person has an inherent dignity which creates an "ethical line in the sand that prevents us from acting in a certain way" toward other people or ourselves [16]. Ethical concerns have been raised by the takeover deal of the Newcastle Football Club by a Saudi Arabia private investment fund chaired by Prince Mohammed bin Salman who is involved in the ongoing issues including the murder of Washington Post journalist Jamal Khashoggi, the treatment of the women, and the Saudi Arabian intervention in Yemen. Also, in Saudi Arabia, they have lifted a ban preventing women from driving, but the women who campaigned for that still face twenty years in prison, tortured and abused in detention, which is against the ethics of deontology [17]. All these actions allegedly conducted by Salman and the Saudi state could and should be viewed as wrong as they undermine established and accepted human rights' standards. People can make an informed decision about lending their support to the takeover of the Newcastle United Football Club. They are making an ethical choice of their own, it is a moral decision. However, due to the very strong feelings of loyalty that football engenders among people, it can be expected that many Newcastle fans may try to ignore the questionable ethics behind the deal and, by so doing, they will blur the line between right and wrong.

### Utilitarianism

Utilitarianism is a theory that bases ethics on a thinking of right and wrong. An action is considered right if the result of that action is happiness, and an action is considered wrong if the result of that action is unhappiness or the opposite of happiness. Happiness and its counterpart are used as two ends on a scale of right and wrong [18]. An individual using this theory can base right and wrong on whether an action increases or decrease the general happiness and wellbeing of society. However, businesses using this theory see any actions as right if they create the largest profits or lowest losses, as well as if the action serves the interests of or affects any individuals or groups of people, involved in the business or the action, positively [19]. When it comes to looking at the Newcastle United takeover, from the point of view of this theory, the decisions made were ultimately the wrong actions taken as they left many parties involved in the club distressed and troubled about the state of the club and the new ownership due to their criticisms and human rights violations. Although the decision is still seen as right by certain groups such as the club itself as it has been promised an investment of £600m from the Reuben Brothers and is now being financially backed by the Saudi PIF that has an estimated wealth of around £315 billion. There will also be board members such as Amanda Staveley, the founder of PCP Capital Partners, with an estimated net worth of £110m. These new investors and stakeholders will offer the club new opportunities to purchase new players to improve their squad in a hope to climb the ranks in the league, pay off their existing loans and interests, pay staff better salaries, and allow them to refurbish their stadium and training grounds. All these possible

new developments are also exciting for the fans of the club, most of whom choose to ignore the accusations towards their new owners, as their priority is to see their club doing well. With all the new investments and money being brought into the club, they see it as their opportunity to bring the club out of the hole they have been in for the last few years, and so they see the decision as a positive outcome for themselves and the club.

However, not all parties are pleased by the new ownership as the large influx of capital is not sufficient reason to be welcoming the new owners. The larger football community as a whole and the U.K. public is concerned about the takeover due to Saudi Arabia and Crown Prince Mohammed bin Salman's aforementioned accusations of numerous human rights violations. They are infamous for their suppression of government reformists, free thinkers and for their outdated views on women and same-sex marriage. This has the public concerned as there is a belief that the Premier League is allowing questionable individuals to take control of large organizations and businesses within the country, giving people a bleak outlook on the future of football and club ownership. The new takeover is also unfavourable to the U.K. government, even though they deny any involvement in the takeover. Evidence has emerged that when the takeover was initially blocked by the League, Prime Minister Boris Johnson received a text message from Prince Mohammed warning him that relations between the countries would deteriorate if he did not intervene and remove the block. This would prove to be a difficult situation for the government to be in as they were essentially blackmailed into turning a blind eye and allowing the takeover to occur. This has left the government and public concerned as it serves as an example that no matter a person or groups' previous crimes or exploits, they are able to take control of a major sporting club within the country and have a huge influence over the future of the club. It is difficult to calculate whether the takeover serves the greatest happiness principle, which shows the problems associated with applying utilitarian theory in practice. If anything, the takeover is against utilitarianism theory as Newcastle United fans are a small minority of the total number of football fans in the U.K. But the increase in their happiness per capita may exceed the loss in happiness per capita among other football fans. Therefore, we need to look beyond utilitarianism, as indeed we have done so in this article.

### Conclusion

No matter which ethical theory you prefer to use or how you want to interpret it, the ethics behind this takeover deal and the people involved are questionable at best. From a non-footballing standpoint, there are few reasons to believe that Newcastle's new owners are "good people." With accusations ranging from poor human rights' practices to outright murder, it becomes hard to trust the Saudi officials involved, making it hard to also believe that they won't be involved intimately in the running of the club. However, it's not entirely fair to only look at the new owners as Saudi Arabian officials, they must be assessed as owners of a

football club too. From this standpoint, there are some signs that there is good to come from this takeover, especially for the fans of Newcastle, as these people can experience their football team achieving success, which is all any fan can ask for, but this isn't the only side to the takeover. The wider sport must also be considered and there must be an element of sporting integrity. The more money available to top clubs, the more the game's elite separate from the pack. Newcastle United are simply joining other elite super clubs in abandoning the rest of the game. When the European Super League concept [20] rears its head once more, they will no doubt be offered a seat at the negotiating table, not due to their footballing success but purely due to the abundance of funds available to them. Where is the sporting integrity there?.

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