

Top people's pay – the case of Mr Neymar

The Qatari owners of Paris St Germain think footballer Mr Neymar is worth £775,000 a week, according to media reports. They also think it worth paying a lump sum transfer fee of £198 m to secure his services for six years.

I suppose they might be right. He would need to stay at the top of his game and help his new club to win major trophies. He has already bought PSG a lot of publicity. Maybe more tickets will be sold at higher prices now for their games, and in due course maybe the value of their games to the media will go up. Or maybe this is not about making a profit, but is about making a statement. There is a long tradition of rich people and institutions spending large sums on football clubs and footballers. It can just be a way of recycling some of the money they have made from more successful ventures.

The downside of the spending are obvious. If Mr Neymar was injured, or if his form fell away, it will prove an expensive problem for the club. Top performance requires extraordinary levels of commitment, concentration, practise, fitness. Sustaining these for six years when you are paid so much anyway must require huge self discipline. Being a top sporting performer requires a person to regulate the whole of the rest of their lives. Too little sleep, too much alcohol, wrong diet, too many emotional distractions could throw the peak condition needed to perform well.

I raise all this not because I am concerned about the financial health and sporting performance of PSG but because it is an extreme case in the debate we are having about high pay. Some argue that it is never justified to pay individuals so many times the Minimum wage of those who help sustain their activities. What do the cleaners, caterers and security personnel at football grounds where Mr Neymar plays think of the differentials? Clearly Mr Neymar does not need that much money to live to a very high standard of comfort. He can also earn huge sums in addition to his wages through sponsorship deals and activities based on his fame.

Others argue that sporting or cultural stars are different to senior executives in large companies who negotiate large pay packets. It is true that sporting stars do have to perform to get their large money, whereas some business executives get large salaries or guaranteed bonuses without needing to perform in an exceptional way. In some ways sports people are more like entrepreneurs, who can earn huge sums by selling what the public wants at a price the public can afford and is willing to pay. All the time people pay their sporting tv subscriptions and the ticket prices, the stars can claim they are "worth it".

Yesterday's news that FTSE top pay had fallen does reflect the feeling of many that the pay of corporate executives in large quoted companies needs to be more strongly policed by shareholders, taking more interest in ensuring performance is required to justify multi million sums. That is something

which shareholders need to do in a free society, on a case by case basis.