

Competitive Balance in European Football (Soccer)

Morten Kringstad and Bill Gerrard

Trondheim Business School, Norway and Leeds University Business School, UK

Introduction

Competitive balance is one of the central themes in the literature of sport economics. It is concerned with the fan interest in a competition. It is hypothesized that a more balanced contest is more interesting, *ceteris paribus*. The competitive balance argument has also been used to justify league regulations from governing bodies such as transfer market restrictions, maximum wages/salary caps, revenue sharing, and player drafts. However, debate continues both with regards to the relationship between competitive balance and fan interest, and between market regulations and their effects on competitive balance.

As shown in Quirk and Fort (1992) there are differences in competitive balance in North American Major Leagues both between leagues and within leagues over time. A relevant question is to analyse why there are such differences. In Europe there are only a few studies comparing competitive balance between European football leagues. For example, Szymanski and Kuypers (1999) compare five European football leagues, while Gerrard (2004) looks at 16 Western European leagues.

The purpose of this paper is to compare competitive balance among different football (soccer) leagues in Europe. The data sample is from 54 European football leagues, and covers the top division for men. The sample period is from 1963 to 2002, and is further split into different sub periods.

Methods

Zimbalist (2003, p. 161) claims that "competitive balance is a complex phenomenon, that it has many dimensions, ..." This complexity is also reflected in the great number of measures used in the literature to measure competitive balance. In general there are two main dimensions of competitive balance. These are within-season competitive balance and between-season competitive balance. Further, the literature describes competitive balance both as an *ex ante* and *ex post* concept, but empirically the measures are mainly *ex post*. This paper will focus on *ex post* measures.

Within-season competitive balance is related to the distribution of sporting quality among the teams in a league (division). Quirk and Fort (1992) use a measure that compares the actual standard deviation of outcome, measured by win percentage, with an idealized standard deviation. This paper will follow this measure. The original model does not take into account draw matches. This problem is dealt with in this study by treating drawn matches as a "half-win" for both teams.

Between-seasonal competitive balance outcome is related to the distribution of sporting quality among teams across seasons. If there is perfect competitive balance no correlation of sporting success across seasons would be expected. Among the measures used to indicate competitive balance over time is measuring the distribution of championships over a longer period. The hypothesis is that the better distribution of championship titles, the better competitive balance.

Results

The results from the two measures mentioned above are presented in the tables below. Table 1 shows the results using the Quirk and Fort (1992) measure for within-seasonal competitive balance. The average competitive balance shows that there are differences between the leagues. The results show at least two aspects. First, the "big five" - leagues are all among the upper half, and second, that many of the "younger" leagues are among the worst balanced. Taking into account the leagues calculated for all forty seasons the average index for the five most balanced leagues is 1,30, while the same average for the five worst balanced leagues is 1,80.

According to the distribution of championships, many of the "young" leagues have a relatively better distribution of championship titles than average. Among the leagues calculating all forty championships the leagues in Denmark (15), Ireland (14), Italy (12), Poland (12) and Switzerland (12) have much better distribution of teams winning championship compared to Turkey (4), Portugal (4), Scotland (5), the Netherlands (5) and Greece (5).

Table 1:

CBQF	Seas	Average CB	CBQF	Seas	Average CB	CBQF	Seas	Average CB
Yugoslavia	28	1,11	Finland	40	1,44	The Netherlands	40	1,78
Czechoslovakia	30	1,19	England	40	1,45	Northern Ireland	40	1,79
Poland	34	1,24	Hungary	34	1,48	Ukraine	10	1,79
Romania	40	1,25	Italy	40	1,49	Portugal	40	1,81
France	40	1,30	Switzerland	40	1,50	Malta	39	1,82
Sweden	40	1,30	Faroe Island	27	1,55	Yug. (Serbia-Mont)	10	1,88
Iceland	40	1,31	Czech republic	9	1,56	Wales	8	1,91
Israel	35	1,31	Austria	40	1,60	Georgia	13	1,92
Soviet Union	29	1,31	Belgium	40	1,61	Scotland	40	1,96
Norway	40	1,32	Croatia	11	1,61	Kazakhstan	11	2,09
Albania	39	1,34	Russia	11	1,62	Lithuania	13	2,15
Spain	40	1,34	Luxemburg	40	1,65	Andorra	7	2,22
Denmark	40	1,36	Macedonia	10	1,67	Moldavia	11	2,26
Germany	39	1,36	Slovakia	8	1,69	Azerbaijan	7	2,28
San Marino	8	1,36	Ireland	38	1,70	Estonia	12	2,33
East Germany	29	1,37	Slovenia	11	1,73	Latvia	12	2,46
Bulgaria	40	1,43	Greece	39	1,74	Armenia	11	2,51
Turkey	39	1,43	Cyprus	39	1,78			

Table 2

League	Share	Champ	Seasons	League	Share	Champ	Seasons	League	Share	Champ	Seasons
Andorra	0,571	4	7	Yugosl (S-M)	0,300	3	10	Cyprus	0,205	8	39
Armenia	0,545	6	11	East Germany	0,276	8	29	Austria	0,200	8	40
Lithuania	0,538	7	13	Finland	0,275	11	40	Belgium	0,200	8	40
Azerbaijan	0,500	5	10	Germany (W)	0,275	11	40	Iceland	0,200	8	40
San Marino	0,471	8	17	Sweden	0,275	11	40	Luxemburg	0,200	8	40
Kazakhstan	0,455	5	11	Croatia	0,273	3	11	N. Ireland	0,200	8	40
Slovakia	0,444	4	9	Moldavia	0,273	3	11	Albania	0,179	7	39
Wales	0,400	4	10	Russia	0,273	3	11	Malta	0,175	7	40
Soviet	0,379	11	29	Slovenia	0,273	3	11	Romania	0,175	7	40
Denmark	0,375	15	40	Ukraine	0,273	3	11	Spain	0,175	7	40
Estonia	0,364	4	11	Czechoslovakia	0,258	8	31	Georgia	0,154	2	13
Ireland	0,350	14	40	England	0,250	10	40	Greece	0,125	5	40
Czech Rep.	0,333	3	9	France	0,250	10	40	Netherlands	0,125	5	40
Israel	0,308	12	39	Norway	0,250	10	40	Scotland	0,125	5	40
Italy	0,300	12	40	Yugoslavia	0,233	7	30	Portugal	0,100	4	40
Poland	0,300	12	40	Bulgaria	0,225	9	40	Turkey	0,100	4	40
Switzerland	0,300	12	40	Faroe Island	0,225	9	40	Latvia	0,083	1	12
Macedonia	0,300	3	10	Hungary	0,225	9	40				

Discussions

There are big differences in both within- and between- seasons competitive balance across leagues in Europe. Possible explanations are league sizes and play-off systems as well as historical, geographical and demographic factors. There are a number of data problems. First, there are difficulties at the club level caused by club renames and mergers. Second, difficulties appear as a consequence of changed structure of the league such as changes in point systems and changes in the qualification rules for play-off. Although these difficulties have been taken into account in the study, they remain possible sources of measurement error. Another problem is that a number of leagues have not existed over the whole sample period such as those in countries formerly part of the Soviet Union.

References

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Contact co-ordinates author

Morten Kringstad

PhD stud-Leeds University Business School, UK

Trondheim Business School, Norway

Morten Kringstad, Trondheim Business School, 7004 Trondheim, Norway. morten.kringstad@toh.hist.no

Professor Dr Bill Gerrard

Leeds University Business School, UK