## The Scale of Competition

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Over the past century, the scale of sporting competition has increasingly moved from the local to the national and international stage. The great Brazilian soccer players no longer play in their home country, but for top teams in Europe. The best American talent plays there as well. Asian and European players now dot the landscape in American baseball, basketball, and hockey (should they ever get started again).

Players go where the money is, and increasingly, the money has been generated by media in recent decades. Television concentrates the world's eyes on sport not from a seat at the stadium, but the couch in the living room. Given this newfound visual mobility, spectators naturally focus on the teams and leagues where the best collection of talent is on display. The best leagues, filled with the best talent, are what captures interest in the international television marketplace.

The consequence of this form of globalization is that traditional, local-based competition faces serious challenges. This scenario has been played out before. Competition in intercollegiate athletics has become competition not so much against your local or regional rivals, but competition to gain a share of attention on the national stage, in a national market. The result: conference expansion beyond a regional footprint has been the trend for the past thirty years or so. In 1978, the Pac 8 nicked the Arizona schools from the old Western Athletic Conference, morphing into the Pac 10. The Southwest Conference, a league with seven Texas schools plus Arkansas, imploded in the early 1990s for these very reasons. Its major sports programs were picked off by the Big 12 and Southeastern Conferences, both with a more extensive national footprint. The recent ACC expansion to twelve teams is a delayed reaction to the same fundamentals - economic forces which have increased the scale of competition.

Local rivalries suffer from this as a consequence. The Clemson-Georgia series in football - a source of heart-stopping games in the 80s when both programs won national championships - is no more, despite the fact that the schools are but 80 miles apart. The tobacco road round robin in basketball, a feast for ACC basketball aficionados, has also been thrown over the transom. These losses are real, and it is true that athletic directors and conference commissioners have "sold out" to the almighty dollar by abandoning the forms of competition that their fans adore. But the scale of competition in modern intercollegiate athletics dictates that this cost be incurred, if schools want their programs to be prominent on the national stage.

European soccer has to come to grips with these forces as well. UEFA currently mandates that its member clubs compete in domestic competitions. This rule precludes

countries like Ireland and Switzerland from generating enough support to field a team that can compete with the best on the continent. Demand clearly exists for teams like Celtic and Rangers to compete with the Barcelonas and Bayern Munichs. But the competition from other teams in the Scottish League is too poor to generate the interest, and thus the financial support for these clubs to acquire the necessary talent to win in Europe's king of competitions, the Champions League. In the absence of UEFA's rule, Glasgow as a town could support world-class soccer, but with UEFA's rule in place, Scotland cannot.

The Champion's League is UEFA's response to the same economic forces that have increased the scale of competition in NCAA athletics. It has expanded the old European Cup into an extended form of semi-league, semi-knockout competition among the elite clubs in Europe. UEFA understands the impact of the Champion's League on soccer at the local level, as indicated by in the story, "Champions League 'is killing football':"<sup>2</sup>

The Uefa president, Lennart Johansson, privately blames the Champions League's financial rewards for ruining domestic football. 'He feels that Uefa created this fantastic competition in 1992, but that it has now become a monster that has produced this unequal struggle between haves and have-nots in countries across Europe,' said a source who has discussed it with Johansson.

Gaillard added: 'Previously, you could play for or support Ipswich Town, Nottingham Forest or Derby County and have a chance that in your lifetime they would win the league or FA Cup. But today that chance is becoming more remote. These mid-size teams have made the history of European football. There are a lot of glorious names today that, if nothing is done, in 20 years' time will be threatened with extinction. They have no possibility of getting to the top eight or 10 of the top division in their countries.'

Uefa's only proposed solution is a plan to force clubs to include up to eight 'home-grown' players in their squads from 2006. But Johansson concedes that Uefa are all but powerless to reverse the damaging trends.

The home-grown rule is no solution. The claim that UEFA is "powerless to reverse" the trend is more nearly correct.

The economic forces are aligned with the big clubs. The demand is for these teams to play each other, not for them to tinker with modest domestic rivals. The big clubs will thus abandon Uefa if it remains a barrier to financial gain, and go off on their own.

So how would a rational UEFA react to this threat? Look at it this way. The ban on "non-domestic" league competitions is not so much a ban, but a rule which allows non-domestic competition (i.e. the UEFA Cup and the Champions League), so long as it is run by UEFA itself.<sup>3</sup> UEFA's response is likely to be a proposal for a UEFA-sanctioned "super league" composed of the best clubs in Europe. If they don't, the top clubs will simply do it on their own, because the stakes are so high.

In the US world of intercollegiate athletics, there is no effective barrier to entry, as in the domestic leagues of Europe. As a result, competition in both is more fluid than in the monopoly professional leagues of the US. But there is an important difference. In the US, collegiate conferences were able to reshape their leagues in response to media-driven economic change. UEFA policy has limited that adjustment so far in Europe. It will not be able to do that much longer.

<sup>1</sup> See http://www.texasalmanac.com/history/highlights/swc/

<sup>&</sup>lt;sup>2</sup> See http://football.guardian.co.uk/News\_Story/0,1563,1345361,00.html

<sup>&</sup>lt;sup>3</sup> The ban on multi-country leagues may not withstand antitrust scrutiny in the EU. EU rulings in recent decades have nullified anti-competitive clauses in player contracts, enabling a form of free agency, and limits on the number of foreign players that a team could field. Is it fanciful to imagine that Celtic and Rangers could win an antitrust lawsuit, should UEFA attempt to squash the formation of a league among teams in Scotland and Holland?