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#### 1. Introduction

It may very well be that communism was the most sincere attempt ever to make human society fair and, especially in Yugoslavia, at some stage it even worked decently well. Sport as the only meaning known to human being where countries can lead wars without armoury involved, was the best agent of social and political change spreading around the world after the Second World War. Sport, of course, has the far reaching influence on the rest of the world and fitted perfectly well with Lenin's view of building socialism in praxis: retain power, modernise, and build socialism. Sport and physical culture in general were therefore used to build fitness for productivity, to promote modernisation of the society, to promote unity and the collective culture in the society, to foster healthy and obedient citizens and to help legitimizing the rule of Communist Party. This ideology spread all over the countries behind The Iron Curtain and ex Yugoslavia, which under Tito's guidance remained a country of its own, geographically and philosophically stuck between East and West. The importance of sport in the society was the best system ever applied in communism even if it was used for regimes "to invest in significant propaganda campaigns on the back of sporting successes"<sup>1</sup>. Athletes were given every chance to develop their full potential since success on the fields of sport projected the power of the political system in international arena. It is therefore no coincidence that Soviet Union remains one of the most successful nations in the history of Olympic Games and that relatively small countries such as Czechoslovakia, Romania and Yugoslavia not only occasionally outplayed its much richer western rivals in almost any sport one can think of. Football in this context was no exception. It can not only be coincidence that Yugoslav national team was dubbed the Brazil of Europe due to its witty style of play and that it was invited to be Brazil's opponent at Pelé's testimonial match in 1971.

The best football clubs, namely Red Star Belgrade, Dinamo Zagreb, Hajduk Split, Partizan Belgrade, Steaua Bucharest, Sparta Prague, Ferencváros Budapest, CSKA Sofia, were on par with the best club from the Western Europe for two reasons:

- 1. State provided financing and the scouting system and training methods were therefore as good as they ever were in the United States of America.
- 2. Players were not allowed to go abroad until they reached 28 years of age and home grown talent stayed at home.

The communism started to collapse towards the end of 1980's and with its definite death in 1991 and revolutionary changes in the business of football, the whole region was left staring to the future with awe.

There were no more state financing, no more "going abroad only after 28 years of age" rule, no new system in place, home talent migrating on a daily basis, economies in the middle of the transition on one - Eastern European side.

There were huge TV deals, influx of talent from West Africa and Latin America, new all-seated stadiums with corporate boxes built, growing attendances, new sponsorship deals on the other – Western European side, embodied in five biggest markets England, Italy, Spain, France and Germany

They looked out of reach.

Forever, it seemed.

And with that, the gap between Western and Eastern Europe bigger than it ever was.

Forever?

Really?

The task of this thesis is to prove that Eastern and Central European club football can be revived and made competitive and financially strong again – this time without the financing of Communist Party. There is a clear need for one or two common markets. The countries involved in this thesis came a long way since the fall of communism and are either already members of EU or they are on their way to become one. Therefore there are few outlines from EU mission statement which support this thesis:

- To promote equality and tolerance of diversity in Europe,
- To promote and facilitate cooperation between Europeans, at individual, local, regional and national level, and in both the private and public sectors,
- To listen to its citizens, be accountable to them and work for them in a transparent and decentralised way,
- To strengthen Europe's economy and to promote solidarity around Europe by working in partnership with national, regional and local government.

Switzerland, Austria and Greece are considered as well since they are vital part of Central and Eastern Europe and their relatively small domestic markets as insignificant in comparison with Big 5 as any in Eastern Europe. They too, are not moving forward.

Mildly said, they stagnate.

Being brutally honest and it is for sure time to be brutally honest, they are moving backwards as well.

It is time to move forward, than.

### 1.1. Moments of Glory

It was as glorious football night as it could only be in Belgrade, when on April 24, 1991, Red Star Belgrade and Bayern Munich contested a European Champions Cup semi-final tie. Red Star held a 2-1 advantage from the away game in Munich and since fans could almost taste the big European final for the first time in club history the atmosphere before the home leg at Marakana was electric. One could sense the drama coming. Then the count down started.

Five. Four. Three. Two. One.

Eruption.

In the next few seconds, dozens of Bengal lights illuminated Marakana. It looked like Yugoslavia always did, crazy, rocking on the very thin line between brilliance and disaster. "Welcome to the stadium of Red Star," the official speaker greeted the packed stadium and when Siniša Mihajlović scored a trade mark free-kick goal for 1-0 on the night, progression to the big final seemed a foregone conclusion, just for Bayern, in true German football style, to came back with two second half goals to level the aggregate score. But, deep into injury time when the game seemed destined for extra period, a harmless looking Mihajlović cross into the box got deflected upwards by defender Klaus Augenthaler and subsequently misjudged by Bayern goalie Raimond Aumann. It was 2:2 on the night and Red Star went through. Few weeks later, on May 29, 1991, Red Star won its and Yugoslavian's first and last UEFA's European Champions Cup, beating Olympique Marseille on penalties in the final.

Five years earlier Steaua was going into the final against Barcelona and the odds were so stacked against Steaua that coach Emeric Ienei opted for stern rhetoric to inspire his team. "What can they do to you?" he asked in the dressing room of Seville's Estadion Sánchez Pizjuán. "They can only beat you; they can not take away your money, your wife or your house. But why should they beat you?"<sup>2</sup> It worked. Steaua thwarted and frustrated the Catalans for 120 minutes, forcing a penalty shoot-out. Helmut Duckadam, Steaua's 27 years old keeper saved all four of Barcelona's penalties. The Romanians have scored twice, Barca had lost and Steaua were the first side east of the Iron Curtain to become European champions. Two years later Steaua was semi-finalist and in 1989 lost to AC Milan only in the final.

Red Star and Steaua, of course, are still waiting to come even close to Champions League Final, let alone win it.

Why?

#### 1.2. The short history of Communism

Communism is an ideology that seeks to establish a classless, stateless social organization based on common ownership of the means of production. It can be considered a branch of the broader socialist movement. Communism as a political goal is generally a conjectured form of future social organization, although Marxists have described early forms of human social organization as 'primitive communism'. Karl Marx held that society could not be transformed from the capitalist mode of production to the advanced communist mode of production all at once, but required a transitional period which Marx described as the revolutionary dictatorship of the proletariat, the first stage of communism. The term 'Communism', especially when it is capitalized, is often used to refer to the political and economic regimes under communist parties that claimed to embody the dictatorship of the proletariat.<sup>3</sup>

#### 1.2.1. The importance of October Revolution

In the late 19th century, Marxist theories motivated socialist parties across Europe, although their policies later developed along the lines of "reforming" capitalism, rather than overthrowing it. One exception was the Russian Social Democratic Labour Party. One branch of this party, commonly known as the Bolsheviks and headed by Vladimir Lenin, succeeded in taking control of the country after the toppling of the Provisional Government in the Russian Revolution of 1917. In 1918, this party changed its name to the Communist Party, thus establishing the contemporary distinction between communism and other trends of socialism.<sup>4</sup> After the success of the October Revolution in Russia, many socialist parties in other countries became communist parties, signaling varying degrees of allegiance to the new Communist Party of the Soviet Union. By virtue of the Soviet Union's victory in the Second World War in 1945, the Soviet Army had occupied nations in both Eastern Europe and East Asia; as a result, communism as a movement spread to many new countries. Communism had been vastly strengthened by the winning of many new nations into the sphere of Soviet influence and strength in Eastern Europe. Governments modeled on Soviet Communism took power with Soviet assistance in Bulgaria, Czechoslovakia, East Germany, Poland, Hungary and Romania. A Communist government was also created under Marshal Tito in Yugoslavia, but Tito's independent policies led to the expulsion of Yugoslavia from the Cominform, which had replaced the Comintern. Unlike the rest of East Europe, which fell under Stalin's influence post-World War II, Yugoslavia, due to the strong leadership of Marshal Tito and the fact that the Yugoslav Partisans liberated Yugoslavia with only limited help from the Red Army, remained independent from Moscow. It became the only country in the Balkans to resist pressure

from Moscow to join the Warsaw Pact and remained "socialist, but independent" right up until the collapse of Soviet communism in the late 1980s and early 1990s.<sup>5</sup> Tito's economical views remained steady, amounting to the high standard of living enjoyed by the country - slowly, Yugoslavia became a virtual free market, neatly separated from other Socialist regimes in Eastern Europe and marked by a permissive attitude towards seasonal labour of Yugoslav citizens in Western Europe. Albania also became an independent Communist nation after World War II. By the early 1980s almost one-third of the world's population lived in Communist states. In 1985, Mikhail Gorbachev became leader of the Soviet Union and relaxed central control, in accordance with reform policies of glasnost (openness) and perestroika (restructuring). The Soviet Union did not intervene as Poland, East Germany, Czechoslovakia, Bulgaria, Romania, and Hungary all abandoned Communist rule by 1990. In 1991, the Soviet Union itself dissolved. With the decline of the communist governments in Eastern Europe from the late 1980s and the break-up of the Soviet Union on December 9, 1991, communism's influence has decreased dramatically in Europe.

#### 1.2.2. Why did communism fail?

Communists believed that the new order will have to take the control of industry and of all branches of production out of the hands of mutually competing individuals, and instead institute a system in which all these branches of production are operated by society as a whole – that is, for the common account, according to a common plan, and with the participation of all members of society. It will, in other words, abolish competition and replace it with association. Moreover, since the management of industry by individuals necessarily implies private property, and since competition is in reality merely the manner and form in which the control of industry by private property owners expresses itself it follows that private property cannot be separated from competition and the individual management of industry. Private property must, therefore, be abolished and in its place must come the common utilization of all instruments of production and the distribution of all products according to common agreement – in a word, what is called the communal ownership of goods. In fact, the abolition of private property is, doubtless, the shortest and most significant way to characterize the revolution in the whole social order which has been made necessary by the development of industry – and for this reason it is rightly advanced by communists as their main demand.<sup>6</sup> This, of course, also meant, that nobody really knew who was in charge and who was responsible for anything. The fall was inevitable. And interestingly enough, with the fall of communism the decline of top flight football in Eastern Europe began.

#### 1.3. The history of football under communism

Club football in the communist countries had some very curious unwritten rules which reflected the ambiguities of the system. Or as famous dr. Aca Obradović lucidly explained the difference between owners of football clubs in socialism and capitalism: "Everybody in the world knows that football clubs are either managed by the people who have money or people with the ruling power. In capitalism, it is people with money. In socialism it is people with the ruling power."<sup>7</sup>

#### 1.3.1. One republic, at least one club

In Yugoslavia the slogan Brotherhood and Unity had to be protected on every step and each of its six socialistic republics and both of its autonomous provinces therefore had to have at least one club in top flight league. Dr. Aca Obradović, who in 1982, became the first Yugoslav ever with official FIFA agent licence and who thought of most of his brilliant and visionary ideas in legendary coffeehouse Madera in Belgrade, came to Slovenia in 1974 to rescue Olimpija from being relegated. Olimpija, the only Slovenian club in first Yugoslav league, of course, was saved. Dr. O was also the first Eastern European football worker who understood the enormous potential of the business of football. In 1955 he managed the transfer of goalie Vladimir Beara from Hajduk Split to Red Star Belgrade and hid him for seven days so secret service agents couldn't find him Because of his business friendly thinking Communist City Committee of Belgrade called him techno-manager – the abusing term for people with capitalistic ideas – and expelled him from Red Star in 1966. When he later returned, he said: "I asked them what they meant with calling me techno - manager. Nobody knew the answer. Nobody knew what techno – manager is."<sup>8</sup> "Aca really knew the business of football. So did Miljan Miljanić, our head coach in FIFA World Cup 1974 in West Germany. I asked Miljan why we were still claiming we were amateurs when everybody knew we were not. But he just smiled at me,"<sup>9</sup> said Branko Oblak, member of 1974 Yugoslav team, thirty years later.

Between the years of 1955 and 1991 Yugoslavian clubs reached quarterfinals of UEFA's European Champions Cup on twelve occasions, Partizan Belgrade was a runner – up in 1968 and Red Star Belgrade won the competition in 1991. Together with water polo, basketball and handball, football was used in confronting mounting pressure of Stalin and Soviet Union on Tito and Yugoslavia. The game in Tampere, during the Olympic Games in Helsinki in 1952 was therefore of the extreme importance for both teams. Being 5-1 up with 15 minutes of their first round match to go, the Yugoslavs, understandably, put their feet up. Arthur Ellis, the match referee, recorded what happened next in his book "The Final Whistle" (London, 1963): "Russia forced the most honourable draw ever recorded! Bobrov, their captain, scored a magnificent hat-trick. After Russia

had reduced the lead to 5-2, he, almost single-handed, took the score to 5-5, scoring his third in the last minute. For once, use of the word sensational was justified".<sup>10</sup> Since the Soviet team had been expected by Moscow to win the 1952 Games, their defeat by Yugoslavia was not mentioned in the Soviet press until after Stalin's death the following year. Yugoslavia on the other hand, celebrated wildly and players were even given bonuses, arranged by Aleksandar Ranković, the minister of the interior and head of the military intelligence ("OZNA") and political police ("UDBA").

"The reception in Belgrade was simply unbelievable," recalled three decades later Aca Obradović. "We were all given bonuses of 200\$. Technical director of the trip to Helsinki was certain Stanković, at that time director of company 'Jugometal', whose brother was Ranković's alternation. Stanković told us that Ranković first planned to give us 500\$ each. Anyway, the amount received was still outrageous for those times. After that we left for Dubrovnik. It was a massive party."

The football federation of Yugoslavia was reconstituted after II WW. It was one of the founding members of the UEFA and it organized the 1976 European Championship played in Belgrade and Zagreb. The national team participated in eight World Cups, four Euros, won Olympic Games football tournament in the 1960 and also finished second three times and third once. Yugoslavia, Belgium, France and Romania were the only four European countries boarding the vessel Conte Verde in Genoa which took them to the first FIFA World Cup ever, in Uruguay 1930. Yugoslavia reached semifinals and then managed to be fourth in FIFA World Cup in Chile, in 1962 and to reach quarterfinals in 1954 in Brazil, 1958 in Sweden and 1990, what it happened to be its beautiful swan song, in Italy.

#### 1.3.2. Ministry of Defence vs. Ministry of Internal Affairs

Oddly enough, the power struggle for supremacy between the Ministry of Defence and the Ministry of Internal Affairs in Eastern Europe's club football was always present. "This is a really bad memory for me," said Bulgarian referee Asparuh Yasenov when remembering the highly controversial Bulgarian Cup final between Levski Sofia and CSKA Sofia from 1985 in which he was slapped three times. "I tried to be completely fair to both teams, but the pressure on referees in such games is huge. Both the Ministry of Defence and the Ministry of Internal Affairs wanted to prove that they were the more powerful, and the players were given extra motivation from their bosses in uniforms."<sup>11</sup>

CSKA, being the Ministry of Defence controlled club and Levski, controlled by the Ministry of Internal Affairs, run out of financial supply after the communist leader of Bulgaria Todor Zhivkov stepped from power in 1989. Although Zhivkov was never a despot in the Stalinist mould, by 1981,

when he turned 70, his regime was growing increasingly corrupt and erratic. Near the end of his reign, he made several limited attempts to modernise Bulgaria – introducing milder versions of Mikhail Gorbachev's glasnost and perestroika – while trying to keep the country under his control. These attempts failed to prevent the collapse of communism. At the end of 1989, Zhivkov was ousted from the presidency and expelled from the Bulgarian Communist Party. The Communist Party subsequently gave up its monopoly on power in February 1990, and in June 1990, the first free elections in Bulgaria since 1931 were held. With them came the exodus of the best Bulgarian players since their sales became the only reasonable source of income for the ailing clubs. CSKA reached the semi-final in 1967 and 1982 in the UEFA European Champions Cup. Two players managed to win the European Golden Boot while playing in CSKA: Petar Zhekov in 1966 with 36 times and Hristo Stoichkov in 1989 with 38 goals. Bulgaria's first appearance in a World Cup was the 1962 World Cup in Chile, but failed to progress to the knockout stages. The same happened in England in 1966, Mexico in 1970, and West Germany in 1974. They progressed from the first round in Mexico 1986 but were beaten by the hosts in the round of 16. Flying on the wings of Stoichkov's genius Bulgaria finished fourth in World Cup 1994 in USA. All members of the team, of course, were raised and trained in communism as were all members of the Romanian team, who reached quarterfinals in USA, but played some sublime football under leadership of Gheorghe Hagi. Romania, Brazil, France and Belgium are the only four national teams to participate in the first three World Cups. However, they then qualified only once between the 1950 and 1986 editions.

Interestingly enough and very similar to Bulgarian division of control over football clubs, the Romanian Cup final between Steaua Bucharest, UEFA's European Champions Cup winner of 1986 and Dinamo Bucharest proved to be another muscle flexing show between the Ministry of Defence and the Ministry of Internal Affairs. With the injury time approaching fast Gavrila Balint scored what seemed to be the goal that would give Steaua victory over Dinamo. A linesman was of different opinion and signaled off-side and then all hell broke loose, perfectly defining Ceauşescu's system. According to most witnesses, Valentin Ceauşescu, son of Nicolae and president of Steaua, signaled from Communist Party box for his players to leave the field.<sup>12</sup> "A crazy day, a show of power," Mircea Lucescu, the Dinamo coach that day said.<sup>13</sup> Taking some kind of initiative, the Dinamo defender Ioan Andone then dropped his shorts and waved his penis in protest at the Communist Party box, an act for which he received a one year ban from football.<sup>14</sup> The cup was eventually presented to Dinamo but next day Ceauşescu decided that had Steaua won. Ceauşescu and the generals were namely afraid that Securitae, Romanian domestic intelligence service and with it Dinamo grew too strong.

### **1.3.3.** Frozen in the moment of The Miracle of Bern

"Once we'd hit our rhythm we were virtually irresistible," revealed the secret of "Magnificent Magyars", the star of the team Ferenc Puskás. Until today the Hungarian football is famous for one of the most formidable and influential sides in football history, which revolutionized the play of the game. Centered around the brilliantly talented quartet of strikers Ferenc Puskás, Sándor Kocsis, attacking half-back József Bozsik and withdrawn striker stormed the football world with an exciting brand of play drawn from new tactical nuances, mostly taken from English style and amassed, barring the 1954 World Cup Final, astonishing record of 43 victories, 7 ties, and no defeats from the 15th of June 1952 to the end of its historic unbeaten run on February 18th 1956. Coincidently or not, it was in 1956 that FIFA had to officially ignore the complaints of Hungarian clubs and Hungarian football association that their football grounds had been destroyed by Soviet tanks since Soviet Union joined FIFA in 1946 and was readily offered one of the vice - presidencies. This meant that it became almost impossible to take any disciplinary action against it.<sup>15</sup> The Hungarian team came up second twice in the World Cup, losing to Italy 4-2 in 1938 and 3-2 to West Germany in 1954, despite beating them 8-3 earlier in the competition. The team, built around Puskás, led early 2-0 in that match, but ended up 3-2 loosing. It is no wonder that the Germans subsequently started calling the final as "The Miracle of Bern". Hungary has won gold at the Olympic three times, in 1952, 1964, and 1968. Hungary remained a force in European football for two to three decades after the era of the "Magnificent Magyars". Reaching the quarter-finals of both 1962 and 1966 World Cups, They also reached the semi-finals of the European Championship in 1964 and 1972. Returning to the World Cup in 1978 and 1982, Hungary did not reach the same heights but nonetheless performed respectably - indeed, the talents of László Fazekas, Tibor Nyilasi and László Kiss inspired Hungary to a 10-1 win over El Salvador in 1982, which remains a World Cup record. The 1986 World Cup was seen by many fans as the final confirmation of Hungary's decline. But the defeat and reasons behind it in Bern – should injured Puskás have played or not; where were at least six players the night before the final – are still haunting Hungarians. Or, as Nyilasi said: "It is as though Hungarian football is frozen at that moment, as though we have never quite moved on from then."16

# 1.3.4. Two times runners - up

When the Czech Republic was part of Czechoslovakia, the national team had runner-up finishes in FIFA World Cup in Italy 1934, where Benito Mussolini put up his notorious exhibition of emerging fascist power and Italy simply had to win the title and in FIFA World Cup in1962 in Chile where

Garrincha exposed all of his sublime talent and with injured Pelé on the bench won the tournament for the love of his life, singer Elza Soares. Czechoslovakia won a European Championship in 1976 in Belgrade. After Czechoslovakia split into the Czech Republic and Slovakia, the national team was reformed, and played its first match against Turkey in 1994. The most popular and most successful Czech football club and one of the most successful clubs in Central and Eastern Europe is Sparta Prague. Sparta was long the main source for the Czechoslovakia national football team. Its three titles in Central European Cup are very important milestones in the cup's history: after two triumphs in 1927 and 1935, the third for came in 1964, at a time when the cup's importance was gradually falling in the light of other European cups. After substantial changes driven by the socialist regime, bringing frequent changes of the club's name rather than achievements to be proud of, the title in 1954 was the last one before a long period of misery. There are still many people who recollect the era of Kvašňák, Tichý and Mašek - were part of the national team that finished second at the 1962 World Cup in Chile – in the mid 1960's. Those were the days when Sparta hosted the biggest number of fans in its history, with the stadium at that time accommodating almost forty thousand people.<sup>17</sup>

### 1.3.5. Two times third

The first time that the Polish national team took part in the World was in France in 1938, when the team played only one game, losing 6-5 to Brazil. The Poles had to wait until 1974 for their next chance. On their way to the cup the "whites & reds" eliminated England and Wales, during the West Germany tournament they won six out of seven games and ended up in third place. This was a time of success in Polish football. The Polish national team played in three consecutive competitions and occupied 5th, 3rd and 14th place. After the "years of plenty" came a time of misfortune, that brought years of crisis in football. During the World Cup qualifiers Poland has not qualified 7 times (in the years 1958-1970 and 1990-1998), and the team has not entered the competition twice. The eleven did not play in the first championship in 1930 for financial reasons and did not enter the qualifiers in 1950 because of damage caused by the war. Also the team had to withdraw from the qualifiers twice. Pressures from shame-fearing Ministry of Foreign Affairs of Poland, the team lost games by default with Czechoslovakia (1934) and Hungary (1954). Similar to other communist countries, government supported "obeying" clubs and took care that more liberal clubs, like Polonia Warsaw, founded by city intelligence, never received sufficient funds to rise to the first division. Wisła Krakow competed in all three of the European competitions and its biggest success came in the 1978/79 season, when they reached the quarter-finals of the UEFA's European

Champions Cup. Legia Warszawa was founded during the military operations of the World War I on the eastern front in the neighborhood of Maniewicze in Volhynia as the football club of the Polish Legions. After World War I it became the main football club of the Polish Army. In the years 1949-1957 Legia was known by the name CWKS (Central Military Sports Club) Warszawa. It reached semi-final of UEFA's European Champions Cup in the 1969/70 season.

### 1.3.6. Albania and Moldova

The Albania national football team has never advanced to the finals of any major international competition and was and still is considered one of the weakest sides in Europe. Albania has occasionally managed to surprise some more powerful opponents. In the 1968 European Championship qualifiers, they managed a 0-0 draw against West Germany, which eventually eliminated West Germany from qualification. During that era, Albania boasted arguably its greatest ever footballer, Panajot Pano. The 1986 FIFA World Cup qualifiers brought further notable results with a 2-2 draw away to Poland and a 3-1 win over eventual semi-finalists Belgium.

The Moldova national football team is the national football team of Moldova and is controlled by the Football Association of Moldova. After the break-up of the Soviet Union, they played their first match against Georgia on July 2, 1991. Their style of play is considered similar to the Romanian.

# 1.4. Football in Eastern Europe after the fall of Communism

With the Berlin Wall crumbling, the patronage and protection of communist states disappeared and Eastern European football came out of it shattered. Stadiums started to fall apart, embarrassing allegiances emerged, as well as allegations of match – fixing. Football, like every other social institution, was subject to a whirlwind of change. Centrally planned socialist economies were mostly, with the notable exception of Slovenia, the most northern republic of Yugoslavia, transformed into wild unregulated capitalist economies. What followed was a massive decline in economic output, socially destabilizing levels of unemployment and a more or less corrupt transfer of economic assets from the state to the new economic elites.<sup>18</sup> Entire state bureaucracies and legal systems had to be transformed in an effort to create a public sphere and democratic policy that could conform to EU standards.

# 1.4.1. Changes in the business of football in the West

# 1.4.1.1. The birth of corporate arenas - The Taylor Report

Standing terraces in England were phased out in 1989 after Lord Justice Taylor's report into the Hillsborough disaster. During an FA Cup semi-final match between Liverpool and Nottingham Forest at the Hillsborough stadium in Sheffield, ninety-six Liverpool fans were killed because of over-crowding. Thousands of fans travelling to the game were late due to traffic on the roads and delays to the railway. As a result many fans hurriedly entered the ground at the same time to avoid missing any further action. Unfortunately no effort was made to relieve the overcrowding, such as opening large gates. No entrances were sealed off and none of the fans were redirected to safer areas. Immediately after the Hillsborough Disaster, the Home Office set up an inquiry under Lord Justice Taylor. Its remit was: "To inquire into the events at Sheffield Wednesday Football ground on 15th April 1989 and to make recommendations about the needs of crowd control and safety at sports events". The inquiry, which was held in Sheffield, began on the15th May 1989 and lasted thirty-one days. The Taylor Report recommended that all top division stadiums in England and Scotland phase out their concrete terraces and become all-seated. The result of this report has seen millions of pounds spent by every top club in these countries on developing their grounds. Allseated stadiums have resulted in cases of football hooliganism decreasing significantly, meaning that incidents of violence inside football grounds have become almost non-existent. In addition, arrests for football-related crimes have reduced dramatically since the late 1980's whilst attendances and consequently income have risen steadily. Everything was set for corporate business to enter football and for a new league to be formed.

# **1.4.1.2. TV Money - The emergence of Premier League**

The 1980s had marked a low point for English football. Stadiums were crumbling, supporters endured poor facilities, hooliganism was rife, and English clubs were banned from European competition following the events at Heysel in 1985. The Football League First Division, which had been the top level of English football since 1888, was well behind foreign leagues such as Italy's Serie A and Spain's La Liga in attendances and revenues, and several top English players had moved abroad. However, by the turn of the 1990s the downward trend was starting to reverse; England had been successful in the 1990 FIFA World Cup, losing the semi-finals on penalties. UEFA, European football's governing body, lifted the ban on English clubs playing in European competitions in 1990 and the Taylor Report on stadium safety standards, which proposed expensive

upgrades to all-seated stadiums, was published in January of that year. Television money had also become much more important; the Football League had received only £6.3 million for a two-year agreement in 1986, but when that deal was renewed in 1988, the price had risen to £44m over four years. The 1988 negotiations were the first signs of a breakaway league; ten clubs threatened to leave and form a "super league" but were eventually persuaded to stay. As stadiums improved and match attendance and revenues rose, the country's top teams again considered leaving the Football League in order to capitalise on the growing influx of money being pumped into the sport. The league held its first season in 1992–93 and was originally composed of 22 clubs.

### 1.4.1.3. Transfer changes - Bosman Rule

Bosman ruling is a 1995 European Court of Justice Decision that allows professional football players in the European Union (EU) to move freely to another club at the end of their term of contract with their present team. The Bosman ruling also prohibited domestic football leagues in EU member states, and also UEFA, from imposing quotas on foreign players to the extent that they discriminated against nationals of EU states. At that time, many leagues placed quotas restricting the number of non-nationals allowed on member teams. Also, UEFA had a rule that prohibited teams in its competitions, namely the Champions League, Cup Winners' Cup and UEFA Cup, from naming more than three "foreign" players in their match-day squads. That, all, was gone, when FIFA implemented the European Court of Justice's decision worldwide. Bosman rule virtually destroyed Eastern European clubs and left the with only source of money – selling the talent. Dragan Stojković, current president of Red Star Belgrade said: "The introduction of the Bosman rule practically ruined us."<sup>19</sup> And: "It will be very, very difficult for our clubs to emulate what Red Star did in 1991. We lack money. Selling players is the only financial recourse that we have."<sup>20</sup>

# 1.4.1.4. From UEFA European Champions Cup to UEFA Champions League

The major turning point in the evolution of the elite European competition came in the 1992/93 season when the UEFA Champions League, involving a group phase in addition to the traditional knock-out elements, was officially inaugurated after a pilot group stage during the previous season. The popularity of the group phase has witnessed the competition grow from eight to 32 teams with matches taking place on Tuesdays and Wednesdays across Europe. A further effect of the large sums of money now attached to gaining a Champions League place is that it has provided an additional incentive for clubs to gamble on success. With up to almost £30m to be gained from a successful Champions League campaign, clubs may be tempted to overspend on players' wages in

the hope of recouping this expenditure via qualification for the Champions League. Of course, such a strategy is risky because there are only a limited number of Champions League places. Eastern European club's gamble is even riskier because of almost non existing income revenues in domestic leagues. One failed Champions League Campaign attempt can severely ruin the financial health of the club or it can even lead to bankruptcy.

# **1.4.2.** Collapse of revenues in the East

In the process football endured an almost complete collapse of revenues. Clubs underwent a change in ownership as businessmen of suspicious backgrounds, new entrepreneurs and the old apparatchiks jostled for control. All three groups shaded into murky world of organized crime. Professional footballers and coaches got out of this chaos if they could, even if it meant for them to take part in second or third division western European leagues. Those that remained faced diminished wages and dilapidated facilities. The disillusioned and deeply disappointed crowds disappeared, in some countries never to return. The only hope for once upon a time big time clubs with recognisable brands, remains UEFA competitions and businessmen of dubious backgrounds, willing to buy their place in the society with investing in football. Their unreasonable investments and their enthusiasm swing with their moods and so do players salaries and bonuses. With every single market in Eastern Europe, with the exception of maybe Romania and Poland, being too small to sustain football without state help, situation is unlikely ever to change unless Regional League happens: attendances are at their lowest ever, revenues from ticket sales ridiculous and TV money almost non-existing. Considering all said, the clubs' sponsorships are almost void. The only considerable revenues therefore remain sales of player's contracts, which, of course, deprive clubs of the possibility of any long term planning.

# **1.4.2.1.** The highway to capitalism and its effect on football

Slovenia was the only region in the ex communist states that managed – mostly due to its geographical proximity to Western countries – to administer its economy as liberal as it was possible. Consequently its transition from centralised socialist system to a capitalist system was relatively smooth, without shocks that some countries in Eastern Europe – selling out almost all of their property and with it the soul of the nation – sustained. But football suffered and it suffered big time. Being pulled overnight from highly competitive Yugoslav League, clubs from all over ex Yugoslavia were suddenly dropped to what used to be regional leagues or third division leagues under Yugoslav system. Everybody was, logically, shocked. Successful players namely move to the

clubs who pay the most, and fans shift towards supporting successful clubs. This is not an entirely fair characterization of all football supporters. Many fans do remain loyal to a club through thick and thin. These fans might be thought of as the hard-core of any club, its most reliable source of income. However, beyond the hard-core there are many supporters who are willing to switch allegiance towards more successful teams. This may not be mere fickleness, but may actually reflect a greater interest in the quality of the football played rather than the fortunes of any one club.<sup>1</sup> This effect is likely to be particularly damaging when a club is relegated to a lower division, as it was the case with all ex Yugoslav big clubs which overnight found themselves in their local leagues, previously being known as republic or third division leagues. Therefore fans, used to big matches, lost any serious interest in attending League matches and consequently spending any money on merchandising. Another important aspect is that each year some fans give up watching football while new ones begin attending matches. The newcomers are likely to be drawn to the more successful clubs, if only because these are more familiar to them. Thus over time, if a club is not successful, it will find its fan base dwindling to the level of hard-core support. All these effects relate to income generated by match attendances. Other sources of income are likely to be much more sensitive to playing success since they are much less dependent on supporter loyalty. Broadcast income is likely to be higly dependent on the perceived quality of the team, which is in turn likely to be closely correlated with playing success; sponsors want to be associated with successful teams and so on. Thus in the end it is perhaps not surprising that club revenues tend to be just as sensitive to playing success as playing success is to wage expenditure.<sup>21</sup> Yugoslavia. for example, rapidly approached the point of no return in the spring/summer of 1991. The old Communist Party structures and powers began to wane and the leading force in Croatia and Serbia became two ultranationalists. Franjo Tuđman was a general in the Yugoslav army and a director of Partizan Belgrade before he transferred his lust for power to Croatian nationalism and Dinamo Zagreb, where he had actively nurtured ultras and the role of the club as a vehicle for independent Croatian state. Despite all that, he managed to enrage Bad Blue Boys, a feared Dinamo's fan group, since he changed the club's name first to HAŠK Gradjanski and than to Croatia. Hajduk Split, the other big club from Croatia, was less involved in political manipulations. Independent Croatia brought new phenomena in European Football: Dinamo's and Hajduk's fans respectively, occasionally started to beat its own idols when they performed below their expectations.

**Red Star** had increasingly come to represent Serbian national aspirations, as against the Yugoslav federalism of **Partizan**. Slobodan Milošević had come to power on a wave of deliberately manufactured fear and extreme nationalism. By the 1998 the beginning of the end for ultranationalism in Serbia was in sight. Serbia was divided within itself, exemplified by the spiralling

decline of the already dodgy relations between **Red Star** and **Partizan**. Historically very important European clubs, **Red Star** and **Partizan** today appear stagnant on the suburbs of European football. Slovenia's surprising appearance at UEFA Euro in 2000 and FIFA World Cup in 2002, Serbia and Montenegro's appearances at UEFA Euro and FIFA World Cup tournaments and Croatia's amazing run to the third place at FIFA World Cup 1998 were all produced by the players breaded in Yugoslav League.

In Czech Republic, domestic football remained a small-scale and increasingly unedifying affair through the 1990's, but it produced an exceptional generation of players who lost the final of Euro'96 to a German penalty. **Sparta** Prague, the leading team of the era, passed from state to private hands through chain of investors, its appeal increased by regular appearances in the group stages of the Champions League and transfer fees from the West.

The Polish transition to capitalism was perhaps the hardest and most brutal of all in Eastern Europe. Under the first post – communist governments Poland decided to take its medicine early and virtually overdosed. Polish heavy industry, mining and metallurgy all disintegrated, generating an unemployment rate of over 30 per cent. The correlations between catastrophic deindustrialization, high male youth unemployment and a declining and violent football culture were reconfirmed by the gruesome realities of Polish football. The complete withdrawal of state subsidies, ministerial affiliation and government backing for football happened at mind blowing speed. Poland's stadiums long remained among the worst kept in the region, but will be dramatically improved after Poland and Ukraine won their mutual bid for Euro 2012.

# 2. What is a League?

# 2.1. The idea behind creating a football league

The Football Association, the governing body of the game in England to this day, was founded in 1863 by a group of eleven football clubs, most of them based in and around London, with the purpose of establishing a common set of rules. This was a pressing need from the 1840s onward because of the way the games of football were spreading.<sup>21a</sup> At almost the same time baseball was emerging as the National Pastime in USA. Gate money professionalism in baseball led quite naturally to a more structured form of competition, first in the NAPBBP championship and then in the stricter National League and in soccer similar pressures to generate a stable income stream started to emerge after 1885. The initial success of the FA Cup had inspired all the member associations to start their own regional cup competitions. But it soon became clear that the structure of the competition was not at all suited to the interest of professional clubs. William McGregor was a Scot of humble background who immigrated to Birmingham around 1870 and got drawn into the administration of Aston Villa. On March 2, 1888, he sent a letter to five other leading clubs inviting them to a meeting to discuss forming a league of twelve clubs.<sup>22</sup> After the Football League as organisation was formally established on April 17 in Manchester, the plans were rapidly advanced and the first league matches were played in September 8, 1888. Mc Gregor later explained the reasoning behind this brilliant and revolutionary idea: "A great many people saw the difficulty which football and footballers were in; I happened, luckily, to be the one man at that particular time that saw the way out. It appeared to me that a fixed programme of home - and - away matches between the leading clubs in the country, such fixtures to be kept inviolate, would produce football of a more interesting nature than the average game we then saw."<sup>23</sup>

# **2.2. Competition and co-operation as the basics for the formation of the league**

William McGregor wrote in his The Book of Football that "football is a big business"<sup>24</sup>. In order for football to be big business, it needs a league which is based on two principles:

- Competition
- Co-operation.

The business of football lies somewhere between war and economics. Or, as Szymanski and Kuypers point out in their book Winners & Loosers: "Football competition is driven by the motivation to win: this is the dominant consideration both for players and for the supporters. In this sense football is like a war, and like war it has winners and losers".<sup>25</sup>

Co-operation and exchange are central to the organisation of football competition as well. Co-operation means, of course, working towards a common goal and this in consequence leads to the fact, that a football match can not take place without competitor. To stage a football match the teams must co-operate in abiding by the rules. Furthermore, football teams co-operate with each other in order to create competition. Team sports are often described as an exceptional business activity because without co-operation there would be no competition and no business at all. League organization systematizes the competition among members and fulfils a number of co-ordinating roles.<sup>26</sup>

From its foundation the Football League – as the mother of all football leagues – set out to control competition between clubs in a number of ways:

- 1. Competition for fans by fixing minimum admission prices.
- 2. Competition for players through the transfer system.
- 3. Competition for profits by fixing a maximum dividend.

Competition for fans, competition for players and competition for profits remain the core of the business of football. Through the natural evolution of football, though, they changed:

- 1. Competition for fans pushed the clubs to gradually switch from fixing minimum admission prices to providing experience in the stadium where three facts are extremely important:
  - a. Comfort,
  - b. Safety and
  - c. The quality of performers on the pitch.
- 2. Competition for players through the transfer system became the ultimate quest of the club owners to buy the best talent in the world since it shall in effect guarantee success and success shall further guarantee increase in revenues through higher attendances, better TV deals, better sponsorship deals and increased fan's spending in merchandising products.
- 3. Competition for profits demands from the clubs to play in the leagues where at least basic relative competitive balance is present in order for them to be competitive in UEFA competitions.

Everything mentioned depends on the size of the market. The markets are simply too small in order for leagues to have competitive balance and for its most successful clubs to be competitive in UEFA competitions. It is a vicious circle which needs to be cut in order to revive the club football in this potentially attractive but so often neglected European region. What follows are the reasons behind the formation of Central Eastern European Football League.

# 3. The objective of the Central Eastern European Football League (CEEFL)

The main idea behind the foundation of CEEFL is to develop and improve the club football in Eastern and Central Europe. In order to achieve this goal, following objectives need to be fulfilled:

- 1. The creation of one or two bigger common economical and football markets, comparable to the markets of big five leagues.
- 2. The strongest teams from the countries involved should join the CEEFL. They become competitive on a European level and due to strong League, will sustain long-term financial stability. National and regional club brands will be rebuilt.
- 3. National Leagues will become talent recruitment pools for the strongest clubs.
- 4. Increase of attendance.
- 5. Creation of regional stars influx in football academies grows further.
- 6. Increase of revenues (TV, commercial and match day).
- 7. The revival of old geographical rivalries that will spark the interest. With the creation of CEEFL the national rivalries move from National Leagues to Central Eastern European Football League and therefore the interest of local business and people remains untouched or even enhanced.
- 8. Improvement of infrastructure investment on the local and state level.
- **9.** National Leagues move back under the control of National Associations which become shareholders of CEEFL and therefore entitled to the solidarity money channelled back to the smaller clubs that stay in the National Leagues.

# 3.1. What is the Central Eastern European Football League?

Before trying to answer on the question what the Central Eastern European Football League is, a short explanation has to be presented to show how many and which countries belong to Central and Eastern Europe.

Politically there have been a lot of disagreements and discussions regarding this question and the generally accepted definition have not been agreed. From that reason it can be differently defined, depending on the criteria's used. The expansion of the European Union – with more and more countries joining every few years – further diminishes the importance of the precise definition from which countries is Central and Eastern Europe composed of. Therefore the term Central and Eastern Europe will be used to describe a common market that comprises following countries: Poland, Czech Republic, Slovakia, Switzerland, Austria, Hungary, Slovenia, Croatia, Romania, Moldova, Serbia, Bosnia and Herzegovina, Montenegro, Bulgaria, FYR of Macedonia, Albania and Greece.

Finally, the term Central Eastern European Football League presents an ambitious, comprehensive and innovative project of creation of cross border/regional league that should help the biggest clubs from these countries to become more competitive in comparison with the biggest clubs from the big five leagues as well as to boost the interest of supporters for domestic competitions and bring them back to the almost empty stadiums. The biggest clubs from the involved countries would play the cross border/regional leagues, organised as regular season competitions and use it as a platform to become successful again in UEFA competitions. The domestic premier leagues would become second leagues to the CEEFL.

### 3.2. The common denominator for all domestic premier leagues in CEEFL region?

Every national league has its specific characteristics. The mounting question is how to tackle the problems that are threatening to seriously damage professional football in every single country in the region and are therefore common denominator for all the leagues:

- Lack of competitive balance within the leagues,
- Financial instability: cash flow problems and deficits and the end of the year which result in permanent rising of indebtedness of the clubs,
- Lack of the clubs' ability to compete against the clubs from the big five leagues,
- Decreasing number of spectators in the stadiums,
- Lack of interest for the matches of the leagues for the national broadcasters.

One can argue that all above mentioned characteristics present "actual football cancer" for professional football in general. However, as every therapy for the cancer's curing has to be prescribed individually and according with the diagnosis, the solutions for similar kind of problems in professional football does not have to be identical for all the national leagues in Europe. For that reason this project is based on certain aspects that are specific for the concerned region.

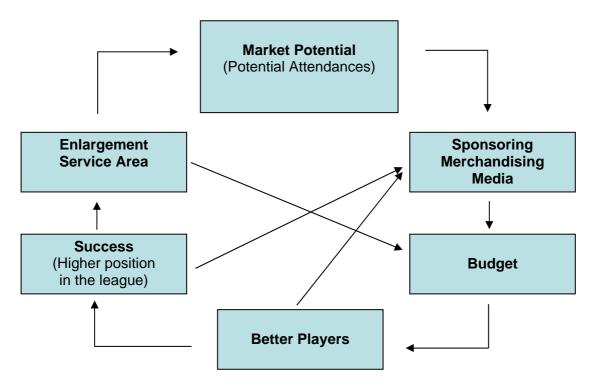
# **3.2.1. Market Potential**

The relatively small size of domestic market – especially when compared with the markets in big five leagues – of all the countries considered for CEEFL is one of the main reasons for incapability of the big clubs in Central and Eastern Europe to become competitive against the big clubs in the big five football nations. According to Marcel Benz, Head of Sports Legal Services and Club Licensing at UEFA, "the Swiss Super League is changing its objective as a league focusing on being an educational league. This means that the league will work as a potential place where big clubs could send their young and inexperienced players with a lot of talent in order to grow up and

develop by playing first league football<sup>227</sup>. In order to be competitive Austria and Switzerland could join the CEEFL and avoid becoming "student's league".

Due to already mentioned relatively small size of domestic markets, the quality of football played in the premier leagues in the countries considered for CEEFLF is drifting in the direction of the quality of the football played in the secondary, third and forth divisions in bigger European countries. Dejonghe and Vandeweghe have concluded that the transformation of professional football into a media-corporations-merchandising-markets model throughout Europe was the main factor of the declining because the markets in concerned countries were too small to be competitive.<sup>28</sup>

Figure 1. Endogenous Growth Model;



Source: Dejonge (2001, p.301)

Furthermore, they have remarked that in a closed-product market environment for football, clubs in countries and cities with small populations have a competitive disadvantage. They claim that the long term success of professional football could be seen as an endogenous demand-oriented growth model. The key variable is market potential, and the Central and Eastern European countries cannot compete with larger countries and especially not in the group or knock out stages of the UEFA Champions League.

| Country                   | Population  | Capital    | GDP/PPP<br>(billion USD) | Per Capita<br>(USD) | Human Deve<br>Index (F |        |
|---------------------------|-------------|------------|--------------------------|---------------------|------------------------|--------|
| Albania                   | 3,600,523   | Tirana     | 19.818                   | 6,259               | 0.784                  | Medium |
| Austria                   | 8,199,783   | Wien       | 279.500                  | 35,500              | 0.944                  | High   |
| Bosnia and<br>Herzegovina | 3,935,000   | Sarajevo   | 31.100                   | 9,168               | 0.8                    | High   |
| Bulgaria                  | 7,679,290   | Sofia      | 87.156                   | 10,843              | 0.816                  | High   |
| Croatia                   | 4,555,000   | Zagreb     | 68.210                   | 15,355              | 0.846                  | High   |
| Czech<br>Republic         | 10,287,189  | Prague     | 236.536                  | 23,100              | 0.885                  | High   |
| FYR of<br>Macedonia       | 2,055,915   | Skopje     | 15.780                   | 7,645               | 0.796                  | Medium |
| Greece                    | 11,170,957  | Athens     | 305.595                  | 27,360              | 0.921                  | High   |
| Hungary                   | 10,064,000  | Budapest   | 208.157                  | 20,700              | 0.869                  | High   |
| Moldova                   | 4,320,490   | Chisinau   | 9.367                    | 2,962               | 0.694                  | Medium |
| Montenegro                | 684,736     | Podgorica  | 11.458                   | 3,800               | 0.788                  | Medium |
| Poland                    | 38,518,241  | Warsaw     | 566.886                  | 14,880              | 0.862                  | High   |
| Romania                   | 22,276,056  | Bucharest  | 229.900                  | 10,661              | 0.805                  | High   |
| Serbia                    | 10,147,398  | Belgrade   | 54.310                   | 7,234               |                        |        |
| Slovakia                  | 5,447,502   | Bratislava | 87.320                   | 16,041              | 0.856                  | High   |
| Slovenia                  | 2,009,245   | Ljubliana  | 43.690                   | 25,266              | 0.910                  | High   |
| Switzerland               | 7,507,000   | Bern       | 264.100                  | 32,300              | 0.947                  | High   |
| Total                     | 152,458,325 |            | 2,519                    | 269,074             | 13.52                  |        |
| Average                   | 8,968,137   |            | 148.170                  | 15,828              | 0.845                  |        |

Figure 2. Detailed evaluation of market potential in for the CEEFL countries and region.

Source: www.wikipedia.com

Taking into account all the 18 countries involved in the CEEFL, a common market is created, with a total population of approximately 152,5 million, the average GDP per capita of 15.828 dollars and relatively strong Human Development Index. The growing purchasing power in the region is a very strong indicator of market potential in CEEFL. See Figure 2 for detailed evaluation of market potential in CEEFL region.

In addition, the average size of the market for every first division club in all the countries concerned is a lot smaller than the average size of the market in the most successful countries. In Germany, for example, there is 1 first-division club for every 4.6 million residents, in England, France and Italy

there is 1 club for every 3 million residents, in Spain there is 1 club for every 2 million residents. Figure 2 shows all figures regarding market potentials and average markets for every first division club in all Central and Eastern European countries.

**Figure 3.** Shows all figures regarding market potential and average market for every first division club in every CEEFL country.

| Country                | No. of teams in 1st division | Population  | Average market for every<br>first division club |
|------------------------|------------------------------|-------------|-------------------------------------------------|
| Albania                | 12                           | 3,600,523   | 300,044                                         |
| Austria                | 10                           | 8,199,783   | 819,978                                         |
| Bosnia and Herzegovina | 16                           | 3,935,000   | 245,938                                         |
| Bulgaria               | 16                           | 7,679,290   | 479,956                                         |
| Croatia                | 12                           | 4,555,000   | 379,583                                         |
| Czech Republic         | 16                           | 10,287,189  | 642,949                                         |
| FYR of Macedonia       | 12                           | 2,055,915   | 171,326                                         |
| Greece                 | 16                           | 11,170,957  | 698,185                                         |
| Hungary                | 16                           | 10,064,000  | 629,000                                         |
| Moldova                | 10                           | 4,320,490   | 432,049                                         |
| Montenegro             | 12                           | 684,736     | 57,061                                          |
| Poland                 | 16                           | 38,518,241  | 2,407,390                                       |
| Romania                | 18                           | 22,276,056  | 1,237,559                                       |
| Serbia                 | 12                           | 10,147,398  | 845,617                                         |
| Slovakia               | 12                           | 5,447,502   | 453,959                                         |
| Slovenia               | 10                           | 2,009,245   | 200,925                                         |
| Switzerland            | 10                           | 7,507,000   | 750,700                                         |
| Total                  |                              | 152,458,325 |                                                 |
| Average                |                              | 8,968,137   | 632,483                                         |

Source: http://www.european-football-statistics.co.uk/league.htm

# **3.2.2.** Competitive Balance (CB)

From the figure 4 in appendix 1, it can be concluded that every CEEFL country has been dominated by two to three teams since the season 2000/01. This clearly shows that taking the best teams away from national leagues, would not damage their competitive balance but only increase it since all the remaining clubs have a chance to win. According to Troelsen & Dejonghe, in a league with high competitive balance, all teams at the start of the season have a realistic expectation to perform well and end up high in the final ranking.<sup>29</sup>

Groot <sup>30</sup> remarks that until the mid 1990s, even for the most successful European football teams the financial stakes involved in European Cup competitions were still modest compared to the more regular flow of revenues from participating in the competition at the national level. In contrary, now that both, the number of matches to be played and the revenues are increased in the Champions League, the revenue generating function of the European inter-league competition relative to the domestic competition gains in importance. As Hoehn and Szymanski convincingly state, this will have large repercussion on the competitive balance in the domestic leagues. Firstly they show that on average there is a very strong relationship between sportive success and wage expenditures on playing talent. Secondly, in a very schematic but explanatory satisfactory way, they show that interlocking system of European football has a negative effect on the CB of the domestic leagues, because talent ratio of two teams, one playing only domestically, the other European as well, declines due to additional revenue base of the team playing also at European level. As a consequence, sooner or later the more successful football teams which regularly play in European Cup competitions, notably the financially attractive Champions League, will outgrow the domestic competitions and will form a stand-alone super league, without promotion and relegation. <sup>31</sup>

According to Groot: The mechanism behind this view on the future development of European football is that if the relative importance of the European competition increases, then the investment of the Euroleague teams in talent also grows. While this maintains competitive balance in the Euroleague, the smaller teams in national competition are left behind and domestic competition becomes more unbalanced. The more competitive balance is valued (at the European level), the faster the value of domestic competition is eroded. The team playing both at a national and European level will have a much larger stream of revenues and as a consequence a much larger budget to attract talents than the team performing only nationally. <sup>32a</sup> Therefore, creating a competitive balanced CEEFL, will benefit the clubs since only "the best of the best" in this region will compete against each other. The CEEFL could be understood as the league which uses the same philosophy to that of UEFA Champions league: "Giving fans the best club football competition in the world" <sup>33</sup>. CEEFL will have the same philosophy applied in the Central and Eastern European region.

### **3.2.2.1.** The influence of the spending power on the competitive balance

Inequality in the income has been reflected in the inequality in spending on the players wages. It is well established that in European football markets there is a strong correlation between playing success and spending on player salaries. Since most of the money generated by the UEFA Champions League came from TV contracts in the big five countries, clubs from these countries lobbied for a larger share of the rents, and in 1997 UEFA granted these countries up to 4 places in the tournament, in contrast to the single place they had formerly received. As a result, big clubs in big countries saw a significant boost of their income, while clubs from smaller countries found it harder to compete. For example, in the three decades between 1967 and 1996, 43% of semi final places in the top European club competition were taken by teams from the big five countries, while in the last decade they have taken 90% of the places.<sup>34b</sup> Logical consequence of the above mentioned figures is the increasing gap between incomes of the clubs in big five and the clubs in the rest of Europe.

In addition to the above mentioned, figure 5 shows the Champions League revenues on country level (€ million) for two periods of 7 years. It shows that smaller leagues such as Holland and Belgium have a competitive disadvantage compared to the big leagues.

| Figure 5. Shows the UEFA | Champions League | revenues on | country level | (€ million) for two |
|--------------------------|------------------|-------------|---------------|---------------------|
| periods of 7 years.      |                  |             |               |                     |

| Country | 1992-1998 (7 years) | 1999-2005 (7 years) | Total  |
|---------|---------------------|---------------------|--------|
| England | 102.5               | 465.59              | 568.09 |
| Spain   | 58.86               | 467.01              | 525.87 |
| Italy   | 85.13               | 424.02              | 509.15 |
| Germany | 74.96               | 410.46              | 485.42 |
| France  | 46.51               | 331.12              | 377.63 |
| Holland | 44.43               | 124.38              | 168.81 |
| Belgium | 9.87                | 45.27               | 55.14  |

Source: Dejonghe 2006

Due to the pressure of the rich teams in 1999 UEFA introduced the so called market pool, which divides the revenues from the UEFA Champions League according to the field performance and the broadcasting market. This results in an advantage for teams from the big five because of their large broadcasting markets. As a result, the probability of sportive successes for teams from smaller

markets is declining. This could have a long term effect since the lack of interest in UEFA Champions League from countries other than England, Spain, Italy, France and Germany could decline due to the fact that only teams from the big five markets will fight for the title every season as figure 6 in appendix 2 shows. This means less income for the broadcasting companies and as a result a declining flow of money from the secondary and other countries to the UEFA.<sup>35</sup> Historical overview of UEFA Champions League shows how the biggest clubs from Central and Eastern Europe were very competitive from the very beginnings of Europe's most prestigious competition and how their decline started in the aftermath of the political collapse of Eastern block, disintegration of some of the countries and changing nature of the business of football previously mentioned.

### 3.2.3. Club's different objectives

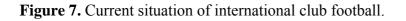
Closely connected with competitive balance is the issue of different clubs' objectives within the leagues. The newly formed cross border/regional leagues offer a constructive framework for efficient clubs' selection according to its individual objectives.

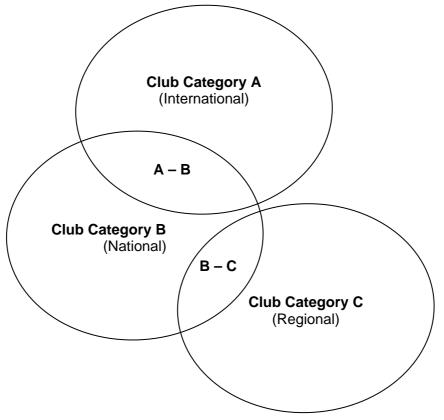
Small and big clubs apparently have different objectives in both economic and sporting terms.

Today, all professional football clubs can be subdivided into three groups:

- A The leading teams-elite European clubs which aim at obtaining sporting results with almost unlimited economic resource.
- B Teams that aim at obtaining sporting results with limited resources group of big clubs from small football nations and certain number of small clubs in big football nations.
- C The small clubs which aim at obtaining economic results linked to their sporting results.

According to Pierre Lanfranchi in Figure 7, the club category A focuses on an international level and is composed of 25 clubs with about 500 players (mostly G 14 clubs). The club category B focuses on a national level and is composed of 250 clubs with about 5.000 players (top and national clubs in their respective countries). The club category C focuses on a regional level and is composed of 2.500 clubs with about 50.000 players (2<sup>nd</sup> and 3<sup>rd</sup> division clubs). In between the three categories, there are another two sub categories A-B and B-C. This makes that a club or a player from category group C cannot go directly to category group A. The aim of this situation is that A wants to differentiate itself from the rest, B wants to become an A and C wants to go towards the B. <sup>36</sup>



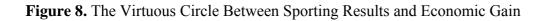


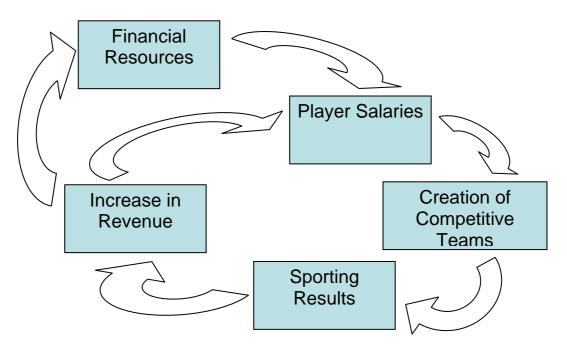
Source: Pierre Lanfranchi (2006), International player transfers, FIFA Master – Humanities Module, Leicester, 19/10/2006.

The clubs playing in the UEFA Champions League need to spend more on players in order to be competitive at the European level. The clubs aiming for success in European tournaments have found a necessity to extend their squads and adopt player rotation systems due to the increased number of matches. This has, in turn, increased costs due to the extremely high wages leading players can demand. Increased costs economically require rising of the revenue. That means that the big teams from the concerned countries have to play more qualitative matches during the season.

Supporting the example of Figure 8 shown below is the story about recent developments in FC Barcelona. Backed by the local government Joan Laporta won his presidential campaign in 2003. He set out to install virtuous circle "whereby the three areas - social, economic and sporting – would work together as interconnected wheels within a gear which would power the club forward".<sup>37</sup> In order to achieve that Laporta signed Ronaldinho in 2003. The great Brazilian artist didn't just bring pure footballing joy back to FC Barcelona. With him came the success on the pitch, with the success on the pitch came more money in with more money FC Barcelona was able to buy more players of superb quality such as Samuel Eto'o, Deco, Rafael Marquez and recently Thierry

Henry, with cumulative cost of approximately 100 million euros. Due to increased success and increased revenues FC Barcelona is nowadays able to stage two almost equally strong teams. Real Madrid, Manchester, Chelsea, Internazionale and AC Milan, follow the same strategies in order to stay competitive on all fronts.





Source: Lago, Baroncelli and Szymanski (2004)

Small clubs in remaining domestic premier leagues, on the other hand, would be less under pressure because the domestic competitions would be more balanced and the clubs would spend less money for new acquisitions because they would not need to compete with big clubs anymore. The small teams, just like enterprises in other business sectors, would aim at gaining a profit from their investments. Profit, of course, would be conditioned by sporting results. These teams would act as nurseries or feeder clubs for bigger ones by acquiring younger players at lower costs, developing them and selling their contracts later to the better clubs. In the act of unusual business and sporting collaboration, the bigger and therefore richer clubs from CEEFL would be sending its young players to mature in the clubs in domestic premier leagues (see figure 9).

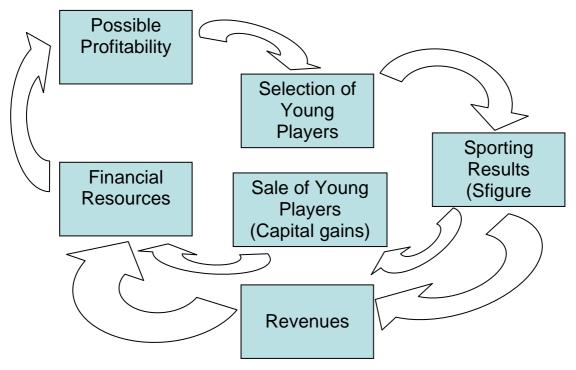


Figure 9. The Virtuous Circle between Sporting Results and Economic Gain for small clubs

# 3.2.4. Attendance

In figure 10, it can be observed that as expected, the attendances in big five leagues are on the top of the table followed by the English second league Coca Cola Championship where the average attendance (18.221) is almost as high as in Serie A in Italy (18.473). With an average attendance of 9.673 Swiss Super League tops the leagues considered for CEEFL. It is important to mention at this stage that the average attendance of the second divisions in big five as well as the third division in England is higher than the average attendance in the first divisions in Poland, Greece, Romania, Czech Republic, Croatia, Slovakia, Bulgaria, Serbia, Slovenia, Macedonia, Montenegro and Hungary. Even more striking is the fact the fourth league in England has a higher average attendance than the first divisions in Croatia, Slovakia, Bulgaria, Serbia, Slovenia, Slovenia, Montenegro, Macedonia and Hungary!

Source: Lago, Baroncelli and Szymanski (2004)

| League                                      | Country                    | Total<br>Attendance        | Average<br>Attendance      |
|---------------------------------------------|----------------------------|----------------------------|----------------------------|
| Bundesliga                                  | Germany                    | 11,899,765                 | 38,888                     |
| Premier League                              | England                    | 13,057,940                 | 34,363                     |
| La Liga                                     | Spain                      | 10,958,440                 | 28,838                     |
| Ligue 1                                     | France                     | 8,290,346                  | 21,817                     |
| Serie A                                     | Italy                      | 7,019,740                  | 18,473                     |
| Football League "Coca-Cola"<br>Championship | England                    | 10,057,992                 | 18,221                     |
| Eredivisie Football                         | Netherlands                | 5,523,957                  | 18,052                     |
| Bundesliga 2                                | Germany                    | 5,145,311                  | 16,815                     |
| Scottish Premier League                     | Scotland                   | 3,692,232                  | 16,194                     |
| Portuguese Liga                             | Portugal                   | 2,552,640                  | 10,636                     |
| Swiss Super League                          | Switzerland                | 1,741,140                  | 9,673                      |
| Serie B                                     | Italy                      | 3,954,720                  | 8,560                      |
| Austrian Bundesliga                         | Austria                    | 1,443,960                  | 8,022                      |
| Segunda Division                            | Spain                      | 3,660,888                  | 7,924                      |
| Football League One                         | England                    | 4,133,928                  | 7,489                      |
| Ligue 2                                     | France                     | 2,588,940                  | 6,813                      |
| Polish Premier League                       | Poland                     | 951,860                    | 6,783                      |
| Super League Greece                         | Greece                     | 1,541,760                  | 6,424                      |
| Liga 1                                      | Romania                    | 1,657,602                  | 5,417                      |
| Czech Premier League                        | Czech Republic             | 1,169,740                  | 4,874                      |
| Football League Two                         | England                    | 2,281,416                  | 4,133                      |
| Prva HNL                                    | Croatia                    | 598,158                    | 3,021                      |
| Corgon Liga                                 | Slovakia                   | 624,024                    | 2,889                      |
| Bulgarian A Professional Football Group     | Bulgaria                   | 669,600                    | 2,790                      |
| Meridian Superliga                          | Serbia                     | 519,948                    | 2,626                      |
| Arany Aszok Liga                            | Hungary                    | 588,720                    | 2,453                      |
|                                             | Source: <u>http://www.</u> | european-football-statisti | <u>cs.co.uk/league.htm</u> |

**Figure 10.** The following figure shows the attendances for the season 2006/07 for some of the European football leagues.

Humphreys stated that "competitive balance is thought to be an important determinant of demand for sporting events. The conventional wisdom holds that to induce fans to purchase tickets to a game or tune in to a broadcast, there must be some uncertainty regarding the outcome". <sup>38</sup> Neal called this phenomenon the League Standing Effect.<sup>39</sup> Due to the lack of competitive balance within a league, fan interest in weaker teams will fall and, eventually, fan interest in stronger teams will also decline. Wladimir Andreff, using the Sloanes paradox, claimed that "if in the same competition one allows the winners to use their financial gains to strengthen the team by buying players, while the beaten get weaker and enjoyment, stakes and uncertainty are reduced, this will depress the number of spectators and the ticket receipts across the league". <sup>40</sup>

According to Hoehn and Szymanski, international matches are/will be more popular than matches between domestic teams. <sup>41b</sup> This is proved in figure 11 in appendix 3, where we evaluated all the

UEFA Champions League games that were played among the clubs from the CEEFL region from season 2000/01 to 2005/06. It shows clearly that these particular matches were definitely more attractive than the average national competition matches. Taking into account that tickets for the UEFA Champions League matches were more expensive than tickets for national championships, we can conclude that the international matches between teams from involved countries have been considerably more popular than the matches in the domestic premier leagues.

### **3.2.5.** Incapability of keeping qualitative players within national leagues

Lack of stable financial sources generated from "regular football business operations" results in cash flow problems and deficits at the end of the year. To solve this problem, the big clubs have had to sell the contracts of their most valuable players on the transfer market. The selling of the contracts of young talents presents a football loss to the domestic leagues and partially contributes to its further decrease of competitiveness in comparison with the big five leagues. Very often the clubs have been compelled to sell the contracts of their best players even if those transfers have been in contrast to their objectives for the upcoming seasons. For example, they would sell the contracts of their best players from the previous season although they had declared that their primary objective for the upcoming season would be qualification for the final round of one of the international tournaments.

In Romania for example, one of the teams that are very famous for selling players is Dinamo Bucharest. In march 2006 the club's president Ioan Becali, the best player's agent in the country before being appointed the president of Dinamo, decided to quit his position due to a decision of transferring the players George Galamaz and Stefan Grigorie to Polish club Wisla Krakow without his permission. He stated "I don't agree with this move which is contrary to Dinamo's interests. My decision to quit is final and it will be effective in a few days". Becali argued that the sale of the players' contracts weakened the club's position towards the winning of the league and securing a spot in the following season's UEFA Champions League. <sup>42</sup> Figure 12 in appendix 4 shows how many important players' contracts Dinamo sold from year 2000 to year 2006.

Furthermore, Dragan Stojkovic, the president of FC Red Star Belgrade, analysing the elimination of his club from the UEFA Cup for the season 2006/07 after playing two home-away matches against Czech representative FC Liberec, gave a statement to a daily newspaper where he emphasised the reasons for not qualifying to the next stage. He said that he had to sell best players in order to

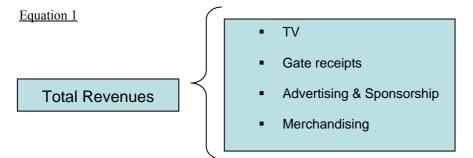
decrease the total debt that had been made during the presidency of his predecessor. Dusan Bajevic, the couch, agreed with the president and added that the main reasons for the failure were the selling a lot of key players that had been being worked with during the preseason without bringing adequate substitutions. <sup>43</sup>

The possible solution that can prevent the negative trend explained above could be offered through organising new cross border/regional competitions such as CEEFL.

#### 3.2.6. Increased Clubs' Revenues

Solberg & Gratton assume that for clubs from some of the smaller soccer nations, a cross border league may well prove economically optimal, since the income they would loose from ceasing to play in their domestic tournaments would be moderate. Since the opportunity costs are low, it takes less to make such a league profitable for the clubs involved.<sup>44</sup> The CEEFL would be organised under UEFA umbrella and the clubs would qualify for UEFA competitions from CEEFL directly and in accordance with their rank position on the list after finishing the regular season competition. Furthermore, the clubs that would be eligible to play the CEEFL would be obliged to take participation in their respective national cup competitions what would give it extra value and importance.

Equation 1 shows the main revenue sources of a football club:



Equation 1a more precisely shows where the money comes from playing domestic tournaments:

Equation 1a



TV = TV domestic league + TV domestic Cup
Gate receipts = Gate receipts domestic league + Gate receipts domestic Cup
Advertising & Sponsorship
Merchandising

Equation 2 shows the main revenue sources of a football club that plays in a domestic competition as well as in an international competition:



Taking into account the mentioned equations (1, 1a and 2) it shows that the club's revenue sources grow by playing in the domestic premier league, domestic cup and UEFA competitions. Analysing current situation where CEEFL does not exist, it is clear that the current revenue sources from domestic league matches are insufficient to cover basic organizational expenses. It is to be assumed that the matches played within the CEEFL would be more popular than the current domestic premier leagues' matches; all clubs that will participate in CEEFL can reasonably expect increased revenues. Furthermore, due to increased quality of the clubs that will qualify from CEEFL to UEFA competitions it can be assumed that they will be able to go further in UEFA competitions. This, in consequence, means increased revenues for the clubs. Moreover, it is expected that CEEFL will generate enough revenues through successfully selling TV rights and attracting sponsor's interest. The revenues generated by CEEFL will in consequence be distributed back to the clubs in CEEFL and through National Associations back to the clubs in domestic leagues. Last but not least, the increased attendance in CEEFL will enable participating clubs to further increase their revenues through gate receipts, better shirt sponsorship's deals and merchandising which will all be exclusively managed by the clubs themselves.

Based on the information mentioned above, we've chosen to divide the CEEFL revenue sources in the following format:

- Broadcasting,
- Commercial,
- Match day.

Figure 13 in appendix 5 shows some of the CEEFL football clubs and their current annual budgets for the 2006/07 season.

Broadcasting revenues will involve all TV and media; commercial revenues will only focus on the sponsorship side, not including the licensing and merchandising; and match day revenues will involve everything related to the match day events such as tickets and hospitality. The important aspect is the way these 3 revenue streams are managed and marketed, which could be observed in figure 14.

**Figure 14.** The ownership structure of broadcasting & media, commercial and match day rights between the CEEFL and its clubs.

| Entity | Broadcasting &<br>Media               | Commercial                         | Match Day                          |
|--------|---------------------------------------|------------------------------------|------------------------------------|
| CEEFL  | 100% ownership of broadcasting rights | 50% ownership of commercial rights | -                                  |
| Clubs  | -                                     | 50% ownership of commercial rights | 100% ownership of match day rights |

Through this concept, the management of CEEFL will have all control over all the broadcasting & media rights. These rights will be marketed in the best possible way to obtain the best possible benefits. According to Peter Willems, Head of Marketing Activities in UEFA, live football is still premium TV product. <sup>45</sup> Due to the fact that the clubs participating in CEEFL do not share the common TV market yet, it is to be assumed that at the first phase the TV rights will be sold country by country.

The commercial rights will be divided into 2 halves, one being managed by CEEFL management and the other half by the clubs participating in the CEEFL. Through this system, it is thought that the 50% belonging to the CEEFL will be marketed on a regional and cross border basis while the 50% belonging to the club will focus on the local and country level. The details of ownership of the commercial rights shall be established before the start of the league.

The match day revenue (gate receipts, hospitality, match day merchandising, food & beverage etc.) will be managed by the clubs only and all revenues coming from these activities will be kept by the clubs.

## **3.2.7. Increased value of domestic players**

Considering the new size of the market in CEEFL and consequently increased quality of teams and increased revenues it can be assumed that:

- The value of the players that would play CEEFL would be significantly increased because of the quality of the competition. At the same time, the elite clubs would have to offer more money in order to attract the best players from the clubs from CEEFL since they will become financially stronger and therefore capable of offering its players better salaries.
- 2. The cross border/regional leagues would positively affect the total number of players' transfers from one country involved in CEEFL to another.
- 3. The intensity of three different and very important competitions CEEFL, domestic cups and UEFA competitions would motivate the clubs from CEEFL to buy the contracts of the talents from domestic premier leagues. The fear, that a player's contract can be bought by a competitor, would boost the value of the players from domestic premier leagues.

## 3.2.8. Revival of clubs brands and prevention of Internationalization

The clubs that would play the CEEFL could have a chance to rebuild or stretch its brand name. Playing in competitive CEEFL league and in consequence becoming more competitive in UEFA competitions would fill Red Star's and Steaua's supporters with the hope and joy they mainly lost in the last decade. On the other hand, "internationalization" of the world's biggest brand in long term presents danger for the big clubs from the countries considered for CEEFL. With their heavy branding and opening academies all over the world, world's biggest clubs are luring the local kids in their fan base and are therefore slowly eroding fan bases of the clubs from the CEEFL countries. According to Francesca Pietra, community manager from AC Milan's commercial department, teams like Internazionale Milano and AC Milan are very successful in attracting new fans by organizing summer camps all over the world. This strategy is used to attract kids as future fans in the period when it is the easiest to win over their hearts. <sup>46</sup> The CEEFL would become common and well organised shield that can prevent the emergence of this phenomenon.

## **3.2.9.** Preserving existing rivalry between the domestic clubs

According to Garcia & Rodriguez historical or regional rivalries present a very important variable that have an effect on attendance. <sup>47</sup> These rivalries would be preserved by organising the leagues in such way that would include all rival clubs from the CEEFL countries (i.e: Red Star and Partizan

from Serbia, Dinamo Zagreb and Hajduk Split from Croatia, Olimpiacos and Panathaicos from Greece, Steaua and Dinamo Bucharest from Romania, etc). It is important to maintain national rivalries, however through CEEFL regional rivalries will also be revived and strengthen. Like this, games that used to be derbies in the past such as Red Star versus Dinamo Zagreb will be alive again. Middle-aged and older supporters from that region still remember and dream about the quality and intensity of the matches that had been played for decades and disappeared after bloodshed splitting began.

#### **3.2.10.** Geographical distance

Solberg and Gratton claim that "geographical distance between the clubs concerned has a negative effect on the attendance for the fixture. This is explained partly by the propensity for derby matches to attract higher gates due to local interest and rivalry, and partly by the financial and practical disincentives for supporters to travel to more distant fixtures." <sup>48</sup> Figure 15 in appendix 6 shows the geographical distances between all the capital countries from the CEEFL region with Warsaw – Athens being the longest distance 2.032 km and Ljubljana – Zagreb the shortest with 139 km. Structuring leagues by taking into account distance between cities where the clubs are located would prevent the negative effect on the attendance.

## 3.2.11. Improvement of infrastructure

The UEFA Club licensing system was introduced for the first time for the 2004/05 season having few objectives such as:

- To encourage clubs to improve their infrastructure and administration,
- To achieve greater financial transparency,
- To show a real commitment to the development of young players.

Clubs were obliged to invest a lot of money for a short period of time in order to get a licence for playing the UEFA international competitions. The clubs from ex-communist countries have been in a disadvantaged position in comparison with the clubs from "western" countries because they were left without the state's financial support over the night. Bearing in mind that this financial source had been one of the main sources for the financing of professional football for more than forty years, it will not be difficult imagining how painful period of the economic transition was for these clubs.

In addition, it is important to mention that the officials of the Romanian football club Dinamo Bucharest mentioned that they could take into consideration playing their home games on the Olimpic Lluis Companys stadium in Barcelona, the home stadium of Spanish team Espanyol Barcelona, during the 2007/08 UEFA Champions League season. The reason behind this act is that their home stadium does not comply with the requirements of UEFA. Vasile Turcu, one member of the management team, confirmed that the sport director of Dinamo Florin Raducioiu, a former player of Espanyol Barcelona, has already had discussion with the officials of the Spanish club in regards to renting their stadium.<sup>49</sup> In Romania for example there is only one stadium that complies with the UEFA criteria's (3<sup>rd</sup> category) for hosting UEFA Champions League games.<sup>50</sup>

The creation of the CEEFL would accelerate the improvement of the stadiums by providing the clubs with more revenues than they can generate by playing domestic premier leagues. Furthermore, the cities and municipalities would be more involved in cooperating with the clubs. Through the club's participation in a cross border/regional competition it will be much easier to put forward the goals that have to be achieved by using the positive image of the sport event. Barget and Gouguet examine "…external effects and determine the total economic value of the sporting event, which would measure the real net social utility created. On this basis, it would be possible to decide whether or not sporting events deserve to be subsidized-and at what level." <sup>51</sup>

In addition, they analyse three kinds of external effects:

- Improving the social cohesion in the area that hosts the sporting event and that can take many forms: improving the social climate, strengthening local identity around a common plan, creating social ties, etc.
- Improving the public image of the area, with regard to the outside world, which could become reality by increasing the attractiveness for tourists, businesses, markets, etc.
- Improving the basic facilities of the area, this, again, could have long-term effects on development: accommodation, transport, culture, sport, the quality of life, etc.

In accordance with these external effects the CEEFL would have a high real net social utility and as a final result, high total economic value of the sporting event what shall justify states' subsidising of the clubs. According to Tony Blair:

"The Government does not and should not run sport. Sport is for individuals, striving to succeed – either on their own or in teams. However those individuals, together or alone, need the help of others – to provide the facilities, the equipment, the opportunities. So there is a key role to play for those who organise and manage sport – local authorities,

sport clubs, governing bodies, the Sport Councils and the Government ...we need to see new thinking and new action about ways to improve sport in our country." <sup>52</sup>

#### **3.2.12.** Benefits for National Associations

Some national associations and leagues may refuse to support this project through fear of staying without its top clubs in the domestic premier leagues because the commercial value of the domestic premier leagues could be diminished.

From that reason, the national associations have to be involved as shareholders whom would be guaranteed certain percentage of total annual revenues of the CEEFL that would be distributed through solidarity program to its domestic premier leagues.

On that way, the clubs that would play the domestic premier leagues would be partially reimbursed for being prevented to play matches against the top teams from its countries.

At the same time through promotion and relegation system that would be preserved, the teams from domestic premier leagues would be provided with a chance to move to a pinnacle competition.

Moreover, the national associations, as organisers of its domestic cups, would benefit from this due to the fact that the CEEFL teams will still participate in this particular competition and the value they bring to the competition will increase. Without doubts, the interest of fans, broadcasters and sponsors for domestic cups would rise, what would increase total revenue of all participants individually.

### 4. Stakeholders, expectations and benefits

## 4.1. UEFA

Traditionally, with a few very minor exceptions, European football has been organised through a series of national leagues under the control of national associations. The top European authority is the UEFA, a federation of national associations, which has ultimate control over all competitions that have been organised through a system of domestic competitions and European competitions. The UEFA has a sole jurisdiction to organise or abolish competitions in Europe in accordance with Article 49.of it's Statutes and therefore all international competitions and international tournaments that are not organised by UEFA or FIFA shall require its approval.

There have been different initiatives up to now where the UEFA was proposed to approve a "crossborder" competition, but only few of them succeeded in satisfying the UEFA high criteria.

|                                                | 1. Half breakaway<br>from National League                                       | 2. Full breakaway from National League | 3. Mergers                                                            |
|------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------|
| Qualification for<br>UEFA Club<br>competitions | Mixture of points from<br>the national league<br>and the cross border<br>league | Via cross-border<br>league             | Via the larger league                                                 |
| Promotion/relegation with National League      |                                                                                 | Yes                                    | Unknown                                                               |
| Example initiative                             | Baltic League                                                                   | Atlantic<br>League/Euroleague          | Big clubs from smaller<br>league joining a big<br>neighbouring league |

Figure 16. UEFA criteria for "cross-border" competitions.

Source: Cross-border competitions in Europe: development of a fixed UEFA policy Meeting of the UEFA Management with UEFA Member Association General Secretaries / CEOs (26-27 October 2005)

UEFA was always very sceptical of these initiatives for various reasons, mostly because UEFA had not been presented with an initiative that is approved by all the involved NAs together with their affiliated clubs.

In 2004/05 two proposals were presented to UEFA where associations and leagues/clubs had reached an agreement:

- 1. "Royal League"–Scandinavia
- 2. "Setanta Cup"-Ireland

Both trial cross-border club competitions in Europe were approved in May 2005:

- Royal League on a one year trial basis with extension now granted for another four more years
- Setanta Cup on a one year trial basis where extension is still under evaluation

The purpose of these trials was to test the interest and feasibility of such competitions.

UEFA made a big step forward by approving the cross-border competitions. A cross-border competition where the best teams would qualify directly into the UEFA Club Competition has not yet been seriously considered.

At the meeting of the UEFA Management with UEFA Member Association General Secretaries which was held on 26-27 October 2005 in Nyon, the conclusion was brought saying that a cross-border competition is not any more an inconceivable solution that can not be introduced as a new international competition in order to prevent certain type of problems but only if such proposal contains a proof that some conditions are a priori satisfied:

- 1. The cross-border competition must be approved by the respective UEFA member associations;
- 2. The cross-border competition must be organized by the respective UEFA member associations;
- 3. All clubs planning to participate in the cross-border competition must be affiliated to a UEFA member association (or to a league/regional football association subordinated to such association);
- 4. Geographical aspects should be taken into consideration when a cross-border competition is being assessed;
- All clubs planning to participate in the cross-border competition must recognise, as a condition of participation, that the ownership of the competition and its core commercial rights belong centrally to the competition organiser –in this case the associations (not the league, clubs, etc.) – not to the individual clubs (same model as the UEFA Champions League);

- 6. Minimum standards should be fixed with regards to the levels of solidarity distributions from the commercial rights revenues (core commercial rights commercialised centrally) for example:
  - i. Minimum 10% of commercial rights revenues must be distributed to amateur football in the countries concerned, via the associations involved;
  - Minimum 10% of commercial rights revenues must be distributed to professional football clubs of the associations concerned but only clubs who are not participating in the cross-border competition concerned (providing that they fulfill, as a minimum, the sporting criteria of the UEFA Club Licensing System);
  - Of the remaining revenues divided amongst the participating clubs, a minimum of 25% (ideally a minimum of 50%) must be distributed equally, with the remainder based on on-field performance.
- The competition regulations must be in compliance with the UEFA statutes/regulations and need to be approved by UEFA;
- 8. Participating clubs must be licensed in accordance with the UEFA Club Licensing System;
- 9. The competition regulations must include, among other things, provisions concerning, for example:
  - i. Refereeing;
  - ii. Disciplinary matters;
  - iii. Independence of clubs (integrity of competition);
  - iv. Anti-doping.
- 10. The cross-border competition must not conflict with the international match calendar;
- 11. The matches of the cross-border competition may not be played on the same day as UEFA club competitions;
- 12. The cross-border competition must not replace the national championships and must be arranged around the calendar of the national championship;
- 13. Approval of FIFA <sup>53</sup>

## 4.2. Fans

Fans are one of the most essential stakeholders for the CEEFL as they will come to the stadiums purchasing match day tickets filling the stadiums and providing an atmosphere needed for the TV coverage. Naturally the fans want the best players playing for the teams at all times in order to see their teams winning matches which will put pressure on the clubs to become more competitive and

buy better players' contracts. It is not easy to evaluate how the fans will affect the league's success but what is certain is that from the psychological level a strong and passionate crowd of fans at team matches may affect team's results on the pitch and will improve the economical situation in the clubs balance statements and effectively boost the league's profits.

#### 4.3. Leagues/National Associations

Other leagues will have a genuine interest in the success of the CEEFL in the competition to raise revenue from TV rights and sponsorship contracts. The European football market is the most developed in the world, however a lot of the revenue is shared between the big 5 leagues. Therefore the smaller leagues are fiercely competing and trying to keep their local fans, sponsorship contracts and revenues from TV rights. A certain monetary percentage will have to be donated from the clubs participating in the CEEFL to the National Association so that they can make solidarity payment instalments to their own national leagues in order to keep them alive and help their development.

#### 4.4. Clubs

In order for the CEEFL to take off, clubs have to accept all UEFA regulations. They also have to accept governance of the National Associations which would be the governing body of the league.

## 4.5. Media

The Media is to be separated into two main sections: the media industry which allocates funds towards the football league, televises games (broadcasters), and the second section comprising of the press and newspapers.

The best way to sell the product would be doing it country by country. For example in Austria the main broadcaster for the 2 possible teams: SV Austria Salzburg and FK Austria Wien would be the Premiere Fernsehen which is a host broadcaster and owns a domestic Pay TV channel. We can expect that on the onset of the CEEFL in Austria the main interest will be in the 2 participating domestic clubs, but in the long run we forecast to have only one main broadcaster for the whole league. Official online streaming of all CEEFL will also be made available so that any fan can have access to any of the broadcasted matches of the league wherever he or she is situated. This will create an increasing interest and involvement of people in the league. The section of the press and newspapers will only have minor affect on the league compared to TV broadcasting. It will in a way promote the league by acknowledging the people of its existence.

#### 4.6. Governments

The extent of the league's involvement in the community will be the government's primary concern. The league may be encouraged to participate by establishing community programs for example at grassroots levels. The governments will also have an economic interest in the operations of the football league in terms of collecting revenues in the form of tax and also the employment benefits that result from a successful league. A successful football league also serves to promote the cities and states in which the league will be exposed. This will have a flow-on effect on the tourism industry and the general branding of the city. Governments may also have a keen interest in the activities of the league, particularly in cases where clubs utilize the government owned stadiums in return for compensation. In that way the governments will have the possibility to improve the infrastructure of the stadiums making them more suitable for competitions of a higher scale.

#### 4.7. Sponsors

A sponsor will attempt to associate their name with successful collective sporting entities such as a football league to benefit from their popularity. The league as a collective entity may be more appealing to a potential sponsor then individual sponsorship contracts as they are likely to raise more income through a comprehensive sponsorship contract. When a league is successful, both game attendance and television spectatorship figures will undoubtedly rise for the league games increasing exposure for the contracting sponsors. Sponsors often expect notorious brand recognition which increases with the league's performance. Another benefit will be to create long term relationships and loyalty towards the league and its fans.

## 4.8. Financial Institutions

Financial institutions will become extremely important stakeholders once the CEEFL is brought to life. It is expected that most of the Clubs in Central Eastern Europe will have financial difficulties and participating in a new league will require monetary aid from financial institutions as more investments will have to be made in order to sustain competitiveness and improve the quality of the League. There is an abundance of domestic banks in that region able to support the financial needs of the represented clubs.

#### 4.9. Players/Coaches

Players and Coaches are the main stakeholders in CEEFL as it is them on which the league will have to rely to provide their best performances. Without them the league would not be able to exist as their power over a league club is never ending. By creating this league it is obvious that the players and coaches will have much more public exposure throughout the world and will have many more chances to be seen by some of the biggest clubs. It is for these reasons that we would expect them to perform on a higher level then they usually do in their national league competitions. Players and coaches usually cost the club anywhere from forty to eighty percent of the clubs total expenses and is therefore very important investments.

## 5. Conclusion

Without doubts, all the CEEFL countries have been faced with a lot of problems that negatively affected their club football.

On the other hand, not only have the clubs from these countries been endangered, but also clubs from other countries, including those ones from the big five football nations, too. Resolving one problem by causing another does not provide sustainability and well-being for all parties. On the contrary, a floor will not be cleaned by putting dust under a carpet. It is a question of time, when the floor has to be clean again.

A critical level has been reached and all club football stakeholders have to be on red alert.

Something has to be done.

What and How?

Solving problems by satisfying all actors sounds almost as a mission impossible. The task becomes even more difficult if all club football stakeholders have to be satisfied because of their great number. "The European Model of Sport", organized as a pyramid structure presents an attempt of preserving a political model of football governance where the main stakeholders are FIFA, UEFA, national associations, regional associations, national leagues and clubs with monopoly role of governing organizations within it.

Simultaneously, professional clubs' transformation from "semi" professional to "totally" professional driven particularly by the transformation of professional football into a mediacorporations-merchandising-markets model has introduced a few very powerful stakeholders (broadcasters, sponsors, investors, shareholders, etc). This group of stakeholders have been attracted to invest their money in the football business by seeing a chance for making and maximising return on investments.

Totally different objectives of these two groups of stakeholders and their struggle for supremacy have restricted the number of possible solutions that can be introduced in order to prevent certain negative trends perceived in the club football of the CEEFL region.

At the same time, the process of globalization has affected all segments of human life. Figuratively, globalization can be seen as a huge round stone tumbling down the slope of the mountain and in long term, all attempts to stop it will be unsuccessful.

Therefore, some solutions that have been used successfully in other industries could be implemented for resolving club football problems. (i.e.: merger of two or more national companies in order to become more competitive at the international level).

From that reason and all reasons previously mentioned in this project, a cross-border competition/league will be a logical measure for the prevention of the natural disadvantages (small market potential, lack of competitive balance, insufficient number of qualitative teams, etc).

On the other hand, a chain reaction that can be caused by making only one wrong step in the wrong direction requires a priori a serious and comprehensive analysis of potential sport, legal and financial implications of possible regional leagues in professional football in Europe.

Taking into consideration all factors, examined in this thesis, which should help us to get an answer if the CEEFL is feasible or not, following conclusion can be drawn:

- Too many involved countries (18) with different political and historical backgrounds, languages, legal systems, status within EU, populations, economic power and football potentials, preferences, is one of the main reasons why the creation of more regional leagues consisted of two or more countries has to be considered here as the only real option in this moment;
- Geographical distances between the capitals of the CEEFL countries is one more reason for structuring more leagues in this region instead of creating only one;
- Incapability of making a common TV market for all the CEEFL countries presents a serious disadvantage for further financial calculations and refers to the above suggested solution;
- UEFA does not exclude an option to approve such a cross-border competition, but at the same time establishes a lot of conditions that have to be fulfilled a priori by all interested parties.

To sum up, full regionalization of European club football is still few years, maybe even decades away. Waiting for the best practice, that will widely open, till now locked door of cross-border leagues, it could be assumed that the revival and implementation of "Adriatic Division" – consisting of the countries that seventeen years ago still formed ex-Yugoslavia – is the first step to be taken in that direction.

#### 5. 1 Recommendation: CEEFL – Adriatic Division

#### 5.1.2 The market

Considering that needed, but politically tricky full regionalisation of European club football is still few years, maybe even decades away, it could be assumed that the revival and the implementation of Adriatic Division – consisting of the countries that seventeen years ago still formed Yugoslavia – is the first step to be taken in that direction. Below it will be shown all the benefits for the biggest clubs from the countries that used to be part of common and very strong footballing market called Yugoslav League – Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Macedonia and Montenegro – but were due to the historical political changes overnight relegated to the lower divisions, called Republic Leagues under Yugoslav system. Figure 17 explain that Adriatic Division would be a market of 23 million people, with the total GDP/PPP of 225 billion USD (an average of 37 billion per country) and an average GDP Per Capita of 11.411 USD. That, together with the encouraging signals from the Human Development Index (HDI) - as a comparative measure of life expectancy, literacy, education and standard of living it can be seen that the average is high with a range of 0.828 - shows that spending power in the six countries is growing, with Slovenia leading the pack.

| Country                   | Population | Capital   | GDP/PPP (billion Per Capita<br>USD) (USD) |        | Develo | nan<br>opment<br>(HDI) |
|---------------------------|------------|-----------|-------------------------------------------|--------|--------|------------------------|
| Bosnia and<br>Herzegovina | 3,935,000  | Sarajevo  | 31.100                                    | 9,168  | 0.800  | High                   |
| Croatia                   | 4,555,000  | Zagreb    | 68.210                                    | 15,355 | 0.846  | High                   |
| FYR of Macedonia          | 2,055,915  | Skopje    | 15.780                                    | 7,645  | 0.796  | Medium                 |
| Montenegro                | 684,736    | Podgorica | 11.458                                    | 3,800  | 0.788  | Medium                 |
| Serbia                    | 10,147,398 | Belgrade  | 54.310                                    | 7,234  |        |                        |
| Slovenia                  | 2,009,245  | Ljubliana | 43.690                                    | 25,266 | 0.910  | High                   |
| Total                     | 23,387,294 |           | 225                                       | 68,468 | 4.140  |                        |
| Average                   | 3,897,882  |           | 37                                        | 11,411 | 0.828  | High                   |

| Figure 17. Detailed evaluation | of market pot | tential for the f | ormer Yugoslav | CEEFL countries. |
|--------------------------------|---------------|-------------------|----------------|------------------|
|                                |               |                   |                |                  |

Source: www.wikipedia.com

#### 5.2. The structure of CEEFL – Adriatic Division

Figure 18 shows how the league will be structured in terms of the number of teams and their respective countries. The team selection will be done according to the UEFA country ranking for year 2007, but historical importance of the clubs is duly considered. Countries with a higher UEFA country ranking will, logically, stage the most teams in the first edition of the CEEFL – Adriatic Division.

**Figure 18.** Former Yugoslav countries, UEFA country ranking and amount of clubs they will have in the CEEFL – Adriatic Division.

|                        | UEFA Country Ranking 2007 | Teams |  |  |
|------------------------|---------------------------|-------|--|--|
| Serbia                 | 21                        | 4     |  |  |
| Croatia                | 26                        | 4     |  |  |
| Slovenia               | 29                        | 3     |  |  |
| Bosnia and Herzegovina | 30                        | 3     |  |  |
| FYR of Macedonia       | 38                        | 2     |  |  |
| Montenegro             | 53                        | 2     |  |  |
|                        | Total                     |       |  |  |

Source: UEFA European Club Football (results & qualifications by Bert Kassies) http://www.xs4all.nl/~kassiesa/bert/uefa/

The CEEFL – Adriatic Division will consist of a total of 18 teams since this is according to UEFA an excellent size for a football league. This division will join all the six National Associations and stay under their governance. Every country's National League will act a second league to this division. Every season will consist of 34 games (17 home games and 17 away games for each team). The first teams that will form part of this division can be seen in Figure 19 and they are normally strong teams in each of their National League where these teams will later on compete against the strongest teams in Europe, mainly coming from the big five countries.

|    | Club                  | Country                |  |  |
|----|-----------------------|------------------------|--|--|
| 1  | FK Sarajevo           | Bosnia and Herzegovina |  |  |
| 2  | Zrinjski              | Bosnia and Herzegovina |  |  |
| 3  | Zeljeznicar           | Bosnia and Herzegovina |  |  |
| 4  | Dinamo Zagreb         | Croatia                |  |  |
| 5  | Hajduk Split          | Croatia                |  |  |
| 6  | HNK Cibalia           | Croatia                |  |  |
| 7  | NK Osijek             | Croatia                |  |  |
| 8  | AK Rabornicki Skopje  | FYR of Macedonia       |  |  |
| 9  | FK Makedonija Skopje  | FYR of Macedonia       |  |  |
| 10 | FK Buducnost          | Montenegro             |  |  |
| 11 | FK Zeta               | Montenegro             |  |  |
| 12 | NK Domzale            | Slovenia               |  |  |
| 13 | Olimpija Ljubljana    | Slovenia               |  |  |
| 14 | NK Maribor            | Slovenia               |  |  |
| 15 | FC Red Star, Belgrade | Serbia                 |  |  |
| 16 | FC Partizan, Belgrade | Serbia                 |  |  |
| 17 | OFK Belgrade          | Serbia                 |  |  |
| 18 | FK Vojvodina Novi Sad | Serbia                 |  |  |

**Figure 19.** Considered clubs that will compete in the first CEEFL – Adriatic Division (name of club and country of origin).

The CEEFL – Adriatic Division will also work under the UEFA competitions umbrella. This means that the top clubs from this league will later on qualify for UEFA competitions such as Champions League and UEFA Cup. Normally, the countries involved have one team per country (winner of National League) in the UEFA Champions League qualification rounds. Serbia starts in the QR2 and the remaining countries start in the QR1. In the UEFA Cup qualifications every country is represented by two teams (winner of National Cup and  $2^{nd}$  place in the National League) where only Serbia has one extra team ( $3^{rd}$  in the National League) compared to the others. All these teams (13 teams) will start to play in the QR1 of the competition. Through the creation of the CEEFL – Adriatic Division, the UEFA competitions qualification will change. Figure 20 will show the change and how many teams qualify for each competition and which round it starts to play.

**Figure 20.** Structure of UEFA competitions qualifications for the teams in the CEEFL – Adriatic Division.

| Position in CEEFL – Adriatic Division        | Qualification Round<br>UEFA Competition |  |  |  |  |  |
|----------------------------------------------|-----------------------------------------|--|--|--|--|--|
| UEFA Champions League                        |                                         |  |  |  |  |  |
| Winner of CEEFL – Adriatic Division          | R1 (group stages                        |  |  |  |  |  |
| 2 <sup>nd</sup> in CEEFL – Adriatic Division | QR3                                     |  |  |  |  |  |
| 3 <sup>rd</sup> in CEEFL – Adriatic Division | QR3                                     |  |  |  |  |  |
| Total Teams                                  | 3                                       |  |  |  |  |  |
| UEF/                                         | A Cup                                   |  |  |  |  |  |
| 4 <sup>th</sup> in CEEFL – Adriatic Division | R1                                      |  |  |  |  |  |
| 5 <sup>th</sup> in CEEFL – Adriatic Division | R1                                      |  |  |  |  |  |
| 6 <sup>th</sup> in CEEFL – Adriatic Division | R1                                      |  |  |  |  |  |
| 6 National Cup Winners                       | QR1                                     |  |  |  |  |  |
| Total Teams                                  | 9                                       |  |  |  |  |  |

For the UEFA Champions League, from a total of six teams qualifying previously, only 3 teams will qualify. For the UEFA Cup, from a total of 13 teams qualifying previously, only 9 teams will qualify. These changes will make that only the strongest teams will aspire for qualification to UEFA competitions.

## 5.3. Promotion and relegation:

The following criteria include the promotion and the relegation:

- 17<sup>th</sup> and 18<sup>th</sup> teams from CEEFL Adriatic Division get relegated to the play-off stage.
- Winners of each National Leagues (6 teams) will be promoted to the play-off stage.
- Playoffs between the two relegated teams and the six promoted teams will be played in two groups of 4 teams each. The winners of each group will be promoted into CEEFL Adriatic Division. The winners from the National Leagues competing in the play off will be selected to the two groups with a draw (see figure 21).

| Group 1                                      | Group 2                                      |
|----------------------------------------------|----------------------------------------------|
| 17 <sup>th</sup> CEEFL                       | 18 <sup>th</sup> CEEFL                       |
| Serbia's or Croatia's National Winners       | Serbian or Croatian National Winners         |
| Slovenia's or Bosnia's National Winners      | Slovenia's or Bosnia's National Winners      |
| Macedonia's or Montenegro's National Winners | Macedonia's or Montenegro's National Winners |

#### Figure 21. Promotion and relegation playoff groups of the CEEFL – Adriatic Division.

## **5.4. Encouraging facts and numbers**

- 1. The quality of football will improve dramatically.
- 2. Combining the strongest teams from each of the six countries will make the league competitively balanced.
- 3. National Leagues will become second leagues to the CEEFL Adriatic Division.
- The clubs from National Leagues will become talent recruitment pools for clubs in the CEEFL – Adriatic Division.
- 5. Historical rival teams such as Red Star Belgrade, Partizan Belgrade, Dinamo Zagreb, Hajduk Split, FK Sarajevo and Olimpija Ljubljana will be playing each other on th regular basis again. The revival of old rivalries will spark the interest in the league as well as rebuild the forgotten brands of these clubs
- 6. Due to a higher competitive standard of the league and increased attendances, the clubs could attract the interest of potential investors.
- 7. National Leagues will move back under the control of National Associations which become shareholders of CEEFL/Adriatic Division and therefore entitled to the solidarity money channelled back to the smaller clubs that will stay in the National Leagues.
- 8. Reflecting on the geographical aspects, which is one of UEFA's major consideration when a cross-border competition is being assessed; the distances between the countries and cities involved are acceptable.
- 9. Figure 22 shows the current average attendance for the clubs which will take part in the first edition of CEEFL Adriatic Division. The current total average attendance among these clubs is 63,110 (17%) out of the potential 374,939. Estimating that average attendance will rise to 50% means that total average attendance will rise to 187,470.

**Figure 22.** Shows the potential teams in the CEEFL and their full stadium capacity, actual average attendance, its percentage of the full stadium capacity and estimated 50% average attendance through the participation in CEEFL:

| Club                  | Country          | Stadium  | Average    | % of Stadium | Potential 50% Avg. |
|-----------------------|------------------|----------|------------|--------------|--------------------|
|                       |                  | Capacity | Attendance | Capacity     | Attendance         |
| FK Sarajevo           | Bosnia and       | 38,600   | 5,433      | 14%          | 19,300             |
| FR Salajevo           | Herzegovina      | 30,000   | 5,433      | 1476         | 19,300             |
| Zrinjski              | Bosnia and       | 30,000   | 2,900      | 10%          | 15,000             |
| Zinjski               | Herzegovina      | 30,000   | 2,300      | 1078         | 10,000             |
| Zeljeznicar           | Bosnia and       | 18,550   | 2,960      | 16%          | 9,275              |
| Zeijeznica            | Herzegovina      | 10,000   | 2,300      | 1078         | 9,215              |
| Dinamo Zagreb         | Croatia          | 38,207   | 7,625      | 20%          | 19,104             |
| Hajduk Split          | Croatia          | 34,374   | 7,559      | 22%          | 17,187             |
| HNK Cibalia           | Croatia          | 12,000   | 1,775      | 15%          | 6,000              |
| NK Osijek             | Croatia          | 21,742   | 2,744      | 13%          | 10,871             |
| AK Rabornicki Skopje  | FYR of Macedonia | 17,827   | 811        | 5%           | 8,914              |
| FK Makedonija Skopje  | FYR of Macedonia | 17,827   | 570        | 3%           | 8,914              |
| FK Buducnost          | Montenegro       | 18,000   | 2,829      | 16%          | 9,000              |
| FK Zeta               | Montenegro       | 3,000    | 706        | 24%          | 1,500              |
| NK Domzale            | Slovenia         | 3,212    | 1,256      | 39%          | 1,606              |
| Olimpija Ljubljana    | Slovenia         | 8,107    | 2,672      | 33%          | 4,054              |
| NK Maribor            | Slovenia         | 4,000    | 1,972      | 49%          | 2,000              |
| FC Red Star, Belgrade | Serbia           | 51,933   | 9,138      | 18%          | 25,967             |
| FC Partizan, Belgrade | Serbia           | 29,661   | 7,678      | 26%          | 14,831             |
| OFK Belgrade          | Serbia           | 16,399   | 1,263      | 8%           | 8,200              |
| FK Vojvodina Novi Sad | Serbia           | 11,500   | 3,219      | 28%          | 5,750              |
| Total                 |                  | 374,939  | 63,110     | 17%          | 187,470            |

Source: <u>http://www.european-football-statistics.co.uk/attn.htm</u> & UEFA stadium capacities.

10. As mentioned before, the CEEFL clubs' revenue sources are currently mainly focused on selling players' contracts; TV revenues, commercial revenues and ticket sales revenues are almost none existing. TV coverage rights will be sold on country by country basis; derbies involving the Serbian and Croatian could be of interest for the other countries. As proved before, increased TV interest and match day attendance in the league encourages potential sponsorship/commercial partners already active in the region or planning to do so. The average ticket price in the involved countries is between €5-12. The following tables show the potential ticket revenues that could be generated per season taking into account that

every team plays 17 home games. The tables show three selling scenarios: the current average attendance, our estimation of 50% average attendance and full capacity attendance for every of the 17 home games. We estimated three types of average ticket price:  $\in$ 5,  $\in$ 8 and  $\in$ 12 for each of the seat sold in the stadium: assuming that the average price is  $\in$ 8 and the average attendance is 50% - both seem to be realistic assumptions - we can see that the total revenues stream from ticket sales for the season is  $\in$ 25,5 million compared to the actual figure of  $\in$ 8,6 million, representing a 197% increase.

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**Figure 4.** Shows all teams from involved countries that have participated in the UEFA Champions League and Cup tournaments since the 2000/2001 season.. Source: UEFA Competition Department

| Club                  | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
|                       |         |         | Albania |         |         |         |         |
| Sportklub Tirane      | €9      | ¥       | ¥       | €9      | €9      | €9      | ¥       |
| Teuta Durrës          | M       |         |         |         |         | V       |         |
| Tomori Berat          | M       |         |         |         |         |         |         |
| VIIaznia Shkodër      |         | ₿       |         | V       |         |         |         |
| Dinamo Tirana         |         | M       | ₿       | M       | M       |         | M       |
| Partizani Tirana      |         |         | M       |         | M       |         |         |
| KS Elbasani           |         |         |         |         |         | M       | ₿       |
|                       |         | 1       | Austria | 1       | l       | 1       |         |
| FK Austria Wien       |         |         | ¥       | ₿       | M       | ¥       |         |
| FC Tirol<br>Innsbruck | €9      | ₿       |         |         |         |         |         |
| Grazer AK             | M       | M       | ₿       | ₿       | €9      | V       |         |
| SK Rapid Wien         | M       | M       |         |         | M       | ₿       |         |
| Sturm Graz            | ₿       |         | ₿       |         |         |         |         |
| FC Kärnten            |         |         |         | M       |         |         |         |
| SV Pasching           |         |         |         |         | ¥       | ¥       |         |
| FC Salzburg           |         |         |         |         |         |         | ₿       |
| SV Ried               |         |         |         |         |         |         | ¥       |
| SV Mattersburg        |         |         |         |         |         |         | X       |

|                             |   |                | Serbia   |                |                |    |   |
|-----------------------------|---|----------------|----------|----------------|----------------|----|---|
| Red Star<br>Belgrade/Serbia | ⊛ | ₿              | M        | ¥              | ⊛              | ¥  | ⊛ |
| Partizan Belgrade           | W | ×              | ₿        | €\$            | M              | €9 | M |
| Napredak<br>Krusevac        | M |                |          |                |                |    |   |
| FK Obilic                   |   |                |          |                |                |    |   |
| Sartid<br>Smederevo         |   |                | M        | ¥              |                |    |   |
| Zeleznik<br>Belgrade        |   |                |          |                | M              |    |   |
| Buducnost<br>Banatski Dvor  |   |                |          |                | M              |    |   |
| OFK Belgrade                |   |                |          |                |                | M  | M |
| Hajduk Kula                 |   |                |          |                |                |    | M |
|                             |   |                | Romania  | I              |                |    |   |
| Steaua Bucuresti            |   | $\mathfrak{B}$ |          | M              | M              | ₿  | ₿ |
| Dinamo<br>Bucuresti         | ₿ |                | ⊛        | ¥              | ₿              | M  | M |
| Rapid Bucuresti             | M |                | M        | $\mathfrak{B}$ |                | M  | M |
| Universitatea<br>Craiova    | M |                |          |                |                |    |   |
| FC Brasov                   |   | M              |          |                |                |    |   |
| National<br>Bucuresti       |   |                | M        |                |                |    |   |
| Otelul Galati               |   |                |          |                | M              |    |   |
|                             |   |                | Bulgaria |                |                |    |   |
| Levski Sofia                | ₿ | ₿              | ₿        | ¥              | ¥              | ¥  | ₿ |
| Liteks Lovech               |   |                | M        | ¥              | M              | M  | M |
| CSKA Sofia                  | ¥ |                | M        | ₿              | M              | ₿  | M |
| Neftochimik<br>Burgas       | M |                |          |                |                |    |   |
| Lokomotiv<br>Plovdiv        |   |                |          |                | $\mathfrak{B}$ | M  |   |

| Lokomotiv Sofia         |   |      |             |         |                |   | M  |
|-------------------------|---|------|-------------|---------|----------------|---|----|
|                         |   |      | Greece      |         |                |   |    |
| Olympiacos              | ₿ | ₿    | €9          | ₿       | $\mathfrak{B}$ | ₩ | ₿  |
| Panathinaikos           | ₿ | æ    | M           | ₿       | $\mathfrak{B}$ | ₩ |    |
| AEK Athina              | X | ×    | ₿           | ₿       | M              |   | \$ |
| PAOK<br>Thessaloniki    | X | X    | ¥           |         | ₿              | ¥ |    |
| OFI Heraklion           | M |      |             |         |                |   |    |
| Aris Thessaloniki       |   |      |             | V       |                | ¥ |    |
| Panionios               |   |      |             |         | M              |   |    |
| Egaleo Athens           |   |      |             |         | ¥              |   |    |
|                         |   |      | Monteneg    | ro      |                |   |    |
| FK Zeta                 |   |      |             |         |                |   |    |
| FK Buducnost            |   |      |             |         |                |   |    |
|                         |   | Bosn | ia and Herz | egovina |                |   |    |
| NK Siroki Breg          |   |      | M           |         | <b>\$</b>      | V | ₿  |
| Zeljeznicar<br>Sarajevo | X | æ    | ₿           | ¥       | ¥              |   |    |
| Brotnjo Citluk          | Ð | X    |             |         |                |   |    |
| Buducnost<br>Banovici   | M |      |             |         |                |   |    |
| FK Sarajevo             |   | M    | M           | ¥       |                |   | Ž  |
| Leotar Trebinje         |   |      |             | ₿       |                |   |    |
| FK Modrica              |   |      |             |         | ¥              |   |    |
| Zrinjski Mostar         |   |      |             |         |                | ₿ |    |
| NK Orasje               |   |      |             |         |                |   | ×  |
| NK Zepce                |   |      |             |         |                | M |    |

|                      |   |   | Poland    |           |           |   |                |
|----------------------|---|---|-----------|-----------|-----------|---|----------------|
| Wisla Krakow         | ¥ | ₿ | ¥         | ₿         | ₿         | ₿ | ¥              |
| Legia Warsaw         |   | ¥ | ₿         |           | ¥         | ¥ | $\mathfrak{B}$ |
| Polonia Warsaw       | Ð | ¥ | ¥         |           |           |   |                |
| Lech Poznan          |   |   |           |           | ¥         |   |                |
| Amica Wronki         | M |   | M         |           | ¥         |   |                |
| Zaglebie Lubin       |   |   |           |           |           |   | M              |
| Wisla Plock          |   |   |           | ¥         |           | ¥ | M              |
| Groclin Grodzisk     |   |   |           | ¥         |           | ¥ |                |
| GKS Katowice         |   |   |           | ¥         |           |   |                |
| Ruch Chorzow         | M |   |           |           |           |   |                |
| Pogon Szczecin       |   | M |           |           |           |   |                |
|                      |   | C | Zech Repu | blic      |           |   |                |
| AC Sparta Praha      |   |   | €9        | <b>\$</b> | <b>\$</b> |   |                |
| FC Slovan<br>Liberec | W | M | €9        |           |           |   | $\mathfrak{B}$ |
| SK Slavia Praha      | ₿ | ₿ | M         | ₿         | ¥         | ₿ | X              |
| Mladá Boleslav       |   |   |           |           |           |   | ₿              |
| Baník Ostrava        |   |   |           |           | ₿         | ¥ |                |
| Sigma Olomouc        |   |   | M         |           | ¥         |   |                |
| Viktoria Zizkov      |   |   | M         | ¥         |           |   |                |
| FK Teplice           |   |   |           | ¥         |           | ¥ |                |
| Petra Drnovice       | V |   |           |           |           |   |                |

|                           |          |                | Slovakia |   |   |   |                |
|---------------------------|----------|----------------|----------|---|---|---|----------------|
| FC Artmedia<br>Bratislava | _        |                |          |   |   |   |                |
| Inter Bratislava          | <b>B</b> | <b>B</b>       |          |   |   |   |                |
| Slovan Bratislava         | ¥        | V              |          |   |   |   |                |
| FC Spartak<br>Trnava      |          |                |          |   |   |   | M              |
| FC Kosice                 | V        |                |          |   |   |   |                |
| Petrzalka<br>Bratislava   |          |                |          | V | ¥ | ₿ | M              |
| Dukla Banska<br>Bystrica  |          |                |          |   | X | ¥ |                |
| Matador Púchov            |          | M              | M        |   |   |   |                |
| SCP Ruzomberok            |          | M              |          |   |   |   | ₿              |
| FC Senec                  |          |                | M        |   |   |   |                |
| MSK Zilina                |          |                | ₿        | æ | æ | M |                |
|                           |          |                | Hungary  |   |   |   |                |
| DVSC Debrecen             |          | M              |          | X |   | Ð | $\mathfrak{B}$ |
| Ujpesti TE                |          |                | M        |   |   |   | V              |
| Dunaferr<br>Dunaujvaros   | ₿        | M              |          |   |   |   |                |
| MTK Budapest              | M        |                |          | æ |   |   |                |
| Honvéd<br>Budapest        |          |                |          |   | X |   |                |
| Vasas Budapest            | V        |                |          |   |   |   |                |
| Ferencváros               |          | $\mathfrak{B}$ | M        |   | æ | ¥ |                |
| Zalaegerszeg TE           |          |                | ₿        |   |   |   |                |
| FC Sopron                 |          |                |          |   |   | M |                |
| FC Fehérvár               |          |                |          |   |   |   | V              |
|                           |          |                | Croatia  |   |   |   |                |

| Dinamo Zagreb              | €€             | V | ¥          | ₿   | ¥  |   | ₿ |
|----------------------------|----------------|---|------------|-----|----|---|---|
| NK Zagreb                  |                |   | ⊛          |     |    |   |   |
| Hajduk Split               | ₿              | ₿ | ¥          | ¥   | ₿  | ₩ |   |
| NK Rijeka                  | W              |   |            |     | ¥  | M | W |
| NK Osijek                  | W              | ¥ |            |     |    |   |   |
| Varteks Varazdin           |                | V | ¥          | M   |    |   | M |
| Kamen Ingrad               |                |   |            | ¥   |    |   |   |
| Inter Zapresic             |                |   |            |     |    | M |   |
|                            |                |   | Switzerlar | nd  |    |   |   |
| FC Basel                   | ¥              |   | ⊛          |     | Ð  | ₿ | M |
| FC Zurich                  | W              |   |            |     |    | M | ₿ |
| Grasshopper<br>Club Zurich |                | ₿ | ¥          | ₿   |    | M | M |
| FC Sankt Gallen            | Ð              |   |            |     |    |   |   |
| Lausanne Sports            | W              |   |            |     |    |   |   |
| Servette FC<br>Genève      |                | × | ¥          |     | X  |   |   |
| FC Lugano                  |                | ₿ | V          |     |    |   |   |
| Xamax Neuchâtel            |                |   |            | X   |    |   |   |
| Young Boys                 |                |   |            | X   | \$ |   | M |
| FC Wil                     |                |   |            |     | ×  |   |   |
| FC Thun                    |                |   |            |     |    | ₿ |   |
| FC Sion                    |                |   |            |     |    |   | ¥ |
|                            |                |   | Slovenia   | I   |    |   |   |
| NK Domzale                 |                |   |            |     |    | X | M |
| NK Maribor                 | $\mathfrak{B}$ | ₿ | ₿          | €\$ | V  |   |   |

|                           |                |                |             |       | _                | _              |                |
|---------------------------|----------------|----------------|-------------|-------|------------------|----------------|----------------|
| Nova Gorica               | ¥              | X              | X           |       | $(\mathfrak{A})$ | $\otimes$      | $\mathfrak{D}$ |
| Olimpija<br>Ljubljana     | ¥              | X              |             | ¥     |                  |                |                |
| NK Primorje               |                |                | M           |       | M                |                |                |
| Publikum Celje            |                |                |             | M     |                  | M              |                |
| NK Koper                  |                |                |             |       |                  |                | ¥              |
|                           |                |                | Moldova     | l     |                  |                |                |
| Zimbru Chisinau           | ₿              | X              | M           | M     |                  |                | ¥              |
| Sheriff Tiraspol          | ¥              | ₿              | €           | ₿     | ₿                | ₿              | ₿              |
| Constructorul<br>Chisinau | V              |                |             |       |                  |                |                |
| Dacia Chisinau            |                |                |             |       |                  | ¥              |                |
| Nistru Otaci              |                | ¥              | M           | ¥     | ¥                | M              | Y              |
| FC Tiraspol               |                |                |             |       | M                |                |                |
|                           |                | F١             | (R of Maced | donia |                  |                |                |
| Vardar Skopje             |                | M              | ⊛           | ₿     |                  | M              | ¥              |
| Sloga Skopje              | $\mathfrak{B}$ | $\mathfrak{B}$ |             |       | M                |                |                |
| Pobeda Prilep             | ¥              |                | V           |       | ₿                |                |                |
| Rabotnicki<br>Skopje      | ¥              |                |             |       |                  | $\mathfrak{B}$ | Ð              |
| Pelister Bitola           |                | M              |             |       |                  |                |                |
| Belasica<br>Strumica      |                |                | M           | M     |                  |                |                |
| Cementarnica<br>Skopje    |                |                |             | ¥     |                  |                |                |
| Sileks Kratovo            |                |                |             |       | ¥                |                |                |
| Baskimi<br>Kumanovo       |                |                |             |       |                  | M              |                |
| Makedonija<br>Skopje      |                |                |             |       |                  |                | V              |

**Figure 6.** Shows the history of UEFA Champions League including the year, the winners and CEEFL clubs performance.

| UEFA Champions League                                               |
|---------------------------------------------------------------------|
| (History/winners & CEEFL clubs performance)                         |
| 1955-56 Real Madrid/QF Partizan                                     |
| 1956-57 Real Madrid/QF Crvena Zvezda & CSKA Sofia                   |
| 1957-58 Real Madrud/QF Crvena Zvezda & Vasas                        |
| 1958-59 Real Madrid/                                                |
| 1959-60 Real Madrid/QF Sparta                                       |
|                                                                     |
| 1960-61 Benfica/QF Hradec Kralove                                   |
| 1961-62 Benfica/QF Pribram                                          |
| 1962-63 Milan/QF Pribram                                            |
| 1963-64 Inter/QF Partizan & Pribram                                 |
| 1964-65 Inter/QF Vasas & Györ                                       |
| 1965-66 Real Madrid/ Partizan (RU) & QF Ferencvaros & Sparta        |
| 1966-67 Celtic/QF Vojvodina & CSKA Sofia & Pribram                  |
| 1967-68 Manchester United/QF Vasas & Gornik & Sparta                |
| 1968-69 Milan/QF Spartak Trnava                                     |
| 1969-70 Feyenoord/SF Legia                                          |
|                                                                     |
| 1970-71 Ajax/QF Legia & Crvena Zvezda                               |
| 1971-72 Ajax/QF Ujpest                                              |
| 1972-73 Ajax/QF Ujpest, Spartak Trnava                              |
| 1973-74 Bayern/QF Ujpest, Crvena Zvezda, CSKA Sofia, Spartak Trnava |
| 1974-75 Bayern/QF Ruch                                              |
| 1975-76 Bayern/QF Hajduk                                            |
| 1976-77 Liverpool/                                                  |
| 1977-78 Liverpool/                                                  |
| 1978-79 Nottingham Forrest/QF Wisla                                 |
| 1979-80 Nottingham Forrest/QF Hajduk                                |
|                                                                     |
| 1980-81 Liverpool/QF Banik, CSKA Sofia, Crvena Zvezda               |
| 1981-82 Aston Villa/QF Univ Craiova, Crvena Zvezda, CSKA Sofia      |
| 1982-83 Hamburg/QF Widzew                                           |
| 1983-84 Liverpool/QF Dinamo Minsk (?)                               |

1984-85 Juventus/QF Sparta

1985-86 Steaua/

1986-87 Porto/QF Crvena Zvezda

1987-88 PSV/SF Steaua

1988-89 Milan/RU Steaua

1989-90 Milan/QF CSKA Sofia

1990-91 Crvena Zvezda/

1991-92 Barcelona/QF Crvena Zvezda & Sparta

1992-93 Marseille/

1993-94 Milan/

1994-95 Ajax/Hajduk/Steaua (group stage)

1995-96 Juventus/QF Legia/Steaua & Ferencvaros (group stage)

1996-97 Borussia Dortmund/Widzew & Steaua (group stage)

1997-98 Real Madrid/Sparta, Kosice (group stage)

1998-99 Manchester United/Dinamo Zagreb (group stage)

1999-00 Real Madrid/Sparta(2nd group stage)/Maribor, Dinamo Zagreb (group stage)

2000-01 Bayern/Sparta (group stage)

2001-02 Real Madrid/Sparta (2nd group stage)

2002-03 Milan/

2003-04 Porto/Sparta (R16)/Partizan (group stage)

2004-05 Liverpool/Sparta (group stage)

2005-06 Barcelona/Sparta (group stage)

2006-07 Milan/Levski, Steaua (group stage)

Source: UEFA Champions League history at uefa.com RU=Runner-up, QF=Quaerterfinals, SF=Semifinals, R16=last 16 teams.

**Figure 11.** Shows the attendance figures of all the matches played in the UEFA Champions League qualification rounds between the teams from the CEEFL countries, as well as the average attendance for these clubs in the national competition for the same season.

| Season | Stage           | Home team                           | Away team                     | Match<br>attendance | Venue                        | Average<br>attendance in<br>national<br>competition |
|--------|-----------------|-------------------------------------|-------------------------------|---------------------|------------------------------|-----------------------------------------------------|
| 2000   | 2nd QR          | FC Dinamo 1948<br>Bucuresti (Rom)   | KSP Polonia<br>Warszawa (Pol) | 18.500              | Lia Manoliu                  | 6.047                                               |
| 2000   | 2nd QR          | KSP Polonia<br>Warszawa             | FC Dinamo 1948<br>Bucuresti   | 3.560               | Wisly                        | 2.830                                               |
| 2000   | 2nd QR          | CSF Zimbru<br>Chisinau (Mol)        | NK Maribor<br>(Slovenia)      | 3.000               | Speia                        | 1,039<br>(season 2001/02)                           |
| 2000   | 2nd QR          | NK Maribor                          | CSF Zimbru<br>Chisinau        | 6.000               | Ljudski vrt                  | 2.424                                               |
| 2000   | 2nd QR          | HNK Hajduk Split<br>(Croatia)       | Dunaferr SE<br>(Hungary)      | 16.000              | Poljud                       | 6.647                                               |
| 2000   | 2nd QR          | Dunaferr SE                         | HNK Hajduk Split              | 10.750              | Rába ETO                     | 4.250                                               |
| 2000   | 3rd QR          | KSP Polonia<br>Warszawa (Pol)       | Panathinaikos FC<br>(Greece)  | 7.700               | Wisly                        | 2.830                                               |
| 2000   | 3rd QR          | Panathinaikos FC                    | KSP Polonia<br>Warszawa       | 41.156              | OACA Spyro<br>Louis          | 9.539                                               |
| 2000   | Group<br>stage  | SK Sturm Graz<br>(Austria)          | Panathinaikos FC<br>(Greece)  | 16.500              | Arnold<br>Schwarzeneg<br>ger | 10.831                                              |
| 2000   | Group<br>stage  | Panathinaikos FC                    | SK Sturm Graz                 | 14.413              | OACA Spyro<br>Louis          | 9.539                                               |
| 2001   | 2nd QR          | Ferencvárosi TC<br>(Hungary)        | HNK Hajduk Split<br>(Croatia) | 9.259               | Üllöi úti                    | 8.124                                               |
| 2001   | 2nd QR          | HNK Hajduk Split                    | Ferencvárosi TC               | 26.400              | Poljud                       | 7.156                                               |
| 2001   | 3rd QR          | SK Slavia Praha<br>(Czech Republic) | Panathinaikos FC<br>(Greece)  | 19.000              | Evzena<br>Rošického          | 3.380                                               |
| 2001   | 3rd QR          | Panathinaikos FC                    | SK Slavia Praha               | 14.718              | Apostolos<br>Nikolaidis      | 6.168                                               |
| 2001   | Groupe<br>stage | AC Sparta Praha<br>(Czech Republic) | Panathinaikos FC<br>(Greece)  | 15.557              | Sparta<br>Stadium            | 6.290                                               |
| 2001   | Groupe<br>stage | Panathinaikos FC                    | AC Sparta Praha               | 15.053              | Apostolos<br>Nikolaidis      | 6.168                                               |
| 2002   | 2nd QR          | MŠK Žilina<br>Slovakia              | FC Basel 1893<br>Switzerland  | 6.258               | Pod Dubnon                   | 5.714                                               |
| 2002   | 2nd QR          | FC Basel 1893                       | MŠK Žilina                    | 16.562              | St. Jakob-<br>Park           | 25.820                                              |
| 2002   | 2nd QR          | FC Sheriff<br>Moldova               | Grazer AK<br>Austria          | 11.500              | Sheriff                      | 1,250                                               |
| 2002   | 2nd QR          | Grazer AK                           | FC Sheriff                    | 4.350               | Arnold<br>Schwarzeneg<br>ger | 7.294                                               |
| 2003   | 2nd QR          | KF Tirana                           | Grazer AK                     | 7.200               | Qemal Stafa                  | 2.485                                               |

|      |        | Albania                              | Austria                           |        |                              |                           |
|------|--------|--------------------------------------|-----------------------------------|--------|------------------------------|---------------------------|
| 2003 | 2nd QR | Grazer AK                            | KF Tirana                         | 5.090  | Arnold<br>Schwarzeneg<br>ger | 6.919                     |
| 2003 | 2nd QR | NK Maribor<br>Slovenia               | NK Dinamo<br>Zagreb (Croatia)     | 6.443  | Ljudski vrt                  | 2.376                     |
| 2003 | 2nd QR | NK Dinamo<br>Zagreb                  | NK Maribor                        | 8.790  | Maksimir                     | 8.281                     |
| 2003 | 3rd QR | FK Vardar<br>Macedonia               | AC Sparta Praha<br>Czech Republic | 14.000 | Gradski                      | 1.047<br>(season 2006/07) |
| 2003 | 3rd QR | AC Sparta Praha                      | FK Vardar                         | 12.345 | Sparta<br>Stadium            | 6.214                     |
| 2003 | 3rd QR | Grasshopper-<br>Club<br>Switzerland  | AEK Athens FC<br>Greece           | 12.400 | Hardturm                     | 8.518                     |
| 2003 | 3rd QR | AEK Athens FC                        | Grasshopper-<br>Club              | 16.045 | Apostolos<br>Nikolaidis      | 5.182                     |
| 2004 | 2nd QR | KF Tirana<br>Albania                 | Ferencvárosi TC<br>Hungary        | 3.000  | Qemal Stafa                  | 2.645                     |
| 2004 | 2nd QR | Ferencvárosi TC                      | KF Tirana                         | 5.015  | Üllöi úti                    | 4.655                     |
| 2004 | 2nd QR | MŠK Žilina<br>Slovakia               | FC Dinamo 1948<br>Bucuresti (Rom) | 4.268  | Pod Dubnon                   | 3.394                     |
| 2004 | 2nd QR | FC Dinamo 1948<br>Bucuresti          | MŠK Žilina                        | 11.000 | Dinamo                       | 7.467                     |
| 2004 | 2nd QR | BSC Young Boys<br>Switzerland        | FK Crvena<br>Zvezda<br>Serbia     | 10.350 | Hardturm                     | 7.869                     |
| 2004 | 2nd QR | FK Crvena<br>Zvezda                  | BSC Young Boys                    | 38.500 | Marakana                     | 8.033                     |
| 2004 | 3rd QR | Ferencvárosi TC<br>Hungary           | AC Sparta Praha<br>Czech Republic | 8.165  | Üllöi úti                    | 4.655                     |
| 2004 | 3rd QR | AC Sparta Praha                      | Ferencvárosi TC                   | 18.010 | Sparta<br>Stadium            | 7.707                     |
| 2005 | 1st QR | Nova Gorica<br>Slovenia              | KF Tirana<br>Albania              | 1.432  | Športni Park                 | 697                       |
| 2005 | 1st QR | KF Tirana                            | Nova Gorica                       | 5.000  | Qemal Stafa                  | 2.645<br>(season 2003/04) |
| 2005 | 2nd QR | FK Partizan<br>Serbia                | FC Sheriff<br>Moldova             | 13.116 | JNA                          | 3.867                     |
| 2005 | 2nd QR | FC Sheriff                           | FK Partizan                       | 11.000 | Sheriff                      | 3.908<br>(season 2002/03) |
| 2005 | 2nd QR | PFC CSKA Sofia                       | KF Tirana                         | 3.100  | Balgarska<br>Armia           | 4.813                     |
| 2005 | 2nd QR | Debreceni VSC<br>Hungary             | HNK Hajduk Split<br>Croatia       | 7.065  | Oláh Gábor                   | 6.347                     |
| 2005 | 2nd QR | HNK Hajduk Split                     | Debreceni VSC                     | 15.300 | Poljud                       | 7.750                     |
| 2005 | 3rd QR | Wisla Kraków<br>Poland               | Panathinaikos FC<br>Greece        | 7.227  | Wisly                        | 9.615                     |
| 2005 | 3rd QR | Panathinaikos FC                     | Wisla Kraków                      | 43.741 | OACA Spyro<br>Louis          | 8.101                     |
| 2005 | 3rd QR | FC Artmedia<br>Petržalka<br>Slovakia | FK Partizan<br>Serbia             | 16.127 | Tehelné Pole                 | 3.979                     |

| 2005 | 3rd QR         | FK Partizan            | FC Artmedia<br>Petržalka          | 26.345 | JNA                | 3.867 |
|------|----------------|------------------------|-----------------------------------|--------|--------------------|-------|
| 2005 | Group<br>Stage | FC Thun<br>Switzerland | AC Sparta Praha<br>Czech Republic | 30.783 | Stade de<br>Suisse | 5.242 |
| 2005 | Group<br>Stage | AC Sparta Praha        | FC Thun                           | 9.233  | Sparta<br>Stadium  | 5.152 |

Source: UEFA Competition Department.

**Figure 12.** In the next figure, shown as an example, it can be seen how many important players' contracts Dinamo Bucharest sold from year 2000 to year 2006.

| Player               | Transferred Team     | Country  | Transfer Year |
|----------------------|----------------------|----------|---------------|
| Adrian Mutu          | Internazionale Milan | Italy    | 2000          |
| Adrian Mihalcea      | Genoa 1893           | Italy    | 2001          |
| Marius Niculae       | Sporting Lisbon      | Portugal | 2001          |
| Giani Stelian Kirita | Samsunspor           | Turkey   | 2003          |
| Iulian Tamas         | Galatasaray          | Turkey   | 2003          |
| Claudiu Niculescu    | Genoa 1893           | Italy    | 2003          |
| Flavius Stoican      | Shaktar Donetsk      | Ukraine  | 2003          |
| Nicolae Mitea        | Ajax Amsterdam       | Holland  | 2003          |
| lanis Zicu           | Internazionale Milan | Italy    | 2004          |
| Ciprian Marica       | Shaktar Donetsk      | Ukraine  | 2004          |
| Cosmin Barcauan      | Shaktar Donetsk      | Ukraine  | 2004          |
| Dan Alexa            | Beijing Hyundai      | China    | 2004          |
| George Galamaz       | Wisla Krakow         | Poland   | 2006          |
| Stefan Grigorie      | Wisla Krakow         | Poland   | 2006          |
| Florentin Petre      | CSKA Sofia           | Bulgaria | 2006          |

**Figure 13.** Club revenues in the CEEFL region (€ million).

| Club                    | Country     | Revenue (million €) |
|-------------------------|-------------|---------------------|
| Steaua Bucharest        | Romania     | 8.0                 |
| Dinamo Bucharest        | Romania     | 6.0                 |
| Rapid Bucharest         | Romania     | 5.0                 |
| Red Star Belgrade       | Serbia      | 3.0                 |
| FC Partizan Belgrade    | Serbia      | 3.0                 |
| Debreceni VSC           | Hungary     | 4.0                 |
| Ujpesti TE              | Hungary     | 3.0                 |
| FC Basel                | Switzerland | 21.2                |
| FC Zurich               | Switzerland | 6.0                 |
| Grasshopper Club Zurich | Switzerland | 4.8                 |
| Dinamo Zagreb           | Croatia     | 10.0                |
| Hajduk Split            | Croatia     | 5.0                 |
| NK Domzale              | Slovenia    | 1.5                 |
| NK Maribor              | Slovenia    | 1.0                 |
| Olimpija Ljubljana      | Slovenia    | 3.0                 |
| Wisla Krakow            | Poland      | 10.0                |

Sources: Ioan Lupescu (General Director at Romanian Football Federation) Kresimir Spaic (ex FIFA Master Alumni from Croatia) Slovenian Football Federation Swiss Football Federation Polish Football Federation President of Red Star Belgrade Football Club

|            | Athens | Tirana | Skopje | Sofia | Bucharest | Podgorica | Belgrade | Sarajevo | Zagreb | Ljubljana | Budapest | Vienna | Zurich | Prague          | Bratislava | Warsaw | Chisinau |
|------------|--------|--------|--------|-------|-----------|-----------|----------|----------|--------|-----------|----------|--------|--------|-----------------|------------|--------|----------|
|            |        |        |        |       | st        | Ca        | 9        | C        |        | B         | st       |        |        |                 | /a         |        | _        |
| Athens     |        | 707    | 600    | 701   | 1099      | 884       | 993      | 1047     | 1384   | 1524      | 1355     | 1593   | 961    | 1863            | 1543       | 2032   | 1541     |
| Tirana     | 707    |        | 299    | 519   | 893       | 177       | 563      | 410      | 845    | 780       | 889      | 1127   | 743    | 1397            | 1077       | 1571   | 1309     |
| Skopje     | 600    | 299    |        | 218   | 617       | 311       | 427      | 456      | 790    | 956       | 787      | 1022   | 1079   | 1294            | 975        | 1466   | 1058     |
| Sofia      | 701    | 519    | 218    |       | 398       | 499       | 383      | 581      | 774    | 914       | 746      | 981    | 1539   | 1253            | 934        | 1419   | 840      |
| Bucharest  | 1099   | 893    | 617    | 398   |           | 819       | 578      | 821      | 970    | 1110      | 794      | 1034   | 1717   | 1302            | 984        | 1166   | 449      |
| Podgorica  | 884    | 177    | 311    | 499   | 819       |           | 380      | 234      | 608    | 786       | 707      | 943    | 760    | 1214            | 895        | 1389   | 1236     |
| Belgrade   | 993    | 563    | 427    | 383   | 578       | 380       |          | 301      | 391    | 531       | 362      | 598    | 1156   | 870             | 551        | 1044   | 947      |
| Sarajevo   | 1047   | 410    | 456    | 581   | 821       | 234       | 301      |          | 375    | 552       | 573      | 757    | 1177   | 1041            | 762        | 1255   | 1238     |
| Zagreb     | 1384   | 845    | 790    | 774   | 970       | 608       | 391      | 375      |        | 139       | 338      | 323    | 762    | 616             | 326        | 965    | 1232     |
| Ljubljana  | 1524   | 780    | 956    | 914   | 1110      | 786       | 531      | 552      | 139    |           | 436      | 365    | 626    | 581             | 410        | 1028   | 1331     |
| Budapest   | 1355   | 889    | 787    | 746   | 794       | 707       | 362      | 573      | 338    | 436       |          | 241    | 924    | 508             | 190        | 681    | 897      |
| Vienna     | 1127   | 1530   | 1022   | 981   | 1034      | 943       | 598      | 757      | 323    | 365       | 241      |        | 686    | 291             | 66         | 661    | 1137     |
| Zurich     | 961    | 743    | 1079   | 1539  | 1717      | 760       | 1156     | 1177     | 762    | 626       | 924      | 686    |        | 642             | 749        | 1240   | 1820     |
| Prague     | 1863   | 1397   | 1294   | 1253  | 1302      | 1214      | 870      | 1041     | 616    | 581       | 508      | 291    | 642    |                 | 332        | 607    | 1401     |
| Bratislava | 1543   | 1077   | 975    | 934   | 984       | 895       | 551      | 762      | 326    | 410       | 190      | 66     | 749    | 332             |            | 644    | 1088     |
| Warsaw     | 2032   | 1571   | 1466   | 1419  | 1166      | 1389      | 1044     | 1255     | 965    | 1028      | 681      | 661    | 1240   | 607             | 644        |        | 959      |
| Chisinau   | 1541   | 1309   | 1058   | 840   | 449       | 1236      | 947      | 1238     | 1232   | 1331      | 897      | 1137   | 1820   | 1401<br>w.viami | 1088       | 959    |          |

| Figure 15. | Geographical                          | distances between a | ll the capital | countries from                          | the CEEFL region. |
|------------|---------------------------------------|---------------------|----------------|-----------------------------------------|-------------------|
|            | o o o o o o o o o o o o o o o o o o o |                     |                | ••••••••••••••••••••••••••••••••••••••• |                   |

Source: www.viamichelin.com

**Figure 23.** Shows the potential ticket revenues for every club when average ticket price is  $\in$ 5 throughout the entire season (17 home games) for three scenarios: current average attendance, potential 50% average attendance and full stadium attendance.

| Average price €5 for every seat in the stadium (Entire season) |                             |                                  |                       |  |  |  |  |  |
|----------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------|--|--|--|--|--|
| Club                                                           | Current Average<br>Capacity | Potential 50% Avg.<br>Attendance | Full Stadium Capacity |  |  |  |  |  |
| FK Sarajevo                                                    | 461,805                     | 1,640,500                        | 3,281,000             |  |  |  |  |  |
| Zrinjski                                                       | 246,500                     | 1,275,000                        | 2,550,000             |  |  |  |  |  |
| Zeljeznicar                                                    | 251,600                     | 788,375                          | 1,576,750             |  |  |  |  |  |
| Dinamo Zagreb                                                  | 648,125                     | 1,623,798                        | 3,247,595             |  |  |  |  |  |
| Hajduk Split                                                   | 642,515                     | 1,460,895                        | 2,921,790             |  |  |  |  |  |
| HNK Cibalia                                                    | 150,875                     | 510,000                          | 1,020,000             |  |  |  |  |  |
| NK Osijek                                                      | 233,240                     | 924,035                          | 1,848,070             |  |  |  |  |  |
| AK Rabornicki Skopje                                           | 68,935                      | 757,648                          | 1,515,295             |  |  |  |  |  |
| FK Makedonija Skopje                                           | 48,450                      | 757,648                          | 1,515,295             |  |  |  |  |  |
| FK Buducnost                                                   | 240,465                     | 765,000                          | 1,530,000             |  |  |  |  |  |
| FK Zeta                                                        | 60,010                      | 127,500                          | 255,000               |  |  |  |  |  |
| NK Domzale                                                     | 106,760                     | 136,510                          | 273,020               |  |  |  |  |  |
| Olimpija Ljubljana                                             | 227,120                     | 344,548                          | 689,095               |  |  |  |  |  |
| NK Maribor                                                     | 167,620                     | 170,000                          | 340,000               |  |  |  |  |  |
| FC Red Star, Belgrade                                          | 776,730                     | 2,207,153                        | 4,414,305             |  |  |  |  |  |
| FC Partizan, Belgrade                                          | 652,630                     | 1,260,593                        | 2,521,185             |  |  |  |  |  |
| OFK Belgrade                                                   | 107,355                     | 696,958                          | 1,393,915             |  |  |  |  |  |
| FK Vojvodina Novi Sad                                          | 273,615                     | 488,750                          | 977,500               |  |  |  |  |  |
| Total ( <del>€</del> )                                         | 5,364,350                   | 15,934,908                       | 31,869,815            |  |  |  |  |  |

**Figure 24.** Shows the potential ticket revenues for every club when average ticket price is  $\in 8$  throughout the entire season (17 home games) for three scenarios: current average attendance, potential 50% average attendance and full stadium attendance.

| Average price €8 for every seat in the stadium (Entire season) |                             |                                  |                       |  |
|----------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------|--|
| Club                                                           | Current Average<br>Capacity | Potential 50% Avg.<br>Attendance | Full Stadium Capacity |  |
| FK Sarajevo                                                    | 738,888                     | 2,624,800                        | 5,249,600             |  |
| Zrinjski                                                       | 394,400                     | 2,040,000                        | 4,080,000             |  |
| Zeljeznicar                                                    | 402,560                     | 1,261,400                        | 2,522,800             |  |
| Dinamo Zagreb                                                  | 1,037,000                   | 2,598,076                        | 5,196,152             |  |
| Hajduk Split                                                   | 1,028,024                   | 2,337,432                        | 4,674,864             |  |
| HNK Cibalia                                                    | 241,400                     | 816,000                          | 1,632,000             |  |
| NK Osijek                                                      | 373,184                     | 1,478,456                        | 2,956,912             |  |
| AK Rabornicki Skopje                                           | 110,296                     | 1,212,236                        | 2,424,472             |  |
| FK Makedonija Skopje                                           | 77,520                      | 1,212,236                        | 2,424,472             |  |
| FK Buducnost                                                   | 384,744                     | 1,224,000                        | 2,448,000             |  |
| FK Zeta                                                        | 96,016                      | 204,000                          | 408,000               |  |
| NK Domzale                                                     | 170,816                     | 218,416                          | 436,832               |  |
| Olimpija Ljubljana                                             | 363,392                     | 551,276                          | 1,102,552             |  |
| NK Maribor                                                     | 268,192                     | 272,000                          | 544,000               |  |
| FC Red Star, Belgrade                                          | 1,242,768                   | 3,531,444                        | 7,062,888             |  |
| FC Partizan, Belgrade                                          | 1,044,208                   | 2,016,948                        | 4,033,896             |  |
| OFK Belgrade                                                   | 171,768                     | 1,115,132                        | 2,230,264             |  |
| FK Vojvodina Novi Sad                                          | 437,784                     | 782,000                          | 1,564,000             |  |
| Total (€)                                                      | 8,582,960                   | 25,495,852                       | 50,991,704            |  |

**Figure 25.** Shows the potential ticket revenues for every club when average ticket price is  $\in 12$  throughout the entire season (17 home games) for three scenarios: current average attendance, potential 50% average attendance and full stadium attendance.

| Average price €12 for every seat in the stadium (Entire season) |                             |                                  |                       |  |
|-----------------------------------------------------------------|-----------------------------|----------------------------------|-----------------------|--|
| Club                                                            | Current Average<br>Capacity | Potential 50% Avg.<br>Attendance | Full Stadium Capacity |  |
| FK Sarajevo                                                     | 1,108,332                   | 3,937,200                        | 7,874,400             |  |
| Zrinjski                                                        | 591,600                     | 3,060,000                        | 6,120,000             |  |
| Zeljeznicar                                                     | 603,840                     | 1,892,100                        | 3,784,200             |  |
| Dinamo Zagreb                                                   | 1,555,500                   | 3,897,114                        | 7,794,228             |  |
| Hajduk Split                                                    | 1,542,036                   | 3,506,148                        | 7,012,296             |  |
| HNK Cibalia                                                     | 362,100                     | 1,224,000                        | 2,448,000             |  |
| NK Osijek                                                       | 559,776                     | 2,217,684                        | 4,435,368             |  |
| AK Rabornicki Skopje                                            | 165,444                     | 1,818,354                        | 3,636,708             |  |
| FK Makedonija Skopje                                            | 116,280                     | 1,818,354                        | 3,636,708             |  |
| FK Buducnost                                                    | 577,116                     | 1,836,000                        | 3,672,000             |  |
| FK Zeta                                                         | 144,024                     | 306,000                          | 612,000               |  |
| NK Domzale                                                      | 256,224                     | 327,624                          | 655,248               |  |
| Olimpija Ljubljana                                              | 545,088                     | 826,914                          | 1,653,828             |  |
| NK Maribor                                                      | 402,288                     | 408,000                          | 816,000               |  |
| FC Red Star, Belgrade                                           | 1,864,152                   | 5,297,166                        | 10,594,332            |  |
| FC Partizan, Belgrade                                           | 1,566,312                   | 3,025,422                        | 6,050,844             |  |
| OFK Belgrade                                                    | 257,652                     | 1,672,698                        | 3,345,396             |  |
| FK Vojvodina Novi Sad                                           | 656,676                     | 1,173,000                        | 2,346,000             |  |
| Total (€)                                                       | 12,874,440                  | 38,243,778                       | 76,487,556            |  |