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The recent evolution of the European Football Super League Project – Is it realistic to introduce self-governance at the top without closing the top?

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Abstract: The proponents of the European Football Super League have switched from a proposal suggesting that permanent members self-govern their (almost) closed competition to a proposal maintaining the concept of self-governance by the participating clubs but now advocating participation on the basis of sporting merit. Can self-governance be realistically introduced at the top of the football pyramid without closing this top? The paper explains why this is not the case and how the new proposal is a closed league in disguise, which is likely to trigger the same value creation problems as an openly closed league.

Keywords: European Football Super League, Self-governance, Closed leagues

JEL Classification: D02, D23, D71, L83

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1 INTRODUCTION

The “Old European Super League (OESL)” was proposed in 2021 by a group of “big clubs” with the goal of changing two distinct dimensions of European club football: competition format and competition governance.

Generally, there are two basic format alternatives for a Super League: the closed American league format, which is typical for the NFL, NBA, etc., with permanent membership of all participants, and the open format, which is typical for the UEFA² Champions League (UCL), where membership must be earned on the basis of sportive merit by each participant every year.

In terms of competition governance, the current UCL is organized by a territorial governing body, the UEFA, which is the association of 55 national football associations in Europe³. The national football associations, which are the members of UEFA, represent all stakeholders in their territory, from regional associations to clubs and players. An alternative governance mechanism can be studied not only in all U.S. major leagues but also in the top domestic leagues in European club football, where the league is set up as a cooperative association of participating clubs. Given that the participating clubs in a UCL season are not the principal stakeholders of the territorial governing body UEFA, the current system is characterized by a significant degree of external governance from the perspective of these clubs. In contrast, the NBA or the Premier League are self-governed by the participating clubs.

While the existing UCL is governed by the UEFA and all participants have to qualify annually, the OESL was originally designed in 2021 as a structure dominated by fifteen permanent members that would self-govern the competition.

When the plan was announced in 2021, twelve initial members planned for three more to join a final group of fifteen founding clubs, which would be permanent competitors in a new European competition taking place midweek. Another five clubs would qualify annually on the basis of sporting achievements in the previous season. Since the competitions would take place in the middle of the week, all the clubs in the OESL would still be able to participate in their domestic national leagues on weekends. The “inner circle” of the fifteen founding members

² UEFA stands for Union of European Football Associations.

³ Israel is a member of the UEFA even though it is not in Europe.

would constantly profit from an American-style league without relegation on top. The remaining entire group of 700+ top-division clubs in Europe would compete for the remaining five slots in the OESL annually.

In terms of governance, it is unclear whether the permanent members would have acted as the only associates of the new league or whether the typical model of the top domestic leagues would have been applied, with the relegated members in every season having to transfer their voting right to newly promoted members. However, as the fifteen permanent members would hold “eternal” voting rights and a 75% majority, while the five qualifiers might change every year, the system essentially entailed self-governance by the fifteen permanent members.

In sum, the fifteen founding clubs of the OESL would not only have abolished qualifications based on sporting merit for themselves and become permanent members but also would have replaced the UEFA as an organizer of the top European club competition.

The announcement of the OESL triggered intense public debate in the media and protests in the streets and stadia, which led to an almost instant collapse of the project. Additionally, a legal battle between the proponents of the project and the governing bodies of football (UEFA and FIFA⁴) began.

A discussion of the legal viability of the OESL has not yet concluded. The recent decision of the European Court of Justice (ECJ) clarifies only that the UEFA and FIFA cannot prohibit the organization of an alternative competition by excluding clubs and players from participating in the football pyramid⁵. However, the ECJ has not ruled on the specific OESL proposal and thus has not approved this specific project. It has only explained that the FIFA and UEFA rules, which make new interclub competitions subject to approval and prohibit clubs and players from playing in domestic leagues, are unlawful because there is no framework for the FIFA and UEFA rules, ensuring that they are transparent, objective, nondiscriminatory and proportionate. Such a framework will surely be developed, and legal activities will presumably continue. However, we will not address the details of the legal debate here, as they are beyond the scope of this paper.

⁴ FIFA stands for Fédération Internationale de Football Association (The International Federation of Association Football).

⁵ <https://curia.europa.eu/jcms/upload/docs/application/pdf/2023-12/cp230203en.pdf>

The media discussion following the announcement of the OESL and the immediate wave of public outrage focused on the intended changes in the format of the competition. The fans disliked the concept of a league with permanent members and the implied abolishment of promotion and relegation for a privileged group of clubs. As is well known, the OESL proposal collapsed within 48 hours after its announcement because nine of the twelve founding clubs pulled out in the face of significant supporter backlash.⁶

Interestingly, the New European Super League (NESL) proposal is currently proposed by its proponents to return to the concept of participation on the basis of sporting merit and to give up the idea of permanent members⁷.

This recent evolution of the European Super League project raises several questions. Why did most clubs that intended to become permanent members of the OESL voluntarily give up the idea of creating an American-style league with permanent membership for themselves? As a response, it appears that the OESL format was no longer economically viable for these clubs. I explore this question in the second section of the paper (Section 2: Permanent membership versus qualification based on sportive merit at the top European football level).

If the NESL would indeed operate with an open format at the top of the football pyramid, the “innovation” would be more about replacing the UEFA as the organizer of the top club competition. To what extent is self-governance by the participating clubs an economically viable structure to organize an open format at the top European football level? I explore this question in the third section of the paper (Section 3: Self-governance by the participating clubs at the top European football level).

The last section (Section 4: Conclusion) summarizes the main insights. While the OESL proposal was an open attempt to close the top of the football hierarchy, the NESL proposal is a closed league in disguise, as a rather stable set of participants is needed for self-governance by participating clubs. However, closing the top of the pyramid to further stabilize the circle of participants alters the nature of the entertainment product offered to fans. From the perspective

⁶ See for example Hamilton (2022) for a description of how the fan revolt helped end the breakaway plans in England.

⁷ <https://a22sports.com/en/competition/>

of the entire football pyramid, less value may be created after “football as sport” is transformed into “football as show” at the European top level. However, less value creation might not deter some “big clubs” if they can appropriate a larger fraction of the total value created in football.

A well-established literature has examined the economics of “league organization”. Very prominent examples include the studies by Noll (2003), who examines the incentive structure and efficiency of different forms of leagues, and Szymanski (2003), who analyzes the economic design of sporting contests. More closely related to the evolution of the European Super League project that is discussed here is the seminal paper by Hoehn & Szymanski (1999) about the “Americanization of European football”. The solution envisaged as the market equilibrium by the authors of that paper is the creation of a European Super League and the abolishment of overlapping competitions, which means that teams promoted to the Super League should no longer simultaneously play in their national leagues. While they do not entirely rule out promotion opportunities and relegation threats, they seem to ultimately prefer a closed European league.⁸ Others⁹ have argued for another “ideal solution”, which explicitly combines openness through promotion and relegation and the abolishment of overlapping competitions. This proposal boils down to the transformation of the UCL into the European top league. Clubs that are promoted to the UCL would exit their domestic leagues and only play at the European level, just as clubs that are promoted from the second domestic division continue to play only in the first domestic division. While Hoehn & Szymanski (1999) argue in favor of “Americanization,” this model propagates further “Europeanization”. The overlapping competitions at the top of the pyramid are considered anomalies in the multilevel contest structure of European football, which should be abolished.

However, the options discussed in the “real world of football”—the OESL, the NESL and the current system—deviate at a crucial point from both “ideal models”. All of them assume that the clubs playing at the European top level will simultaneously play at the domestic level. The abolishment of overlapping competitions is not an issue in the “real world of football”. The three concepts only have different proposals with respect to clubs having access to the top European level and to the governance of the competition at the top European level. The rest of the paper abstracts from the “ideal models” and focuses entirely on the differences between the “real” options.

⁸ See Hoehn & Szymanski (1999), p. 233.

⁹ See e.g. Késenne (2007).

2 PERMANENT MEMBERSHIP VERSUS QUALIFICATION BASED ON SPORTIVE MERIT AT THE TOP EUROPEAN FOOTBALL LEVEL

2.1 The puzzle: Failure despite a perfect “window of opportunity” in 2021

The rapid failure of the OESL is initially surprising because, in principle, the timing was perfect.

While the closed major U.S. leagues are profitable for the group of team owners organizing the league, European football clubs have gone through phases of financial instability in the past. For example, in 2011, the 700+ top division clubs in Europe reported bottom line losses of 1.7 billion Euros.¹⁰

The financial distress of the industry triggered the introduction of a new regulation that became known as Financial Fair Play (FFP).¹¹ In addition to demanding that clubs pay their bills on time (“no overdue payables”), FFP encouraged clubs to balance their expenditures in the football market and their revenues from the football market through a rule called the “break-even requirement”. Indeed, European football became a more stable business after the introduction of the “break-even requirement” in 2012. For example, the top division clubs reported an aggregate positive net result of 0.6 billion Euros in 2017 and 0.14 bn in 2018. Operating profits even increased to 1.4 billion Euros in 2017 and 0.9 bn in 2018.¹²

Until 2019, everything seemed fine despite some prominent cases of alleged violations of FFP that went through the media and could not be sanctioned as initially intended.¹³ Top division football clubs also massively improved their balance sheets. For example, net equity (assets less liabilities) increased from 1.8 billion in 2009 to 10.3 billion Euros in 2019. In other words, European football had built a financial cushion in the years of the FFP regime.¹⁴

¹⁰ All of the numbers are taken from the UEFA Club Licensing Benchmarking Report. See UEFA (2011).

¹¹ See Franck (2014, 2015, 2018) for an explanation of the intended positive effects of FFP. The regulation also attracted substantial criticism. See for example Szymanski (2014) or Madden (2012).

¹² See UEFA (2021). See Franck (2018) for an assessment of FFP after five years of application of the break-even requirement.

¹³ For example, Manchester City successfully appealed at the Court of Arbitration in Sport (CAS) against a two-year exclusion from European competitions decided by the UEFA Club Financial Control Body.

¹⁴ Whether this was the case because of FFP is another issue, which can remain open here. At least FFP did not prevent the financial recovery of European football as some critics claimed when it was introduced. The fear was that less money would flow into football, triggering a sort of “downward spiral” (less talent leads to less attractive games watched by less fans, which leads to lower revenues etc.). In fact, the opposite happened, and revenue growth accelerated. See Franck (2018) for a detailed discussion.

However, the COVID-19 pandemic then hit the industry, with a dramatic impact on top division club revenues. A reduction of more than 7 billion Euros over the seasons 19/20 and 20/21 took place.¹⁵ As a result, the financial cushion that had been built up in the preceding years quickly evaporated during this historic crisis.

This created a unique window of opportunity for the OESL investors, who entered the stage with the promise of new cash for club owners and executives in desperate need of this new cash¹⁶. They were backed by a group of American owners of European football clubs familiar with the U.S. system of closed owner-operated profitable leagues.¹⁷

Against this almost perfect “breakaway background,” it seems amazing that the plan collapsed so quickly. In other words: If not 2021, then when? The rapid collapse of the OESL, despite the unique window of opportunity created by COVID, raises the suspicion that the format of the OESL is less straightforward in European football than assumed by its proponents.

2.2 The quality uncertainty problem of the initial proposal – If permanent members, then permanent members only!

The combination of closing the OESL for fifteen clubs but leaving a door open for five clubs, which will qualify on the basis of sporting merit, complicates the production of reliable quality signals for the “Super League” status.

The possibility that the Super League will be won by nonpermanent participants cannot be dismissed. Will they then have to quit despite being champions, while the losers at the bottom of the Super League table will stay because they are founding members? What if this scenario is repeated? Moreover, the founding members of the Super League may underperform in their national competitions. Some of them might be heavily beaten by other clubs in the national

¹⁵ See UEFA (2021), p. 102.

¹⁶ The start-up funding of 3.525 billion Euros came from JP Morgan Chase, in exchange for a pledge by the clubs to participate in the new league for 23 years. Per year interest of 264 million Euros would have been paid back to the bank, which ultimately would add up to 6.072 billion Euros. It is estimated that each club in the new league would have received 700 million Euros per season. See Bartz et al. (2021) for more details.

¹⁷ According to the media (see e.g., Graham (2021)) the ESLP has partly been engineered by the American owners of Arsenal, Liverpool, and Manchester United, who own franchises in the US Major Leagues.

leagues. Nevertheless, the losers continue to play in the Super League, while most winners obviously will not.

The concept of a Super League assumes a competition of the currently best clubs in the respective geographical area. The fact that nonpermanent clubs would have to go out despite winning the Super League, while those defeated by them could stay, produces empirical proof that the Super League is not a competition of clubs that are currently the best. Moreover, the fact that the founding clubs can be consistently beaten in their domestic leagues without having to leave the Super League produces even more proof that the Super League is not a competition of the best clubs in Europe.

Essentially, there are only two ways to claim Super League status:

- By organizing a competition at the top of a pyramid of leagues, for which everybody must qualify. The current UCL is a variant of this system.
- By eliminating any possibility to produce proof that member clubs are not among the best clubs. This is what the extreme version of an American-style closed league with only permanent members would accomplish.

If the “big clubs” aim to establish a competition without qualifications, they must cap the link to the football pyramid and switch to a “permanent members only” format. Apparently, the new proposal, the NESL, goes in the opposite direction. This may be because the proponents of the NESL do not expect a “permanent members only” format to create more value for the time being.

2.3 Would a Closed European Super League (CESL) create more value in European football?

Whether a “permanent members only” CESL format at the top level of European football creates more value depends on many questions. The following three factors seem particularly important:

- Would the CESL allow better cost control?
- Would the CESL increase demand and therefore revenues?
- Would the “big clubs” of today be able to implement the CESL in practice?

While the cost control advantages of the CESL solution seem obvious, the other sources of increased value are still highly questionable.

2.3.1 Better cost control

The European football pyramid is an example of a certain form of competition that is known as multi-level contest in the literature¹⁸. Even under the assumptions of rational behavior and profit-maximizing clubs, such contests may exhibit an interesting phenomenon of revenue dissipation that is called overinvestment. Various factors, including promotion and relegation and the additional prize created by the overlapping UEFA Champions League, aggravate the problem of overinvestment in the football industry.¹⁹ The incentives to invest in playing strength become more high-powered through the large revenue differentials of this system. Winning one more game and qualifying for European competitions creates an enormous “jump” in revenues and makes additional investment in players look very profitable. The same principle applies to achieving promotion or avoiding relegation. Among all the clubs that invest in achieving the “jump” in revenues, only a few will succeed. The others will not earn the additional revenues attached to qualifications for Europe/promotion to the first division, etc. There is a risk that some of them cannot cover the cost. As soon as they cannot pay their obligations from transfers, other clubs will also be affected, and financial problems may spread throughout the entire ecosystem.

¹⁸ See Tullock (1980) or Lazear & Rosen (1981) for basic analyses.

¹⁹ See Dietl, Franck & Lang (2008) for a formal analysis and the theoretical derivation of these results; see Franck (2014) for an in-depth-treatment of the issues discussed here.

Without going into the details, overinvestment and gambling on success can be seen as “normal” phenomena of the European football pyramid. Therefore, regulation becomes necessary to secure financial sustainability in this system. The FFP Regulation, with its two basic rules, was introduced to serve exactly this purpose in the pre-COVID-19 period.²⁰ The “no overdue payables rule” forced clubs to pay their bills in time, and the “break-even requirement” induced them to balance income and expenditure in the football market to ensure that they could pay their bills. The new post-COVID Financial Sustainability Regulation applicable in the future is an adaptation of FFP and serves the same purpose.

Clearly, the clubs that would become permanent members of the CESL would be much less affected by the overinvestment problem than they were in the past. There is no risk of relegation and no chance of further promotion in closed leagues. Losing has no severe consequences, as membership in the league lasts forever. Winning the league has no severe consequences, as it does not give access to another highly lucrative competition in addition to the domestic league.²¹ *Ceteris paribus*, the CESL should be more attractive for risk-averse investors.²² The same should hold for lenders: not only should stockholders demand lower risk-premia, but bank loans should also be cheaper, as interest rates will reflect the much lower bankruptcy risks in a league without the jeopardies of relegation and arms-races.²³

Thus, it should come as no surprise that American football club owners familiar with the more stable planning environment of closed leagues and an investment bank as the “big lender” in the back were among the driving forces of the failed OESL, which in their eyes was perhaps close to a CESL on the basis of fifteen permanent members (or perhaps was perceived as a feasible first step toward the final goal of a CESL). Certainly, a CESL would offer better conditions for cost control for its members than the current system provides.

²⁰ See Franck (2014) for the details of this regulation.

²¹ Play-offs may trigger stronger incentives to invest in closed leagues, but these incentives are not as high-powered as those created by the UCL at the top of the domestic leagues in European football.

²² See for example Kesenne (2005, p. 8).

²³ Perhaps these arguments can be extended to “new fans”, who can be seen as “investors in consumption capital” (see below). The stable membership of clubs in a closed league translates into less risk for such “fan investors”. *Ceteris paribus* clubs may develop bigger and more stable brands. Again, the problem lies in the *ceteris paribus* assumption. Is the new product offered by the closed league as attractive as the old “football as sport” to new fans?

What about the “remaining” football pyramid? If this “rest” would still organize overlapping competitions at the European level—for example, a UCL without the “big clubs” playing solely in the CESL—the multilevel contest structure triggering overinvestment might remain in place. However, the incentives to gamble on success should be less high-powered provided that the CESL captures a significant part of the revenues in the European entertainment market. The “lure of the jackpot” becomes less pronounced if the revenues that can be earned in the “new UCL” are much lower. In this sense, the cost control advantages of the CESL could even trickle down to some extent into the remaining football pyramid.

2.3.2 Increased demand and revenues?

The basic argument reiterated by the proponents of a Super League is as follows: increasing the number of games between the “big clubs” will ultimately increase audiences and revenues and generate more value.²⁴ The current system suffers from too many “unequal pairings”. FC Bayern wastes resources when playing against Augsburg, Bremen, etc. Instead, it would be more exciting and generate more revenues if they played more often against Barcelona, ManCity, PSG, etc.

Is it true that more games between the “big clubs” would attract more attention and ultimately generate more value? This is an empirical question, of course. However, since no field experiment is possible and no similar experiences can be studied in other sports, we can only evaluate different theoretical arguments about potential drivers of entertainment demand.

2.3.2.1 Arguments in favor of increased demand and revenues

Disproportional consumer reaction to the sum of talent

First, we assume that FC Bayern would be a member of the CESL. The games they would play in the CESL would offer a greater sum of talent than the games they currently play in the

²⁴ See, for example, Hoehn & Szymanski (1999), p. 230.

Bundesliga, where a player like Kane spends considerable “working time” in games against teams with total market values comparable to his own.

If fans and consumers react disproportionately to the sum of talent in a game, the CESL may generate additional attention and demand by matching only “big clubs” with their squads equipped with prominent and talented players.

The “talent contribution” of Bayern in the Bundesliga will be missing if they substitute games in the Bundesliga through games in the CESL. However, if the “talent contribution” of Bayern is worth more in the market if added to the already high “talent contribution” of FC Liverpool than if it is added to the lower “talent contribution” of FC Augsburg, the CESL will generate more value at the European level than it destroys at the domestic German level.

It is a core tenet of superstar theory that demand increases more than proportionally with the talent/quality of the sellers in the respective markets: “...*hearing a succession of mediocre singers does not add up to a single outstanding performance. If a surgeon is 10 percent more successful in saving lives than his fellows, most people would be willing to pay more than a 10 percent premium for his services*”.²⁵

On the basis that “less talent often is a poor substitute for greater talent”²⁶, the CESL could indeed generate more value at the European level than it loses at the domestic level in Germany by reallocating Bayern’s “talent contribution”.

Consumer reactions to the unpredictability of game outcomes

“Unequal pairings” make game outcomes more predictable and reduce suspense, which is an important driver of entertainment demand.²⁷

²⁵ Rosen (1981), p. 846.

²⁶ Rosen (1981), p. 846.

²⁷ See Ely, Frankel & Kamenica (2015) for the role of suspense and surprise in entertainment demand; see Bizzozero, Flepp & Franck (2016) for empirical evidence.

A closed league at the top of European football would be less affected by this problem than the current system is. For example, the outcome of a game Bayern against Liverpool is less predictable than the outcome of a game Bayern against Augsburg. While the current system provides both “unequal pairings” (Bayern against Augsburg in the Bundesliga) and “equal pairings” (Bayern against Liverpool in the UCL), the new system would substitute the “unequal pairings” through more “equal pairings”. As a result, there would be more games with unpredictable outcomes, which should translate into more suspense and demand, *ceteris paribus*.

2.3.2.2 Arguments against increased demand and revenues

Elimination of consequences – Will fans like “football without jeopardy”?

The manager of one of the 12 “founding members” of the OESL, Pep Guardiola, immediately criticized the initiative in a press conference after it had been announced using the following words:

“If you ask me (why) these teams have been selected, I don’t know the reason why. It is not a sport where the relation between the effort and the success, the effort and the reward, does not exist. It is not a sport where success is already guaranteed or it is not a sport when it doesn’t matter where you lose.”²⁸

Not only will those directly involved in football production (players, coaches, support staff, owners, etc.) behave differently if “it doesn’t matter where you lose”—to use the words of Pep Guardiola—but fans and spectators will also be offered something different.

“Not a sport”-football in the terminology of Guardiola, lacks a prominent component of “football as sport”: serious consequences. Relegation to a lower division, promotion to a higher division, and achieving or not achieving qualification for Europe (Champions League, Europa League, Conference League) add serious consequences to most of the games played in European football at various levels. This transforms football into “sport”, where players,

²⁸ Jackson (2021, p.1).

managers and spectators know all the time that something is at stake. The OESL – and even more so the CESL variant – deliver far less in this dimension:

“The Super League was destined to be the highest quality football competition on the planet. Tick. But jeopardy was undermined through guaranteeing access to the founding members each year, removing the punishment for failure. Jeopardy is what happens when high stakes meet uncertainty and allowing clubs to lose on the pitch without any material consequence off it meant that games outside of the title race wouldn’t have mattered.”²⁹

To the extent that “serious consequences”, “jeopardy”, “high stakes”, etc., are drivers of the passion and emotions typical for genuine fans of European football, the entertainment product offered by the CESL is a poor substitute.

The creation of “talent concentration” and “equal pairings” and “cost control advantages for investors” comes at the price of eliminating decisions and consequences. If “jeopardy” is a key ingredient of European football in the eyes of its numerous fans, the CESL produces many “trivial outcomes” compared with the current system.

Elimination of surprise – Will fans like “football without dreams/hope”?

The CESL eliminates another important driver of entertainment demand: the “surprise”.³⁰ Specifically, the rise and unexpected performance of underdogs fascinates people and attracts new fans to the game. For example, FC Leicester won the Premier League in 2016, RB Leipzig in Germany rose from the bottom to the top of the German football pyramid within only seven seasons and Atalanta Bergamo experienced a miracle, having just won the Europa League and becoming one of Europe’s most exciting clubs owing to the peculiar mix of sportive and economic success in an environment with “giants in financial distress”.

The model of a closed, balanced “big club”-league leaves no room for this type of “surprise story” because “underdogs” are nonexistent. The dream of 99.9% of football fans, that “their

²⁹ Marlow & Chaudhuri (2021, p.3).

³⁰ See Ely, Frankel & Kamenica (2015) for the role of suspense and surprise in entertainment demand; See Bizzozero, Flepp & Franck (2016) for empirical evidence.

club” playing in the second, third, etc., division will at some point in time beat a “giant”, get promoted or win an “important title”—perhaps the Champions League—cannot come true in the CESL. From the perspective of many fans, surprise stories such as that of Atalanta Bergamo translate into options for their own team. The fan dream “perhaps my club could do it too” is alive in all places linked through the football pyramid.

Fans of European football are attracted not only by the drama of high-stakes games but also by “giant-killing” surprises, which open room for hope and dreams in the entire ecosystem of football. Essentially, the CESL may be more balanced and concentrate more talent in single games. However, there is much less at stake and less room for dreams and hope in the wide branches of the former football pyramid.

Devaluation of consumption capital – Will fans like “football without history”?

In their famous theory of “connoisseur goods”, Stigler and Becker (1977) explained that utility, which a consumer can derive from the present consumption of certain goods, depends on the “consumption capital” accumulated through previous consumption of these goods.³¹ Repeated consumption leads to “beneficial addiction” over time. Football fans following the games and activities of “their club” over longer periods are good examples of this phenomenon of beneficial addiction. On the basis of the context knowledge accumulated over the years, they enjoy a remarkable game of their club more than an occasional spectator does. According to Adler (1985), the utility of a connoisseur depends not only on his or her own past consumption but also on the sum of cospecific consumption capital acquired by fellow connoisseurs. Fans of the same club enjoy interacting in a group of like-minded people.

Translated back in our context, “connoisseur theory” predicts that the historical context is highly relevant for “fan creation” in football. “Learned history” leads to beneficial addiction, and “shared learned history” augments utility from interacting in a network of cospecialized fans.

³¹ See Franck (2021, p. 430-431) for the development of these arguments. See Dietl and Franck (2007) for an initial version.

By capping the link to the football pyramid, closed leagues make “learned history” and “shared learned history” less relevant for the consumption of the new “football as show”. They decrease beneficial addiction by undermining the historical context:

“Historical context is one of the key things that differentiates sport from entertainment. The top flight of English football has been running under various guises since 1888. While the format, the teams, the narratives, the quality, the style of football have all evolved over that time, the fundamentals – that of a sporting competition between England’s best football teams – remain the same. That’s 123 seasons. Compare that to the longest running scripted TV Show – The Simpsons at 32 seasons (and counting) – and you begin to see that there is something about sport that makes it different. How can an entertainment product that is fundamentally the same as it has always been continue to capture the imagination and elicit the passion of so many fans such that club affiliations are passed down within the family for generations?... To sport, the passing of time is essential – the longer it runs, the greater the authenticity, the greater the narrative, the greater the meaning of victory.”³²

If “connoisseur theory” is relevant in football, the exiting fans invested substantial consumption capital in the current system. It seems bold to expect that they will readily switch to a new entertainment product. They would have to write off consumption capital and many memories and emotions that are attached to it. Why should they immediately be happy with the promise of balanced but comparably trivial³³ outcomes produced by a closed circle of “big clubs”?

For many decades, American customers have adapted to the kind of entertainment product offered by a closed league. This is not the case for European fans. Of course, new consumers, such as those from Asia or the USA, who have just started to consume football, are not affected by a loss of historical context. They may find factors such as the concentration of talent/stars and balanced games entertaining without missing all the various aspects of “football as sport”, which they have never experienced before. However, why would one locate the clubs of a closed league in Manchester, London, Liverpool, etc., which are established centers of “football as sport”? The fact that the proponents of the OESL did not expect the massive supporter backlash they immediately faced³⁴ indicates that they underestimated the importance of the various aspects of “football as sport”.

³² Marlow & Chaudhuri (2021, p.3).

³³ “Comparably” and not “totally” because one open question remains: the league title question.

³⁴ See Sullivan (2021) for an overview of how newspapers covered the European Super League backlash.

In sum, while the cost control argument seems to favor a closed league, the assumption of increased demand and revenues is currently questionable when all factors are considered.

2.3.2.3 Practical implementation obstacles – Can all current “big clubs” “convert to socialism”?

If they managed to set up the CESL, the “big clubs” would sell a different entertainment product with an unclear value in Europe, as just described. However, will they manage to set up the CESL in the first place?

US-style hermetic leagues function according to a totally different economic logic, which follows from the fact that they are single-consequence competitions. One team wins the league title, but apart from that no one is relegated, no one is promoted, and no one qualifies for overlapping competitions. Competitive balance becomes an important instrument for generating suspense by making the league title question less predictable. To increase the “openness of outcome,” major leagues in the U.S. have introduced revenue redistribution, absolute salary caps, draft systems, etc. Seen from the perspective of European football, this would require a complete redesign of the governance and incentive systems, which can be described as “conversion to socialism”. Art Modell, former owner of the Cleveland Browns/Baltimore Ravens, described the governance structure of the NFL as follows: “*We are a bunch of fat cat Republicans who vote socialist on football*”.³⁵

Is it realistic to assume that the win-maximizing “big clubs” of today, which permanently engage in genuine arms races, will convert to an “egalitarian regime” in which they share their resources and voluntarily respect “arms-control” regulations? Additionally, if they truly succeeded in creating such an egalitarian league with, for example, 20 clubs, every club would lift a trophy only every 20 years in expectation.

This should be compared with the current system of overlapping competitions in the pyramid, which creates multiple chances to lift trophies because it is “full of decisions” (domestic league title, domestic cup, UCL, Europa League, Conference League, Super Cup, etc.). A detailed

³⁵ Vrooman (2012, p.7).

inspection of a letter written by clubs such as Real Madrid, Manchester United, or FC Bayern is helpful for exploring this point. Substantial space is reserved to list all the trophies these clubs have won in the past. For such “big clubs”, years with only one “minor” trophy (for example, a domestic cup title) are considered failures, and their coaches normally do not survive these years in office. It is difficult to imagine that all the owners and executives currently running these clubs (and their fans) can adapt to a situation in which they can rationally expect to win a trophy every 20 years on average.

It would be interesting to know if all the executives at the “big clubs” designated as permanent members of the OESL have realized that closing the League and “converting to socialism” are two sides of the same coin. In my view, the following two examples raise some doubts.

The “big members’ associations” – FC Barcelona, Real Madrid, and FC Bayern (majority owned by an association)³⁶ – have no residual claimants. Since no one can take out profits in members’ clubs, profit maximization does not make sense. Member clubs are vehicles of utility maximization for their fans. Fans self-select as members and pay the members’ fee to enjoy themselves and have fun. Most likely, the utility of fans is correlated with sporting success on the pitch, subject to the condition that their clubs do not go bankrupt. How can the executives of a members’ club explain to the fans that they will not invest financial surpluses in the team and in additional wins because they need to respect the absolute salary cap of the CESL? The answer that this will enable the club to make a substantial profit at the end of the year but only provide a 5% probability of winning the league is not attractive for fans. This means that the executives promise a profit, which the fans as members can never claim and is therefore worth nothing for them, in exchange for “not winning” in 19 out of 20 years, which creates an enormous disutility for them. Can executives, who maneuver a members’ association into a closed league requiring “socialism” to function, assume that they will ever be reelected once the fans understand the trade-offs?

Moreover, the “big clubs” owned by “football benefactors” who are primarily interested in the various spillovers of sporting success to other businesses or other areas of society, like PSG or ManCity, are essentially promotion platforms. Nation branding, social prestige, legitimacy, etc., are linked to the exposure and image that are generated through winning titles. The owners

³⁶ FC Bayern was not among the 12 clubs that had already accepted the proposal.

of promotion platforms are not interested in operating a profitable football business but in creating the most effective channel to promote their strategic goals. Why should they agree to “socialism” and respect absolute salary caps, which make them profitable on the pitch at the price of winning a title only once in 20 years and damaging their promotion efforts and capacity to capture spillovers?

The adaptation of European football fans to a new entertainment product represents a serious obstacle for the CESL. Moreover, the conversion of sufficient “big clubs” to “socialism” is another unsolved issue, given the existence of member associations and promotion platforms in substantial number among the existing “big clubs”. Not only does the CESL come with a “new product” for which “new fans” need to be found, but it also may need some “new clubs” to produce this “new product”.

Taken together, the above factors highlight that the CESL is not yet a realistic option. Unsurprisingly, the proponents of the Super League changed their strategy regarding the format of the proposed new competition at the top of the European football hierarchy. The key principles of the newly proposed NESL format are as follows: “...participation based on sporting merit, no permanent members, participating clubs stay in their domestic leagues, which remain the foundation of European football.”³⁷

The same principles apply to the UCL. Thus, it seems that the NESL is essentially an attempt to replace the UEFA as the organizer of club competition at the top of the European football hierarchy.

3 SELF-GOVERNANCE BY THE PARTICIPATING CLUBS AT THE TOP EUROPEAN FOOTBALL LEVEL: WHAT DOES IT MEAN?

The following sentence from the A22 homepage conveys the main message:

*“European club competitions should be governed by the clubs as they are domestically, not by third parties who benefit without taking any risk.”*³⁸

³⁷ <https://a22sports.com/en/competition/>

³⁸ <https://a22sports.com/en/about-a22/>

3.1 Economics of league governance—From self-governance to platform governance in major U.S. leagues

While the U.S. major leagues provide a good illustration of the benefits of self-governance by the participating clubs, they also clearly indicate the limits of this governance mechanism. Unfortunately, the second part of the story, which unmaskes self-governance as platform governance, has been ignored thus far.

3.1.1 The benefits of self-governance in the U.S. major leagues: Monopolistic leagues, specific investment and forward integration

It has been explained elsewhere why American-style closed leagues are and should be self-governed by the participating clubs³⁹. The shortest version of the economic rationale can be built on the fact that leagues such as the NFL and NBA are monopolies in the territories they serve.

One factor that drives a monopolistic market structure is the cost structure of this branch of entertainment production. While the fixed costs of setting up a championship race—investing in teams and in infrastructure—are enormous, the marginal cost of serving an additional consumer is negligible once operations are running. One can argue that these costs add up to zero with modern media in every household and internet devices in every pocket. In these settings, one league can serve the market at lower average costs. Additionally, the monopolistic league can deliver a more valuable product to consumers. Having several competing major leagues in a single market area, each of which produces a champion, does not lead to a consistent ranking of all performers in the market. The more champions of this kind there were, the lower the perceived benefit of the title in the eyes of the fans would become.

If American-style closed leagues are monopolies, then the investments of team owners in building their team are league specific.⁴⁰ Team owners have no viable exit option from a

³⁹ See Franck (2003). For the first comprehensive analysis see Franck (1995). See also Dietl/Franck/Hasan/Lang (2009) for a formal treatment of the problem.

⁴⁰ A general treatment of the economic problems arising from specific investments can be found in Williamson (1979).

monopolistic major league because production would break down without the ability to play the other teams in the league and take part in the title race. Thus, all the investments of team owners in team development represent hostages for a distinct actor controlling access to the championship race. One might think of this actor as a franchisor, for example. He could terminate franchise licenses, issue new licenses contesting the home market of established teams, expand the number of licenses to the detriment of existing franchisees, change franchise conditions demanding higher royalties, etc., to extract the economic rent from team owners locked in through their specific investments. To a certain extent, such risks are typical for all franchise systems, but they are mitigated through competition in other industries. If somebody invests money in a store location in Zürich, Bahnhofstrasse, she is not restricted to selling Desigual, for example. If she is unhappy as a Desigual franchisee, she can move to another brand or franchise system without having to write off the largest part of her investment, such as her store location. Exit options reduce hold-up risk in other industries.

The dilemma of major league sports is obvious in this context. Creating exit options for team owners would require additional leagues, which would then jeopardize the cost economies and market value of the monopolistic league status. However, there is an alternative to exit, namely, voice. In all U.S. major leagues, clubs choose this alternative by organizing the league as a cooperative association of all participating clubs. Clubs establish all regulations governing championship production through majority voting. Equipped with voice, they no longer give hostages to a third party controlling access to the league.

From a value chain perspective, this solution is a form of forward integration because team owners internalize championship production, which can be seen as the next step. Clearly, the holdup problem could also be solved through backward integration. In this case, the league owner would take over all the teams, which would become local subsidiaries of a league firm. The holdup risk would disappear because the league owner would invest in the development of the different local subsidiaries. However, this backward integration model is at odds with securing the credibility of the championship race. If all the teams are owned by the same economic actor, why should the fans believe that this actor is not strategically influencing outcomes? “True sports” might become “show sports” in the perception of the fans. Thus far,

the concept of “true sports” seems to be the preferred entertainment product in this industry. The U.S. major leagues are associations of the participating clubs, not integrated companies.⁴¹

3.1.2 The limits of self-governance and the model of platform governance at the top of U.S. major leagues: Playoffs, transaction costs and negative externalities

A closer look at their microstructure reveals that all U.S. major leagues operate with playoffs. Essentially, the U.S. major leagues are also pyramids: small pyramids with two levels. For example, the NFL consists of 32 teams organized in two conferences. Seven teams from each of the two conferences of sixteen teams qualify for playoffs on the basis of sportive merit in the regular season. Why would the fourteen teams qualified for the playoffs not immediately switch to self-governance and organize the playoffs in their own association, which they could set up after qualification?

First, the transaction costs to set up a “playoff association” with new members every year are substantial given that the percentage of new members could be 100% in the playoffs. Second, a problem of negative externalities emerges. The product “playoffs” remains a joint product of all clubs in the NFL, who have produced the results on which the “playoffs” are built. Without the NFL “platform”, there is no “substance” for the “meta-product” playoffs. Giving voice only to the clubs continuing in the playoffs would create wrong incentives and open the door for these clubs to interpret themselves as “owners of the playoffs” trying to appropriate value created by the entire platform.

It is difficult to determine which exact fraction of the additional revenues (gate revenues, commercial revenues, sponsoring and advertising revenues, and broadcasting revenues) generated in playoff games should be distributed to the nonqualifiers for their contribution to the “playoff platform”. However, the solution chosen in all the U.S. major leagues is not to avoid this complexity by creating a new association at the top level of the small pyramid but rather to give all members of the platform voice in this complex decision. This solution is clearly at odds with the idea of self-governance by the clubs playing at the top level of the small NFL pyramid. The clubs that continue to the playoffs after the regular season have 14 of the 32

⁴¹ As of today, MLS is the only exception following a single-entity concept. However, it seems that MLS moves toward more independence of the individual teams.

votes in the NFL assembly, which means that they must face a substantial level of “external governance” originating from the voting power of the clubs that remained “in the lower league” after the regular season.

Thus, the U.S. solution is not a self-governance solution at the top of the small NFL pyramid. It is a platform solution that includes the entire pyramid NFL. Presumably, this increases the cost of internal decision-making because it is more difficult to find a compromise among the 32 members of the NFL than among the 14 members of the yearly playoffs, but it has important benefits:

- As the members of the platform are stable—all 32 members of the NFL—the transaction costs of changing membership—up to 14 members would potentially change in the playoff association—go to zero.
- All negative externalities are internalized. Members of the “platform” NFL have voice to defend the common-pool resource from being overused by qualifiers, who may perceive themselves as “owners” of all revenues earned in the playoffs.

3.2 From platform governance to association governance at the top of the European football hierarchy

3.2.1 Playoffs at the top of the “huge” European football pyramid: Limits of platform governance

The group stage of the UCL, played by 32 teams⁴², can be seen as the competition at the top of the European football pyramid. Can we apply the same economic logic as in the NFL case? The UCL is a sort of “lagged play off-competition” of the 700+ top-division clubs in the 55 member associations of the UEFA. However, these top division clubs are linked to the lower levels of their domestic football pyramid through promotion and relegation. If we adopt a time horizon of at least 10 years in principle, almost every football club on the European football pyramid of today could qualify to participate in the UCL. For example, RB Leipzig made its way from the fifth division in the German football pyramid to the UCL in 7 years. In the European case, the pyramid has many steps, and the base of the pyramid consists of many teams.

⁴² In 2024, a new model of the UCL with 36 teams starting in a league format instead of the groups becomes operational.

Which is the right “group of clubs” that should have a voice in the UCL?

Creating an association of the 32 clubs participating in the group stage of the UCL in one season raises the same issues of transaction costs and negative externalities as the creation of an association of the teams playing in the playoffs of the NFL. Giving voice only to the clubs in the group phase means setting up a new association every year and opening the door for these clubs to appropriate values created by all the other clubs that produce the standing on which the group stage builds.

The solution chosen by the NFL to increase membership to all members of the platform does not work in the case of the UCL. The 700+ top division clubs in the 55 domestic associations, which currently apply for a UEFA license to participate in European competitions, are the ones from which the members for the “lagged playoffs” UCL group stage qualify if we take a short-term perspective of two seasons. They have produced the sportive results in the previous season, on which the UCL continues one season later. They are part of “team production” over two years. The transaction costs of setting up an association of 700+ clubs obviously explode, and the externality problem is still not solved. This becomes obvious if we look at the football pyramid over more than two seasons. The number of clubs that contributed to the “standings” that enable current competitions has increased with every season added.

An association of very many clubs—whether we take the 700+ top division clubs in Europe from a two-year perspective or, literally, thousands of clubs from a longer-term perspective—is not a viable structure.

3.2.2 Overlapping competitions, exit options and a reduced need for voice: From platform governance to association governance

If FC Bayern plays in the UCL, the respective games come on top of the games played in the Bundesliga organized by the Deutsche Fussball Liga (DFL) (and the German Cup organized by the German Federation). In contrast to the situation of NFL teams, a team such as FC Bayern operates in a regime with overlapping competitions. Not playing in the UCL in one season does not mean a stop of production. Thus, investments in the team of FC Bayern are not UCL-specific in the same sense as the investments of teams in the closed monopolistic U.S. leagues.

Exit options—playing in the Bundesliga and the German Cup—and lower levels of specific investments make Bayern less vulnerable to holdup. The need to have a voice in an overlapping football Super League is less pronounced than it is in the monopolistic NFL or NBA. The more prosperous the top domestic football league is, the more valuable the exit option created for its clubs becomes. Clubs from the Premier League have not given “substantial hostages” to the UEFA as organizers of the UCL. They invest primarily to be competitive in the Premier League, where the bulk of their income is generated. If clubs playing in the UCL do not give a comparable level of “hostage” to the organizer of this competition as their counterparts in the monopolistic NFL do, a fully developed voice mechanism is not needed. A rather diluted voice mechanism will presumably suffice to safeguard the much lower level of specific investments.

This creates the chance to solve the two other problems of European elite football generated by a pyramid with many steps and a multitude of teams by switching governance to the association level.

The UEFA is the association of 55 national football associations. Along with the national associations, the UEFA transforms the European football pyramid into an NFL-like structure with a stable base of 55 permanent members. The 55 national associations representing the domestic parts of the football pyramid have full-fledged voices within the UEFA. There are no transaction costs of temporary memberships, as in an association of clubs running the UCL, and there are no externality problems since the entire football pyramid contributing to the “platform”, on which the UCL takes place, has voice through the 55 national associations.

If the association pyramid would provide a sufficiently strong remaining voice mechanism for the clubs participating in European competitions, it could be used as an instrument to handle the transaction costs and externality problems discussed above. Unlike the pyramid of teams and leagues, the association pyramid is less high and less complex. The teams applying for a license to participate in European competitions do this at their national licensor, which is their national football association in general. These teams are members of their national football associations. They have a voice, but their voice is diluted since the national association represents the entire fraction of the European football pyramid operating in the respective country. The crucial question is whether the voice of the clubs (potentially) playing in European

club competitions is not too diluted if their representation is solely organized via national associations.

The development of the European Clubs Association (ECA) can be understood in this context.⁴³ ECA can be seen as the association of potential participants in European competitions. The number of ECA ordinary members—defined as clubs regularly competing in UEFA club competitions and voting on all matters in the general assembly—from each national association is established for every membership cycle on the basis of the UEFA National Association Ranking position at that time. For example, the National Associations ranked 1-3 have 5 ordinary members. Associated members are those who occasionally compete in UEFA competitions. They can participate in ECA events in working groups, committees or panels but have no vote in the general assembly. Updating their membership to reflect the potential participants in the UEFA competitions is a key issue of the ECA.

ECA is officially recognized by both UEFA and FIFA as the key stakeholder of football clubs at the European level. Thus, governance at the top of European club football is performed by the UEFA in cooperation with the ECA. Governance by the UEFA can be interpreted as an institutional response to the fact that an association of clubs playing in European competitions cannot represent the entire football pyramid, as the number of members must remain limited. The stable and flat association hierarchy is better suited to handle the transaction costs and externality problems of the entire European football pyramid. ECA can be interpreted as an institutional response to the risk that the voice of the clubs (potentially) playing in European club competitions might become too diluted if their representation is solely organized via national associations. This is why the status quo of cooperation between the UEFA and ECA seems to be a reasonable approach to govern open competitions at the top of the European football pyramid.

⁴³ <https://www.ecaeurope.com/about-eca/>

3.3 The NESL proposal: A closed league in disguise

Self-governance works perfectly well in a closed competition (like the regular season of the NFL, for example). The members of the association are stable, and externality problems disappear if the competition is not built on a pyramid of other competitions. Self-governance will work smoothly if the number of associates that need to be replaced every year is comparably low, which also implies that the contributions from lower levels of the pyramid become less relevant (reducing potential externality problems). For this reason, the top domestic leagues in European football were able to organize as associations of the participating clubs. The Premier League, for example, exchanges 3 out of 20 members (15%) per year, requiring relegated members to transfer their voting right to the promoted members.

However, the problem is that the group stage of the UCL is a genuine playoff-format, where 100% of the members could be new every year. Here, the model of self-governance runs into the governance difficulties analyzed in the previous chapters. If the NESL proposal relies on self-governance by the participating clubs, this can be achieved only by increasingly closing the top of the football pyramid. But then the NESL project is not just about replacing the UEFA; it is also about changing the format of the competition. Let's have a closer look at this.

The potential candidates for a Super League are the 700+ clubs that play in the top domestic leagues in Europe. Competition access can be described as the construction of the "ladder" that these teams must climb to access the group of teams playing for the highest title. The "ladder width" and the "number of steps" on this "ladder to the top" decide to what extent access to the top competition is open or closed.

The "ladder width" can be measured as the percentage of slots in the top league that are reallocated to new members in every season. The "number of steps on the ladder" refers to the additional qualification rounds required from the teams that have completed their domestic competitions to reach the group of teams playing for the highest title.

The 32 teams starting in the group phase of the UEFA Champions League (UCL) have thus far played for the highest title in European club football. Twenty-six of these teams have qualified directly through their positions achieved in domestic competitions (for example, the four teams at the top of the Premier League, Bundesliga, Primera Division and Seria A in season t , enter

the group stage directly in season t+1). For them, the number of steps on the ladder is one (achieving the required position in the domestic league). The remaining six teams entered the group stage via qualification⁴⁴, which means that they still had additional steps to take after having succeeded in their domestic competitions. The “ladder width” of the UCL group stage was 100%. All 32 teams had to qualify every season. They were all promoted for only one season, and they were all relegated after the season. Given that the “ladder width” was 100% and that the “ladder step” was one for at least 26 out of 32 members, the UCL group stage was a very open competition. The reform of the UCL becoming operational from the 2024/25 season onward will not change much. Thirty-six clubs then participate in the UCL league phase (replacing the former group stage).

By emphasizing the principles of promotion and relegation and access based on sporting merit, the NESL proposal⁴⁵ seems to be far from the initial OESL proposal, which foresaw 15 permanent members. However, when considering the characteristics of the “ladder” that needs to be climbed from domestic competitions to access the group of teams playing for the highest title, the NESL incorporates significant elements to close the top competition.

The NESL has three layers: Star, Gold and Blue. The Star and the Gold Leagues each have 16 participants that play in groups of 8 in home and away modus. The best 4 clubs in each group play a knockout stage and determine a champion. The lowest level, the Blue League, has 32 clubs, playing in 4 groups of 8. The best 2 of all 4 groups then play a knockout stage to determine the champion. Four teams from the 16 teams of the Star League will be relegated and replaced by 4 teams of the Gold League. 4 Teams of the 16 teams of the Gold League will be replaced by 4 teams from the 32 teams of the Blue League. Twenty teams will be relegated from the 32 teams of the Blue League and replaced by 20 teams from the top domestic competitions.

New entry into the entire system NESL is restricted to 20 out of a total of 64 teams, which corresponds to 31.25%. The current system is based on 100% new entry.

⁴⁴ <https://www.uefa.com/uefachampionsleague/news/0282-183c882efef4-9b86299662cd-1000--uefa-champions-league-qualifying-explained-dates-how-it-/>

⁴⁵ <https://a22sports.com/en/competition/>

The “ladder steps” to access the highest level of competition—the Star League—are 3 in the NESL system: qualifying for the Blue League, then qualifying for the Gold League and finally qualifying for the Star League. The “old” UCL group stage was reached in 1 step by 26 teams.

The “ladder width” was 100% in the old UCL group stage. All 32 teams had to qualify on a yearly basis, and all 32 slots were available for newcomers. The “ladder width” to access the Star league from the Gold League is 25%. Only 2 out of 8 slots are available to newcomers every year in every group. The newcomers do not come from domestic leagues. They had to pass another “ladder” from the Blue League to the Gold League already. Again, only 25% of the slots of the Gold League are allocated to newcomers from the Blue League.

The only league with slight similarities to the UCL system is the Blue League. Twenty out of the 32 teams playing in a season will be replaced by teams from the top domestic leagues. This corresponds to a “ladder width” of 62.5% (instead of the 100% of the UCL group stage).

Overall, the NESL proposal has a certain, albeit much lower, amount of openness than the UCL does until the Blue League is reached. From there onward, the system is rather closed. Only 4 new clubs per season can “infiltrate” the two upper levels of the NESL system, consisting of 32 clubs in every season, which corresponds to 12.5% of the population. In this sense, the NESL is even more closed than the OESL, where 5 clubs out of 20 would have been potential newcomers every year. To the extent that the upper two levels of the system generate higher revenues for the participants, the low dropout rate enables substantial reinforcement effects, making these clubs “bigger” over time. Overall, those clubs that made it into the two top levels—even more so those in the first level—can expect with very high probability to remain part of the elite group. They may not be permanent members, but they are very close.

By creating a rather stable group of 32 clubs at the top, the NESL proposal will simplify the creation of an association of these clubs. Organizing the transfer of voting rights for four clubs at the end of every season is a very feasible exercise. Offering full membership and voting rights to the 32 members of the Blue League, which will disappear with a much higher probability after every season, is not to be expected. Some form of associate membership providing limited participation is the alternative.

The self-governance of the participating clubs only works with a rather stable and limited number of full members. To create the conditions for self-governance, closure of the League is paramount. While the OESL proposal was an open attempt to close the League at the top of European football, the NESL proposal is a closed league in disguise.

4 CONCLUSION

The proponents of the Super League—either OESL or NESL—aim to close the competition at the top of the European football pyramid, which will enable them to replace the UEFA and self-govern their competition. However, the change in the format of the competition triggers an issue of value creation. The more the proponents of the Super League succeed in closing the top of the pyramid, the more the nature of the product will change. Let me repeat the questions that traditional football fans confront in an increasingly closed competition:

- Do we want football without jeopardy/consequences?

In the OESL system, the 15 permanent members would never drop out, even if they lost every game. In the NESL system, it takes 3 years for a Star League club to drop out of the European level, even after losing all the games during this period. Even if the club was relegated to the second or third domestic division, it would still play in Europe. Do we want to see this sort of “entertainment”?

- Do we want football without dreams/hope?

Why would we deprive fans of Atalanta, Union Berlin, etc., from seeing their clubs playing at the highest level in European football next year after playing an excellent domestic season the previous year? In the NESL, these clubs would be sorted out in the Blue League and never have a chance to play a single game against the big names populating the Star League. Would this exclusion not destroy dreams and the hope of millions of fans in the football pyramid if they accepted that they would never see their club playing such historic games?

- Do we want football without history?

Many of us have followed European club competitions for decades, remembering important events over the years. Why should we be happy to write off a significant portion of these memories because the new system functions according to a different logic?

The issue at stake is not only the replacement of the UEFA as an organizer of the competition(s) at the top of European football. At stake is the replacement of the European football model, which centers around the concept of “football as sport”. There is a risk that less value will be created in the “new football as a show” industry, where a “new product” needs to find “new fans” and presumably also “new clubs” (able to produce this “new product”). However, less value creation might not deter some “big clubs” if they are able to appropriate a larger fraction of the total value created in football.

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