

Retaining junior football players in the domestic league until sportive maturity: the Belgian case



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Introduction

“Players having left their country under the age of 18 have, on average, less rewarding careers than footballers who left later with more experience under their belt.” (CIES)



Rising young player migration



Acquisition as reasoned gamble



Reduced training incentives



Address issues from an economic perspective

Current situation of European football

- Influx of foreign players after Bosman ruling
- UEFA homegrown player rules
- FIFA international transfer regulations
- FIFA training compensation and solidarity mechanism
- Aggressive recruitment strategies of wealthy clubs
- Influence of player agents

The case of Belgium

- Leading exporter of minors
- High share of foreigners
- Low share of club-trained players
- Limited playing minutes for young Belgians

#	Country	Minor export
1.	Belgium	38
2.	Sweden	23
2.	France	23

Particularities: minimum contract age, limited legal means, tax regime

Need for system changes

Objectives:

- ✓ Improve league attractiveness for young domestic players
- ✓ Protect youngsters from leaving too soon
- ✓ Protect clubs from loss of valuable talent

Methodology:

Literature ; Expert interviews ; Microeconomic analysis

Europe: win maximisation & flexible talent supply

Impact on competitive balance

New economic measures



Cost increase of foreign players



Limited number of players under contract



European training fund

1. Cost increase of foreign players

q : playing quality

t_D : domestic talent

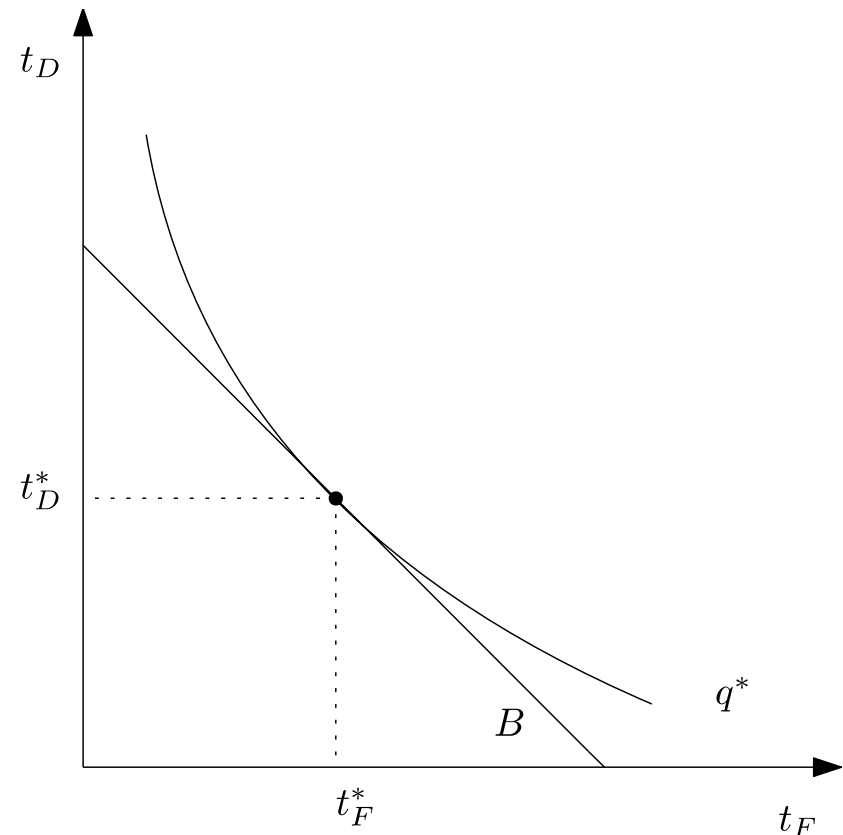
t_F : foreign talent

c_D : domestic talent cost

c_F : foreign talent cost

B : available budget

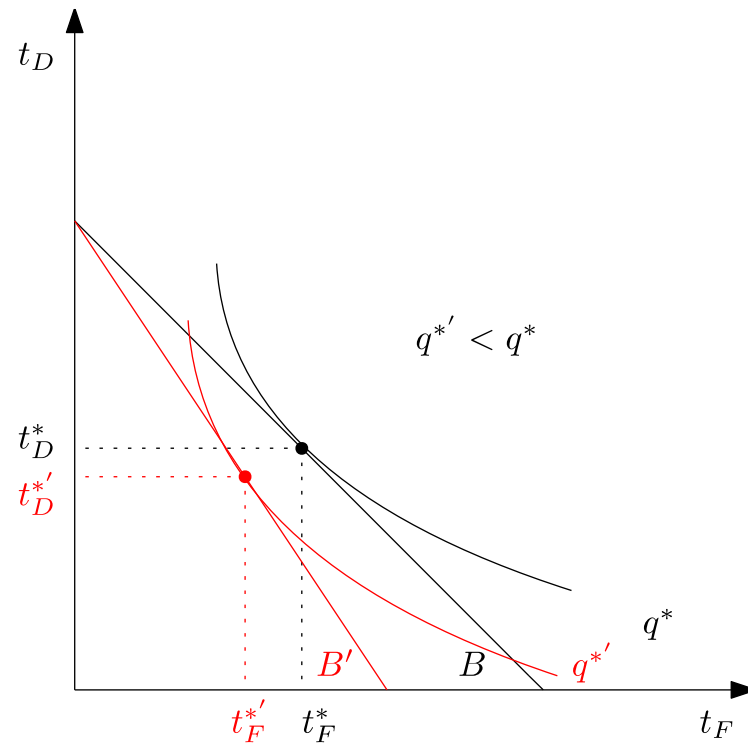
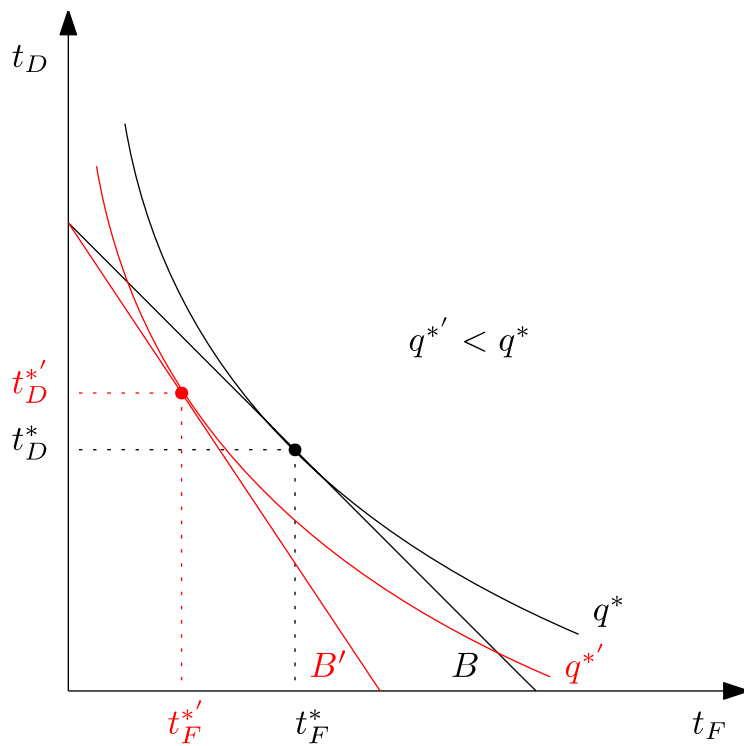
$$\begin{aligned} & \max\{q\} \\ & s.t. B \geq c_D t_D + c_F t_F \end{aligned}$$



$$\begin{aligned} \frac{\delta q(t_D, t_F)}{\delta t_D} > 0, & \frac{\delta q(t_D, t_F)}{\delta t_F} > 0 \\ \frac{\delta^2 q(t_D, t_F)}{\delta t_D^2} < 0, & \frac{\delta^2 q(t_D, t_F)}{\delta t_F^2} < 0 \end{aligned}$$

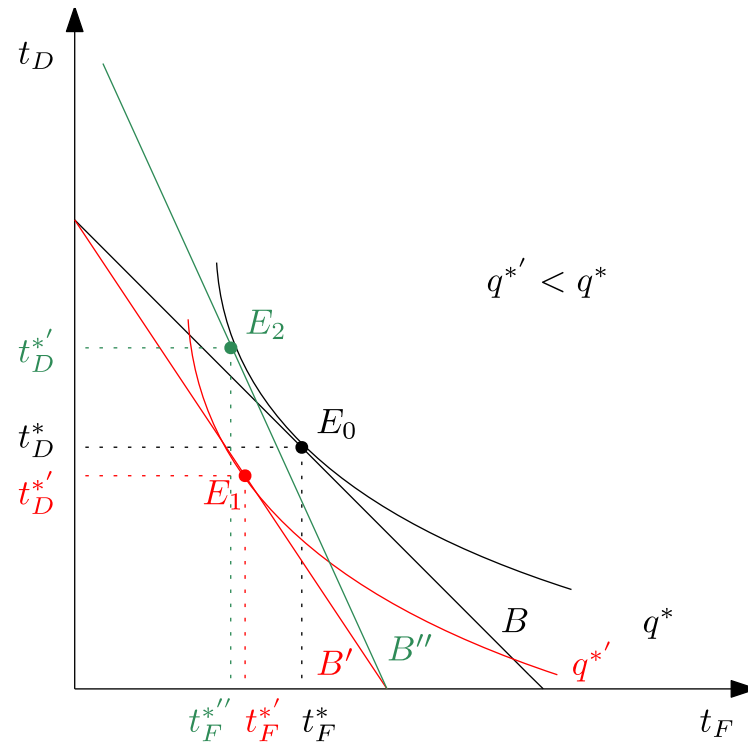
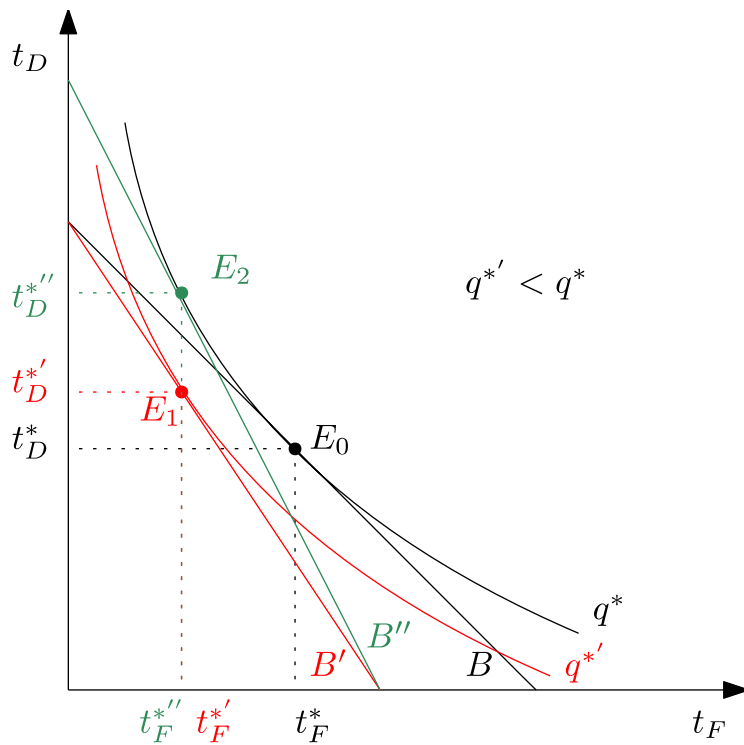
1. Cost increase of foreign players

Foreign talent cost increase



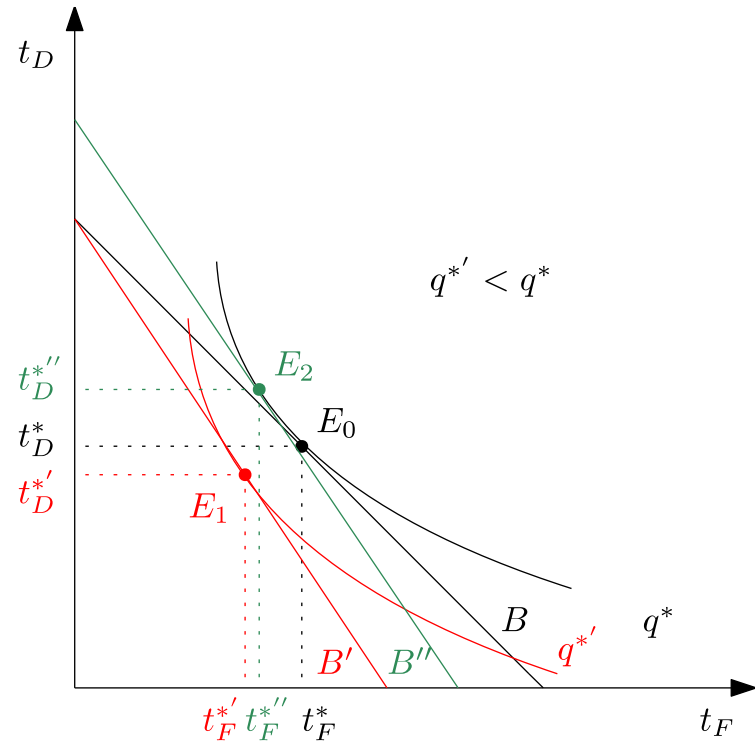
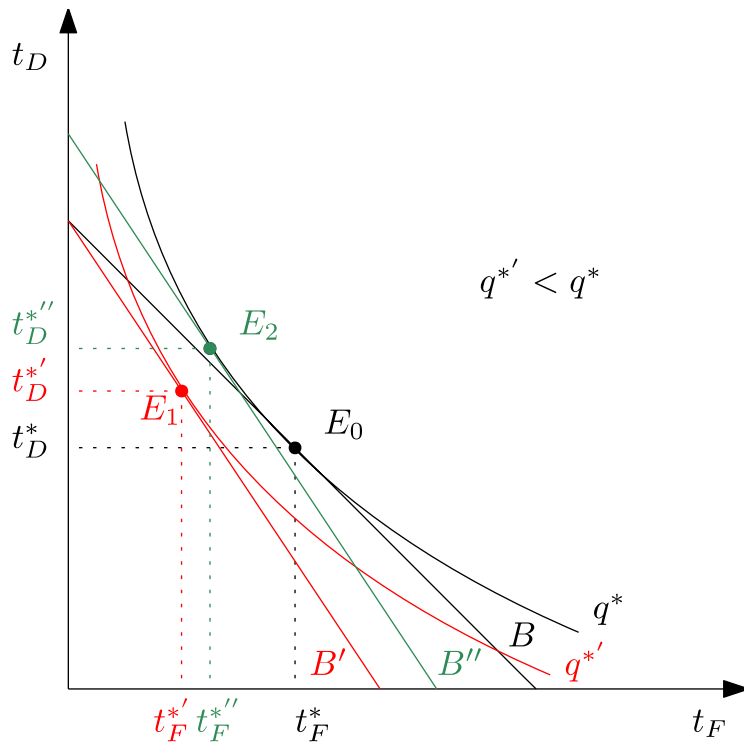
1. Cost increase of foreign players

Domestic talent cost decrease



1. Cost increase of foreign players

Budget increase



1. Cost increase of foreign players

- Problem

Cost(fully trained foreign player) < Cost(training of domestic player)

- Relative increase of foreign talent cost
- More playing opportunities for domestic players
- Need to focus on foreigners with real added value
- Practical implementation: EU regulations & tax regime

2. Limited number of players under contract

q : playing quality

L_p : professional player

L_a : academy player

c_p : professional player cost

c_a : academy player cost

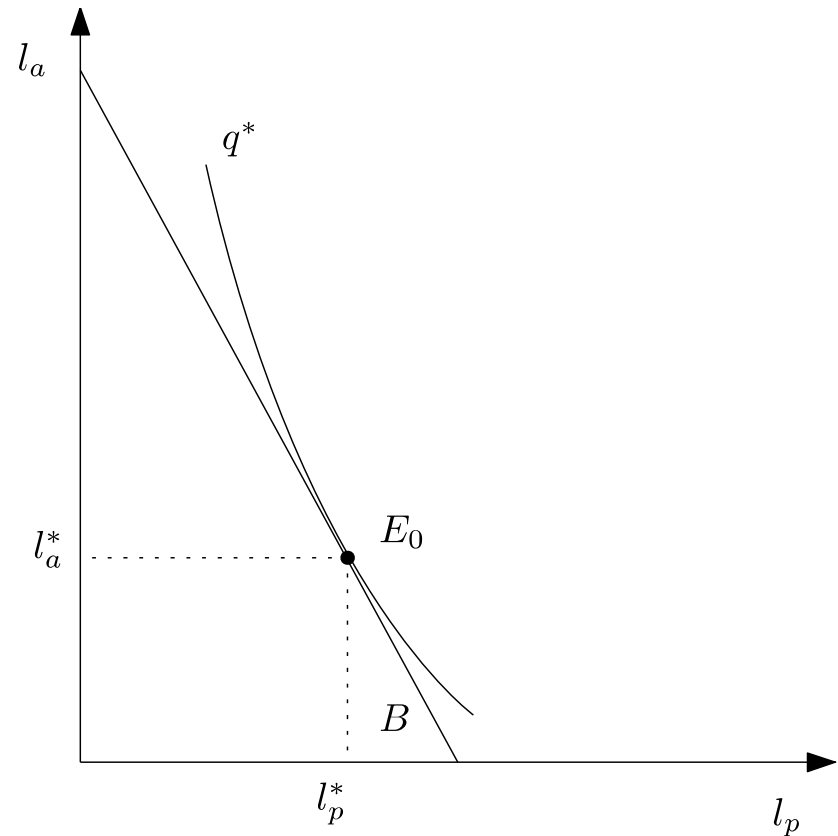
B : available budget

$$\begin{aligned} & \max\{q\} \\ & \text{s.t. } B \geq c_p l_p + c_a l_a \end{aligned}$$

$$\frac{\delta q(l_p, l_a)}{\delta l_p} > 0, \frac{\delta q(l_p, l_a)}{\delta l_a} > 0$$

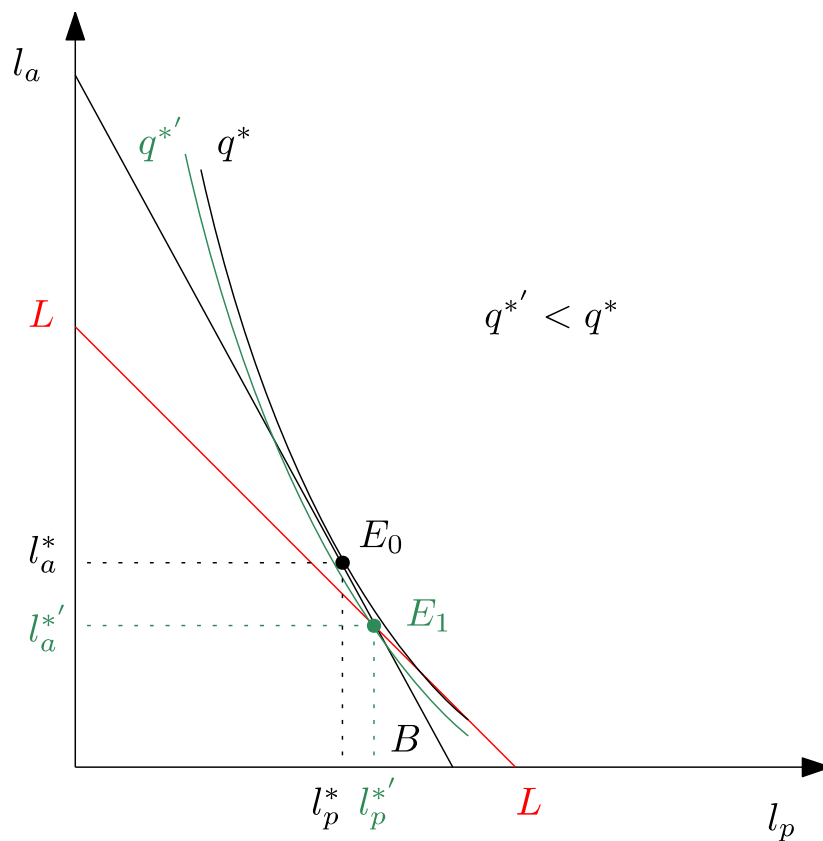
$$\frac{\delta^2 q(l_p, l_a)}{\delta l_p^2} < 0, \frac{\delta^2 q(l_p, l_a)}{\delta l_a^2} < 0$$

$$\forall l^* \in \mathbb{N}, \frac{\delta q(l^*, l^*)}{\delta l_p} > \frac{\delta q(l^*, l^*)}{\delta l_a}$$



2. Limited number of players under contract

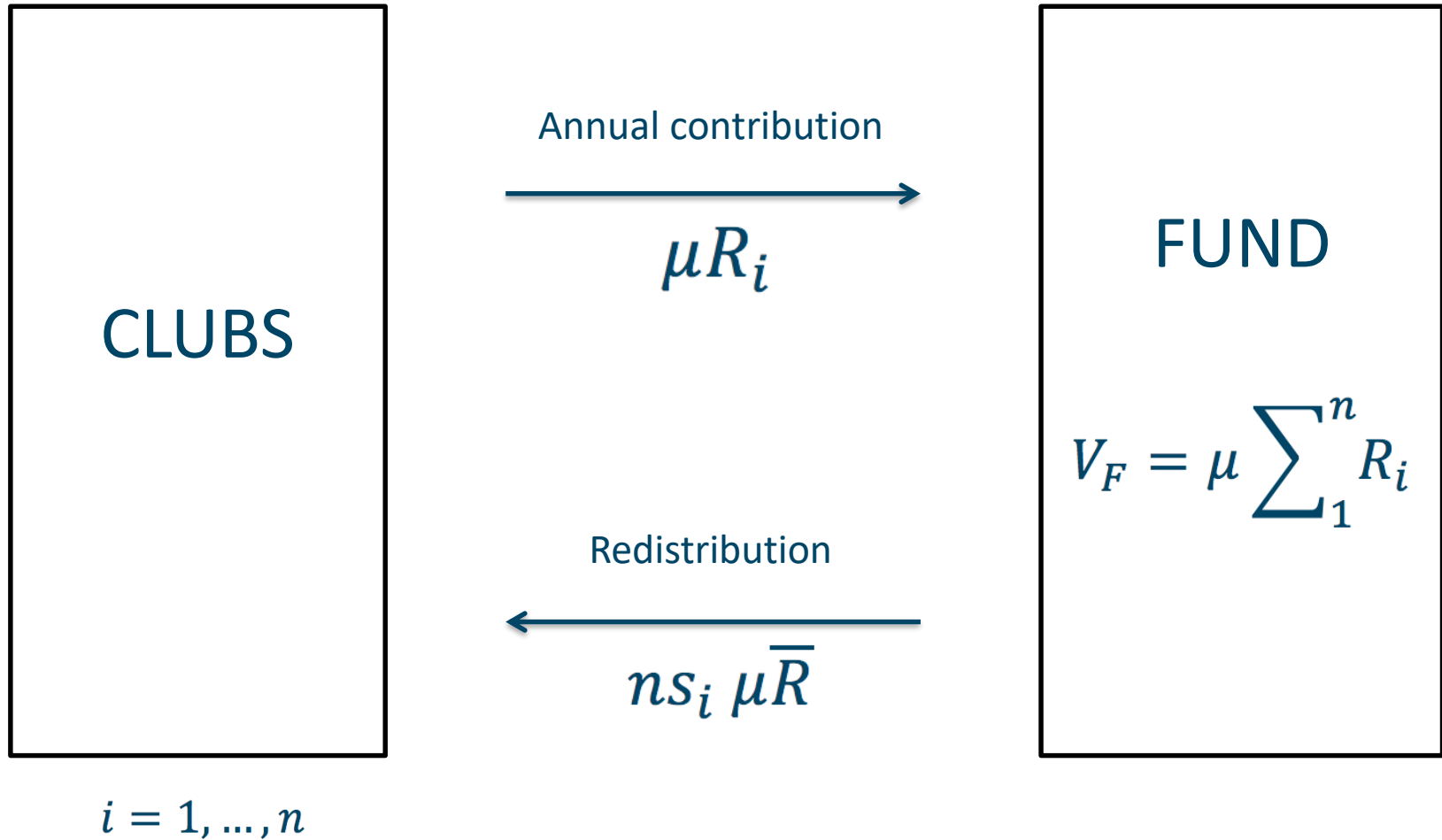
L : limit on players under contract



2. Limited number of players under contract

- Address aggressive recruitment strategies
- First season exception for own youth players
- Other outcomes
 - Better talent allocation
 - Improved competitive balance
- Practical implementation: balanced limit

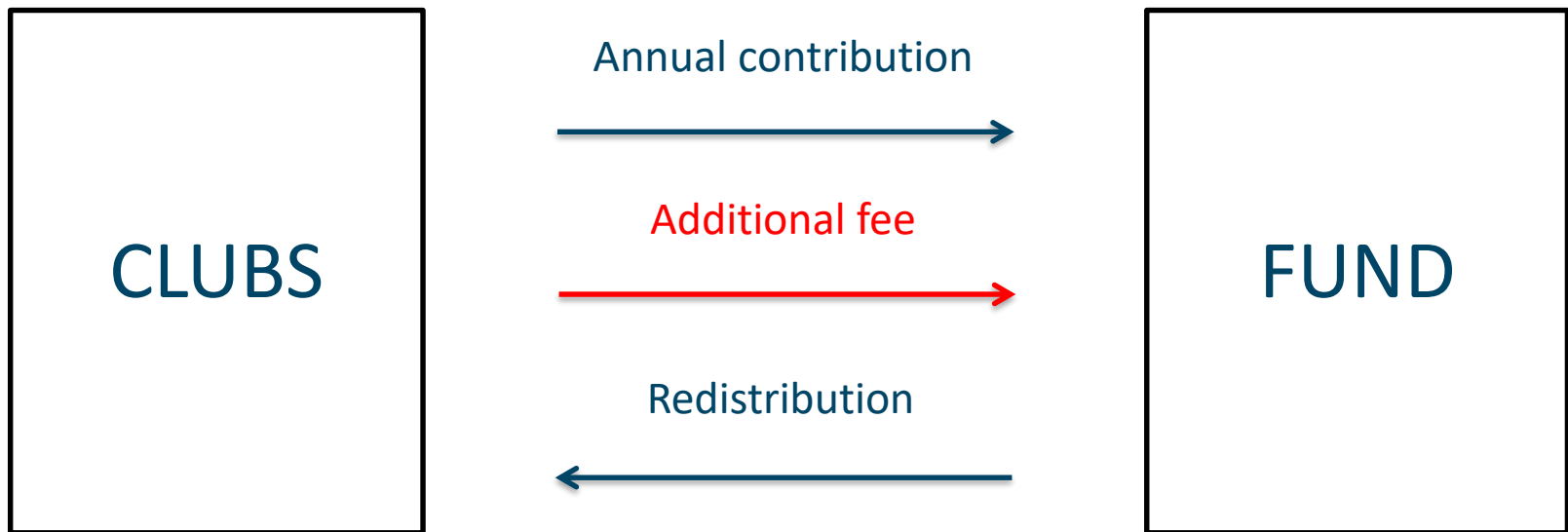
3. European training fund



3. European training fund: add-on

Additional fee to the fund for first international transfer of inexperienced player

- First professional contract
- Transfer market



3. European training fund: add-on

<i>Outcome</i>	<i>Probability</i>	<i>Costs</i>	<i>Benefits</i>	<i>Benefits - Costs</i>
Success	α	$c_{i,a}t_{i,a}$	$T_{i,a}t_{i,a}$	$(T_{i,a} - c_{i,a})t_{i,a}$
Failure	$1 - \alpha$	$c_{i,a}t_{i,a}$	0	$(-c_{i,a})t_{i,a}$

$$E(\text{Benefits} - \text{Costs}) > 0$$

$$\alpha T_{F,a} > c_{F,a}$$



$$\alpha T_{F,a} > c_{F,a} + f_{F,a}$$

Outcomes

- More playing opportunities for domestic players
- Focus on foreign players with sufficiently high success probability
- Smaller clubs better protected against loss of talent
- Improved competitive balance

3. European training fund

- Steer youth development
- Discourage international transfer of inexperienced players
- Internalisation of externalities
- European level (UEFA) → competitive balance
- Practical implementation: rigorous criteria

Abolishment of current transfer system



Cost increase of foreign players



Limited number of players under contract



European training fund

Conclusions and future research

- Early departure hampers player development
- Issues in Europe and Belgium
- Coherent set of measures
- Limit international youth transfers to mature talents with highest success probability
- Future research: practical implementation in line with national and international legislations

