

## THE WORLD CUP HISTORY

The first World Cup was held in Uruguay in 1930, and with the exception of the inter-war years from 1938 to 1950, it has been successfully held every four years since 1930.

Past winners can be seen in the table below.

Following France's victory in 1998, there are now **seven** countries that have won the World Cup, three from South America and now four from Europe. Brazil have won the trophy four times – more than any other country, with Germany and Italy winning it three times each.

Argentina and Uruguay have both won it twice, with England and France only once.

The fancied winners for 2002 not surprisingly come from past winners, with other competitors very much outsiders. Argentina and France are the favourites according to bookmakers in the UK.

Two intriguing facts about the 2002 competition are that no team from outside Europe or Latin America

has ever won the competition, and also no team has ever won it outside their own continent except Brazil with their 1958 victory in Sweden. This adds an element of unpredictability to the 2002 competition, especially given the local conditions that the favoured teams from Europe and Latin America will have to get accustomed to. Very few footballers will have experienced life in Asia and in addition to the summer humidity, the distance from home might be a relevant factor for some players (the different time zone makes for difficult sleeping arrangements!)

As for the challenge from less favoured countries, host nations have often thrown up strong performances, and indeed as can be seen in the table, **six** host nations have won the tournament, 37.5% of the sixteen past competitions. This fact should be an extra incentive to this year's joint hosts, Korea and Japan, although it will be a truly incredible achievement if either were to succeed.

There are the same number of finalists as 1998 - 32 teams, initially divided into 8 groups of 4. Each team plays the others in their group with the two top teams then progressing to the next stage, which will be a knock out. These 8 winners will then progress to the

## World Cup Finals

Year	Host Country	Winner	Runner-up	Score
1930	Uruguay	URUGUAY	Argentina	4-2
1934	Italy	ITALY	Czechoslovakia	2-1 (extra-time)
1938	France	ITALY	Hungary	4-2
1950	Brazil	URUGUAY	Brazil	2-1
1954	Switzerland	WEST GERMANY	Hungary	3-2
1958	Sweden	BRAZIL	Sweden	5-2
1962	Chile	BRAZIL	Czechoslovakia	3-1
1966	England	ENGLAND	West Germany	4-2 (extra-time)
1970	Mexico	BRAZIL	Italy	4-1
1974	West Germany	WEST GERMANY	Holland	2-1
1978	Argentina	ARGENTINA	Holland	3-1 (extra-time)
1982	Spain	ITALY	West Germany	3-1
1986	Mexico	ARGENTINA	West Germany	3-2
1990	Italy	WEST GERMANY	Argentina	1-0
1994	United States	BRAZIL	Italy	0-0 (3-2 penalty kicks)
1998	France	FRANCE	Brazil	3-0
2002	Japan/Korea	?	?	?

quarter finals, the four winners of which will then compete in the semi-finals, with the final to be played on 30 June in Yokohama, Japan and the 3<sup>rd</sup> vs 4<sup>th</sup> playoff on 29 June in Daegu, Korea.

All in all, 64 matches will be played in 20 different cities in South Korea and Japan, with the world's major TV stations giving saturation coverage.

This is a huge difference from the first tournament in 1930, when just 12 teams competed in Uruguay with the four European entrants, Belgium, France, Romania and Yugoslavia taking 3 weeks to arrive by boat!

The increasing sophistication and commercialisation of football explains the novel choice of co-hosting between Korea and Japan. Indeed, the choice of host has taken on a massive economic and social aspect, with enormous debate about the choice for the 2006 hosts, Germany. South Africa was widely expected to be awarded the competition, but some tactical voting by FIFA participants (the body of world football) resulted in a more conventional choice.

Following the arguments surrounding the 2006 choice, FIFA are under pressure to make South Africa the automatic choice for 2010, and also to specify a defined pattern, alternating every other tournament between Europe and Latin America. Another suggestion which fluctuates in terms of popularity is to consider shifting the frequency of the World Cup to every 2 years instead of the current 4 years, a shift that would be very controversial in the eyes of lovers of other sports, notably athletics.

Given that this is the first World Cup being hosted in Asia, the world's business community will take as much interest as supporters given the potential benefits from advertising and sponsorships. More than half of the world's population is in Asia, with China and India having a combined population of 2.1 billion alone. Success involving local players will have a lasting impact.

It will be interesting to see the post World Cup transfer activities of Europe's top wealthy club teams. Since the 1998 Finals, it has become a popular belief that the clubs and players have bled the game's finances as much as possible. Unless the 2002 competition can inject a fresh 'theme' to stimulate

media rights inside and outside Europe or a dramatic boost to replica shirt sales or some completely new concept, the leading clubs are likely to be less frivolous going forward, regardless of the actual winners of this trophy.

No doubt, the leading thinkers of FIFA and other creative business people will be working overtime to develop a fresh angle, while most supporters will be interested in trying to spot the next Pele, Beckenbauer, Cruyff, Maradona or Zidane to emerge.

## ECONOMICS & FOOTBALL

In 1998 when we examined this issue, we showed a rather 'tongue in cheek' analysis of the correlation between football and economics and we have developed this theme further.

One of the more intriguing aspects of football is that quite a few of the world's wealthiest nations are **not** successful at the game. Within the G7, neither the US nor Japan have any global influence as yet despite clear evidence of the sport's increased popularity over the past decade and the transfer of professional players from both countries to Europe. Within Europe, Switzerland is a relatively unsuccessful soccer nation compared with its GNP per capita.

On the other hand, the most prosperous European nations, England, France, Germany and Italy are the most successful football countries.

The latest FIFA global rankings show a very loose pattern of correlation with GNP capita, with the more successful nations within Europe and Latin America also the most prosperous.

## FIFA RANKINGS AND WORLD GDP PER CAPITA

It might be argued that the correlation between economic and football success is on the rise.

Despite what was noted earlier about Japan and the US, this year's finals will include representative teams from six of the G7 countries. Only Canada and India are omitted from the world's top 10 economies, and nations representing some 84% of the world's GDP will be competing, probably a bigger proportion than

## ALL TIME WORLD CUP TABLE

	Played	Won	Drawn	Lost	Goals		Points
					For	Against	
1 Brazil	80	53	14	13	173	78	120
2 Germany (West)	78	45	17	16	162	103	107
3 Italy	66	38	16	12	105	62	92
4 Argentina	57	29	10	18	100	69	68
5 England	45	20	13	12	62	42	53
6 France	41	21	6	14	86	58	48
7 Spain	40	16	10	14	61	48	42
8 Yugoslavia	37	16	8	13	60	46	40
9 Russia/USSR	34	16	6	12	60	40	38
10 Uruguay	37	15	8	14	61	52	38
11 Holland	32	14	9	9	56	36	37
12 Sweden	38	14	9	15	66	60	37
13 Hungary	32	15	3	14	87	57	33
14 Poland	25	13	5	7	39	29	31
15 Austria	29	12	4	13	43	47	28
16 Czechoslovakia	30	11	5	14	44	45	27
17 Mexico	37	8	10	19	39	75	26
18 Belgium	32	9	7	16	40	56	25
19 Romania	21	8	5	8	30	32	21
20 Chile	25	7	6	12	31	40	20
21 Scotland	23	4	7	12	25	41	15
22 Switzerland	22	6	3	13	33	51	15
23 Paraguay	15	4	6	5	19	27	14
24 Bulgaria	26	3	8	15	22	53	14
25 Portugal	9	6	-	3	19	12	12
26 Cameroon	14	3	6	5	13	26	12
27 Denmark	9	5	1	3	19	13	11
28 North. Ireland	13	3	5	5	13	23	11
29 Peru	15	4	3	8	19	31	11
30 Croatia	7	5	-	2	11	5	10
31 United States	17	4	1	12	18	38	9
32 Nigeria	8	4	-	4	13	13	8
33 Morocco	13	2	4	7	12	18	8
34 Colombia	13	3	2	8	14	23	8
35 Norway	8	2	3	3	7	8	7
36 Ireland	9	1	5	3	4	7	7
37 East Germany	6	2	2	2	5	5	6
38 Wales	5	1	3	1	4	4	5
39 Algeria	6	2	1	3	6	10	5
40 Saudi Arabia	7	2	1	4	7	13	5
41 Tunisia	6	1	2	3	4	6	4
42 Costa Rica	4	2	-	2	4	6	4
43 South Korea	14	-	4	10	11	43	4
44 North Korea	4	1	1	2	5	9	3
45 Cuba	3	1	1	1	5	12	3
46 Iran	6	1	1	4	4	12	3
47 Turkey	3	1	-	2	10	11	2
48 Honduras	3	-	2	1	2	3	2
49 Israel	3	-	2	1	1	3	2
50 Egypt	4	-	2	2	3	6	2
51 South Africa	3	-	2	1	3	6	2
52 Jamaica	3	1	-	2	3	9	2
53 Kuwait	3	-	1	2	2	6	1
54 Australia	3	-	1	2	0	5	1
55 Bolivia	6	-	1	5	1	20	1
56 Japan	3	-	-	3	1	4	0
57 Iraq	3	-	-	3	1	4	0
58 Canada	3	-	-	3	0	5	0
59 DutchEastIndies	1	-	-	1	0	6	0
60 Utd A. Emirates	3	-	-	3	2	11	0
61 New Zealand	3	-	-	3	2	12	0
62 Greece	3	-	-	3	0	10	0
63 Haiti	3	-	-	3	2	14	0
64 Zaire	3	-	-	3	0	14	0
65 El Salvador	6	-	-	6	1	22	0

Points calculated using 2 for a win and 1 for a draw. Only world cup final games included.

Source: [www.worldcuparchive.com](http://www.worldcuparchive.com)

at anytime previously.

In terms of GDP and population, Europe and the Americas are clearly well represented, and with China, Korea and Japan competing, Asia's representation is much bigger than in the past.

A nagging doubt amongst the football 'purists' is that the ease of entry to the finals has been shifted in order to accommodate more regions, both in terms of populous and especially wealth. Surely a valid answer could be that unless these 'new' countries can get access to the table at the highest levels then their ability to develop football further will be severely limited. Presumably the cleanest test will be success on the field in Korea and Japan!

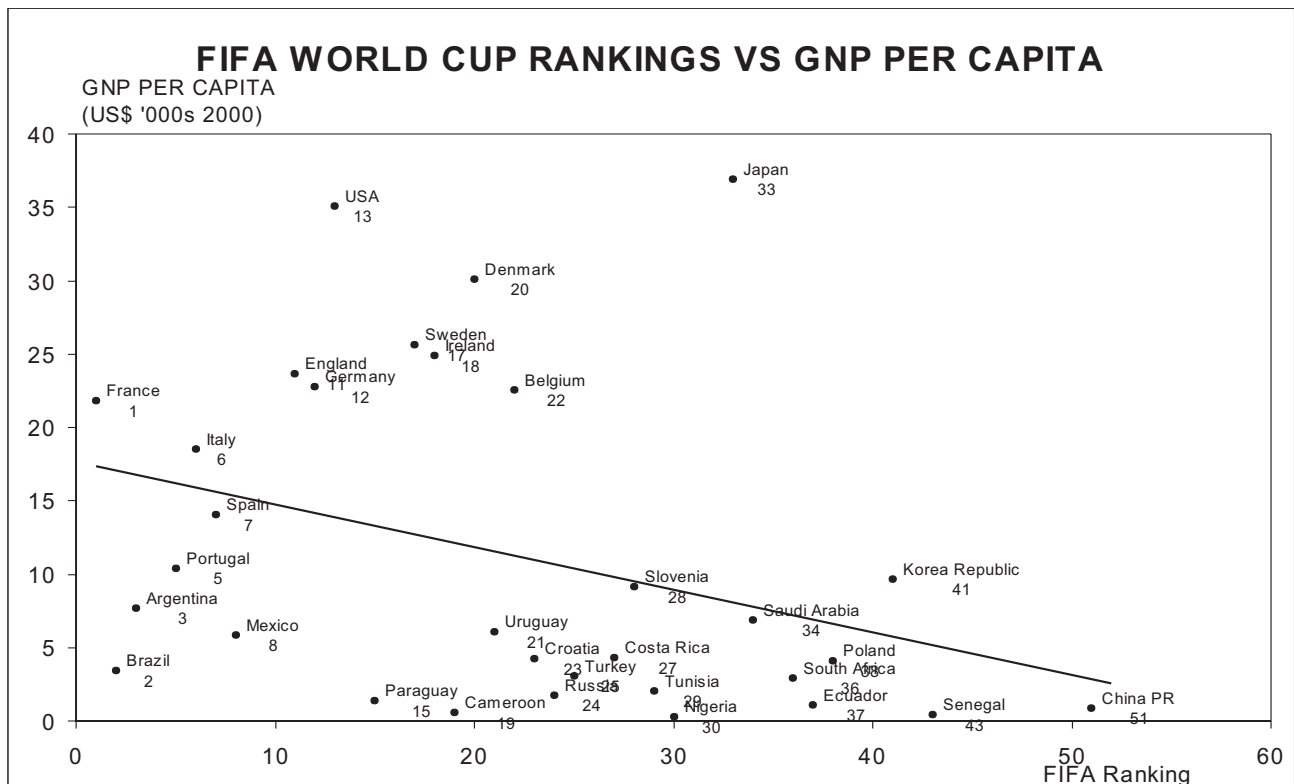
As far as our thinking about the world economy is concerned, the evidence is reasonably strong that the world economy and football are moving in the same direction. Late in 2000, we published a global economics paper entitled 'Building Better Global Economic BRICs' (Global Paper Number 66) in which we argued that the coming decade would see continued rapid growth in Brazil, Russia, India and China relative to the G7; and consequently for better global economic

management, the G7 needs to be reformed in order to accommodate these four countries. Given that Brazil and Russia are two 'serious' footballing countries, if the world's economic leadership goes this way, it would be a positive sign of economic and football correlation!

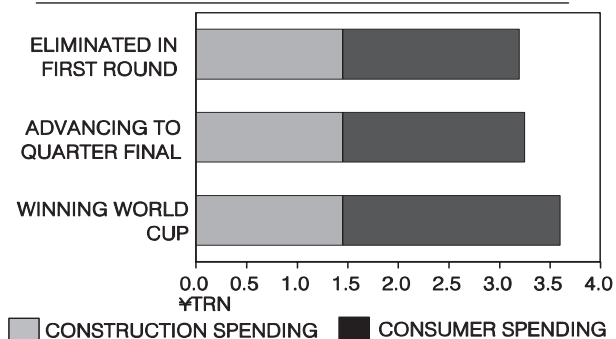
**INDIVIDUAL NATIONAL SUCCESS AND FOOTBALL**

Given the better performance of the Japanese stock market in 2002, no doubt many will be enthusiasts of the idea that the World Cup will help rescue Japan from its long economic slump!

According to a Financial Times story of December 21<sup>st</sup> last year, HSBC published an analysis showing that the stock markets of the developed countries which have won the World Cup since 1966 have outperformed global indices by 9%. What this analysis may not have revealed is that three of the five winners, England, Germany and France all won on their home territory which could have meant that it was the construction of new stadiums and related preparation that led to a better perception of economic fortunes rather than the eventual victory.



**IMPACT OF WORLD CUP ON JAPANESE ECONOMY  
DEPENDING ON PERFORMANCE ON JAPANESE TEAM**



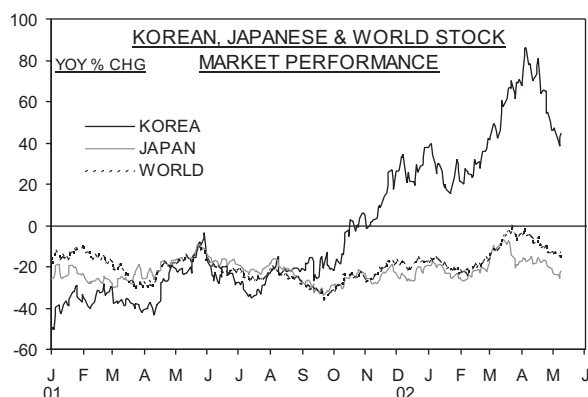
Source: Institute of Social Engineering, Dentsu Inc.

According to the same FT story, an independent Japanese research report has suggested that if Japan were to win the World Cup, the economy would be boosted by ¥1,604bn. This is not a trivial amount, although somewhat less than a more likely fresh stimulative package from the Japanese Government to help the public get over the disappointment of failure this summer.

A separate report from Dentsu Inc, a leading Japanese advertising company, claims that the World Cup might result in an economic stimulus of ¥3.0trn, and if Japan wins, they estimate it to be worth just over ¥3.5trn, not far off 1% of GDP.

As for Korea, its World Cup organising committee has apparently forecast that simply hosting the tournament will result in a KRW8.8trn windfall and create 350,000 jobs.

Looking at the past 12-months year-on-year performance of major stock markets, perhaps this is more evidence that football is a major coincident or slightly leading indicator of economic activity.



**CHANGES IN THE G7 STOCK MARKETS**

	Index	% Change Year to date
US	S+P 500	-7.2
Japan	Nikkei 225	+9.4
Germany	Dax	-5.0
France	CAC40	-6.1
Italy	Milan	-4.2
UK	FTSE100	-0.8

The performance of the major markets in the run up to the tournament would appear to suggest some are having a rethink however. Perhaps Korea will not be the 2002 competition winner!

**THE BOOKMAKERS ODDS OF  
WINNING THE 2002 WORLD CUP**

Argentina	7-2
France	4-1
Italy	6-1
Brazil	6-1
Spain	9-1
England	9-1
Portugal	12-1
Germany	14-1
Russia	40-1
Cameroon	40-1
Paraguay	50-1
Croatia	50-1
Republic of Ireland	50-1
Turkey	50-1
Uruguay	50-1
Japan	66-1
Nigeria	66-1
Sweden	66-1
Belgium	80-1
Denmark	80-1
Poland	80-1
Mexico	100-1
Senegal	100-1
Slovenia	100-1
Ecuador	125-1
South Korea	150-1
U.S.A.	150-1
Costa Rica	200-1
South Africa	200-1
Tunisia	200-1
Saudi Arabia	250-1
China	350-1

Source: Labrokes.com, May 2002