



# **Freedom to Win: EURO 2020 Economic Predictor**

**Patrick Basham**

**Democracy Institute**

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France is the narrow betting favorite<sup>1</sup> to win the EURO 2020 soccer tournament that kicks-off Friday in Rome. But a nation's soccer fortune is not written in the odds, but in the stats – the economic stats.

Today, we release the 5<sup>th</sup> edition of the Democracy Institute's econometric soccer predictor, a popular tool among gamblers and investors. DI's predictive model has a proven track record, enjoying successful runs during EURO 2016, and at the respective 2018, 2014, and 2010 Worlds Cups. During EURO 2016, the model favored small, economically free nations such as Iceland, Ireland, Northern Ireland, and Wales. At the outset, each one was unfancied by bookmakers, expert pundits, and conventional wisdom; yet, on the pitch each one vastly exceeded expectations, with the Welsh making the semi-finals.

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<sup>1</sup> Odds available on 10 June 2021 from online bookmaker Paddy Power, <https://www.paddypower.com/football?tab=euro-2020>.

DI's EURO 2020 Predictor signals that France, Belgium, Croatia, Italy, and Spain are poised to under-achieve. Look for England, Denmark, Finland, Germany, the Netherlands, Poland, Scotland, Sweden, Switzerland, and Wales to meet or exceed expectations.

Our analysis draws upon the data provided in the Heritage Foundation's *2021 Index of Economic Freedom*,<sup>2</sup> which synthesizes economic policies and conditions in 184 countries. For 27 years, the *Index* has measured the formidable positive relationship between economic freedom and social progress.

Good coaching, a talented squad, and considerable luck are necessary for victory in any soccer tournament, but they are often insufficient to the task. When these necessary sporting variables are synthesized with a weighted economic variable – the Economic Freedom Ranking (EFR) – the subsequent DI EURO 2020 Predictor adds essential science to the art of soccer wagering.

Here is the DI EURO 2020 Predictor's breakdown of each nation's likelihood of success in the Group Phase<sup>3</sup> and beyond:

#### GROUP A



ITALY

**15/2 Odds to Win Tournament – Economic Freedom Ranking 20<sup>th</sup>**

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<sup>2</sup> The Index measures economic freedom based on 12 quantitative and qualitative factors, grouped into four broad categories, or pillars, of economic freedom: rule of law (property rights, government integrity, judicial effectiveness); government size (government spending, tax burden, fiscal health); regulatory efficiency (business freedom, labor freedom, monetary freedom); and open markets (trade freedom, investment freedom, financial freedom). Each of the 12 economic freedoms within these categories is graded on a scale of 0 to 100. A country's overall score is derived by averaging these twelve economic freedoms, with equal weight being given to each. See Anthony B. Kim, editor, "2021 Index of Economic Freedom," Heritage Foundation, Washington DC, March 2021, <https://www.heritage.org/index/>.

<sup>3</sup> The month-long EURO 2020 tournament begins on June 11<sup>th</sup>. It features a Group Phase of round-robin games between the four teams within each of the six groups. Each group's top two teams automatically enter the first knockout phase ("Round of 16"), accompanied by the Top 4 third-place teams. The Round of 16 is followed by an eight-team quarterfinal stage, and then a "Final Four"-style semi-final round, with the winner decided in the final played in London on July 11<sup>th</sup>.

Italy's in-built advantage is playing all three group matches before home crowds in Rome.<sup>4</sup> Roberto Mancini, a highly successful, vastly experienced club coach, has rebuilt and improved the national team, which is on an impressive, lengthy run of good results. The new-look Italy does not play a traditional safety-first game; rather it plays a more exciting, purposeful game that combines defensive strength with tactical flexibility.

This unified squad blends experience, epitomized by veteran central defenders Leonardo Bonucci and Giorgio Chiellini, with the youth of Federico Chiesa and Andrea Belotti. Much will depend upon the form of star midfielder Marco Verratti, the goalscoring of Belotti and fellow striker Ciro Immobile. Both form and resume should see Italy comfortably into the Round of 16, but economic impotence, reflected in a very poor EFR, will limit their passage through the knockout stages.



**TURKEY**

**66/1 – EFR 21<sup>st</sup>**

Boasting their best squad in several tournaments, the Turks will be dangerous opponents. Coach Şenol Güneş' team is strong at the back, with Leicester City's Çağlar Söyüncü their stand-out defender. The team is skilled at set-pieces and club side Lille's Yusuf Yazıcı and Burak Yılmaz will be key to Turkish attacking success. The Round of 16 is a possibility but, as always, before too long the team will hit its collective head on the low tournament ceiling constructed by its characteristically poor EFR.

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<sup>4</sup> Historically, one or two nations enjoy "host nation" status and the tangible advantage of playing their EURO tournament matches before their own supporters. This year's tournament does not feature a host nation as such. Instead, matches will be played across the continent with nine (England, Denmark, Germany, Hungary, Italy, Netherlands, Russia, Scotland, and Spain) of the 24 competing countries sharing hosting duties.<sup>4</sup> This will produce far more singular home matches than is the norm, with several nations playing two or even all three of their Group Phase matches at home, which will affect respective results.



**SWITZERLAND**

**66/1 – EFR 1<sup>st</sup>**

Drilled expertly by coach Vladimir Petković, the Swiss consistently claw themselves to unanticipated draws and victories. Will this year's team be as impenetrable as past Swiss teams? Possessing a very good goalkeeper, Yann Sommer, but a mixed quality defence, and an indifferent attack, they rely heavily upon veteran defender Ricardo Rodríguez. Stellar performances also will be required from playmaker Xherdan Shaqiri, central midfielder Granit Xhaka, with his thunderous left foot from set pieces, and in-form striker Haris Seferović, a prolific goalscorer for Benfica.

Stimulated by a consistently impressive EFR, most EURO and World Cup tournaments see the Swiss progress beyond the group stage, which is usually farther than the experts envisage. Currently standing at the pinnacle of the EFR, expect no less from them this year.



**WALES**

**150/1 – EFR 2<sup>nd</sup>**

Conventional wisdom was shocked when Wales was a semi-finalist at EURO 2016. This is not the settled squad of 2016, which was characterized by a solid, compact style and a predictable 3-4-2-1 formation. While coach Rob Page's team is still very well organized, the episodic employment of a counterattacking style, including a False 9 up-front, epitomizes the transition in personnel, tactics, and formations during the past five years.

With a comparatively small talent pool to draw upon, the perennial Welsh weakness is squad depth. Welsh hopes therefore rest upon talismanic, in-form forward Gareth Bale, speedy winger Dan James, and injury-prone Aaron Ramsey. Welsh hopes also rest upon their joint-2<sup>nd</sup>

EFR, which helped to propel them to the latter stages five years ago. Passage into the Round of 16 courtesy of a strong third-place finish is certainly not beyond this team.

## GROUP B



**BELGIUM**

13/2 – EFR 12<sup>th</sup>

Coach Roberto Martinez' stable, vastly experienced, extremely talented squad is led by standout goalkeeper Thibaut Courtois, midfield maestros Kevin De Bruyne and Eden Hazard, and in-form center-forward Romelu Lukaku. Most experts expect to see Belgium in the semi-finals at least, possibly ending as champions. Yet, many questions remain unanswered.

Is the team's perennially strong defense now simply too old? Can Hazard overcome his ankle injury? Are Belgium's wing-backs good enough to provide the necessary width central to the efficacy of Martinez' 3-4-3 formation? Can Lukaku score as voluminously as he has done over the past two seasons for Inter Milan? Actually, the most relevant question is whether Belgium can overcome its ambivalent relationship with economic freedom? Probably, it cannot; at least, not well enough to taste ultimate triumph in the July 11<sup>th</sup> final.



**DENMARK**

25/1 – EFR 5<sup>th</sup>

Denmark is a very good option for those seeking healthy odds on a team nevertheless capable of progressing far in the tournament. Although most Danish players are unheralded, Leicester's Kasper Schmeichel is an excellent goalkeeper and the Danes have strong central

defenders, especially Chelsea's Andreas Christensen. The Danish midfield is solid and boasts Inter Milan playmaker Christian Eriksen, a threat from set-pieces.

The team's fortunes may rest upon Eriksen's ability to reproduce his club form for his country. Can the likes of forward Martin Braithwaite convert the chances created by Eriksen? Denmark has the advantage of playing all its group matches at home in Copenhagen. Aided by their impressive position in the top EFR tier, the Danes are a dark horse contender.



**RUSSIA**

75/1 – EFR 23<sup>rd</sup>

Conventional wisdom was upset by Russia's comparative success as the host nation of the 2018 World Cup. Can defensive-minded coach Stanislav Cherchesov reproduce his squad's "greater than the sum of our parts" storyline from three years ago? In Russia's favor are two very good attacking players, Monaco's Aleksandr Golovin and leading goalscorer Denis Cheryshev. Russia also plays its first two group matches at home in St Petersburg. But Russia must negotiate a tricky set of matches while weighed down by a very poor EFR. The Round of 16 is a bridge too far for this squad.



**FINLAND**

500/1 – EFR 7<sup>th</sup>

Finland is appearing in its first major tournament. Joint-holders of the tournament's longest odds, there is little about coach Markku Kanerva's squad, or the team's recent form, to sow serious doubt in opponents' minds. Three UK-based players, midfielder Glen Kamara and forwards Marcus Forss and Teemu Pukki, provide the attacking threat carried by a squad that experts consider too weak to impact the outcome of its group. Nevertheless, buoyed by

an impressive EFR, among the Top 25 percent of the competing teams, the Finns may surprise by advancing to the Round of 16 with a third-place finish in the group.

### GROUP C



NETHERLANDS

13/1 – EFR 6<sup>th</sup>

Most experts focus upon the Dutch team's well-documented challenges: highly-criticized coach Frank de Boer's poor club record; Boer employing a 3-man central defense that may not suit the skill-set of the relatively young, inexperienced players at his disposal; indifferent goalkeeping since their best keeper tested positive for COVID-19; the absence of the injured Virgil Van Dijk, perhaps Europe's best central defender; and an over-dependence upon forward Memphis Depay for goals.

Despite these valid concerns, the Dutch still boast a great deal of talent, including outstanding central defender Matthijs de Ligt, the in-form Barcelona creative midfielder Frenkie de Jong, Paris Saint-Germain's new central midfielder, Georginio Wijnaldum, and the free-scoring Depay, who is headed to Barcelona. Ranked quite high on an economic freedom scale, the Dutch also play all their group matches at home in Amsterdam. These are attractive odds for a team that may surprise many by going very deep in the tournament.



UKRAINE

90/1 – EFR 24<sup>th</sup>

Coached by legendary striker Andriy Shevchenko, the team will be competitive opponents for teams of better quality. Shevchenko attempts to bridge the talent gap with a

growing emphasis upon a more negative approach to games, featuring defenders Eduard Sobol and Oleksandr Zinchenko at the expense of Marlos, the inventive naturalized Brazilian, the creative Ruslan Malinovskyi, and goalscorer Roman Yaremchuk.

With the lowest EFR among the 24 teams, and Shevchenko apparently unwilling to unleash his creative players, Ukraine may experience an especially disappointing group stage.



**AUSTRIA**

**100/1 – EFR 9<sup>th</sup>**

Sporting a Top 10 EFR probably will be enough to facilitate the Austrians ascent into the Round of 16, where their tournament will likely reach its zenith. This is a decent team, but it usually performs as somewhat less than the sum of its parts. In large measure, that is down to coach Franco Foda, who favors an overly negative game, does not always know his best team, and habitually forces square pegs into formational round holes. Exhibit A: the outstanding David Alaba plays in defense for Bayern Munich, but is less influential playing in central midfield for Austria.

Creative attacker Marko Arnautović is supremely gifted, but it is hard to see where the goals will come from. Stuttgart striker Saša Kalajdžić scores lots of Bundesliga goals, but will Foda allow him – and the entire team – enough freedom to succeed?



**NORTH MACEDONIA**

**500/1 – EFR 15<sup>th</sup>**

Lacking an international pedigree and sharing the tournament's longest odds, conventional wisdom envisions the Macedonians serving as little more than cannon fodder for the other teams in their group. Yet, coach Igor Angelovski's attack-minded team, which is well



marshalled by the creative midfielder Enis Bardi and veteran striker Goran Pandev, possesses a respectable EFR. This past spring, they defeated Germany 2-1 in a World Cup qualifying match. Do not be shocked should North Macedonia draw a group match, most probably with Ukraine.

#### GROUP D



ENGLAND

5/1 – EFR 2<sup>nd</sup>

There are many on- and off-pitch reasons to think this English team may reach the final of – and quite possibly win – EURO 2020. Tactically astute, with superior man-management skills, Gareth Southgate coaches arguably the most talented English squad in two decades. A potent blend of experienced veterans and exuberant, fearless younger players, this team is more exciting and offensive than its predecessors.

Southgate is spoiled for choice in the full-back positions and among attacking midfielders, wingers, and strikers. Potential star performers include box-to-box midfielder Jude Bellingham, attacking midfielders Phil Foden and Mason Mount, playmaker Jack Grealish, the fast-breaking Bukayo Saka, Jadon Sancho, and Raheem Sterling, and proven tournament goal scorer Harry Kane. Southgate's challenge is to fit all this talent together, as there is not yet a clear first-choice team. But such depth finds England far better prepared than most squads to withstand injuries and suspensions at key positions.

England benefit from a potentially huge home pitch advantage: all three Group Phase matches played at home at London's Wembley Stadium; and both semi-finals and the final also will be held at Wembley. Standing almost atop the EFR, new trade deals with Japan, Canada, and Australia are putting powerful winds in England's Brexit sails. Should the team navigate its likely elite-level opponent in the Round of 16, there may be no stopping England.



## CROATIA

35/1 – EFR 22<sup>nd</sup>

Finalists at the 2018 World Cup, the Croatians will again dominate possession courtesy of a 4-3-3 formation that suits the creative talents of the excellent midfield trio of Mateo Kovačić, Luka Modrić, and Marcelo Brozović. Dominik Livaković is also a very good goalkeeper. Yet, the concern is that coach Zlatko Dalić did not adequately refresh the 2018 World Cup squad.

For Croatia, the personnel changes since the last World Cup represent the worst of both worlds. They are now without two key veterans in attack, striker Mario Mandžukić and midfielder Ivan Rakitić; yet, with Domagoj Vida and Dejan Lovren still entrenched at the back, they are now too old and slow in central defense. Croatia should reach the Round of 16, but the combination of an aging team and a very low EFR should limit their progress in the knockout stages.



## CZECH REPUBLIC

125/1 – EFR 10<sup>th</sup>

Odds makers make the Czechs decided longshots to advance beyond the group stage. Yet, this is a decent squad that will be difficult for opposing sides to break down. Admirably led by *uber* competitive midfielder Tomáš Souček, there is a stable core to coach Jaroslav Šilhavý's team based around players (past and present) for leading domestic club side Slavia Prague.

Can striker Patrik Schick, a very talented but often underwhelming performer in the Bundesliga, have a break-out tournament? Such an event still may be insufficient for the Czechs to progress. A solid EFR definitely helps the Czech cause, but this team's lack of overall quality is not enough to upset the odds.



**SCOTLAND**

**250/1 – EFR 2<sup>nd</sup>**

Despite enormous odds, the Scottish are a very decent bet to advance to the Round of 16, most probably as one of the best performing third-place sides. This well-organized squad is filled with passionate players brimming with self-belief. Employing a high press, and difficult to break down, the team will embody coach Steve Clarke's meticulous, detail-oriented preparation.

Key to Scottish success is Clarke's commitment to a formation that is designed around his best players, not vice-versa. The most talented Scottish team for at least two decades is epitomized by workhorse central midfielder Scott McTominay and the outstanding left-sided full/wing backs Andrew Robertson and Kieran Tierney. Scotland plays its first and third Group Phase matches at home in Glasgow in front of the boisterous Tartan Army. In concert with a share of the second highest EFR, the Scots are primed to surprise many experts and gamblers.

## **GROUP E**



**SPAIN**

**15/2 – EFR 13<sup>th</sup>**

Can Spain win EURO 2020? Yes. Spain plays each of its group matches at home in Seville. The talent level is very high, indeed, especially in midfield. The squad is technically superior, perhaps, to any other team. Players such as defender Jordi Alba and central midfielders Koke and Thiago Alcántara are among the very best at their positions. Coach Luis Enrique's leadership skills are bringing through a new generation playing a traditional, short-passing, possession-based Spanish style.

Will Spain win EURO 2020? No. The longstanding problems were always doubts concerning the team's inexperience, character, lack of on-the-pitch leaders, and the simple fact that the team does not score enough goals. Lacking a clinical, reliable goalscorer, Spanish hopes rest upon Alvaro Morata's ability to morph into a prolific goal poacher, or possibly Pedri, Barcelona's 18-year-old midfield prodigy.

The brand-new problem is that this previously unvaccinated squad has fallen foul of COVID-19. Sergei Busquets, the veteran Barcelona central midfielder, the team's *de facto* quarterback, who expertly knits together defense and attack, tested positive. His irreplaceable talent is out of the tournament's first games, at least, with Koke challenged suddenly to be the team's new fulcrum. The combination of these weaknesses and a middling EFR mean Spain's fairly short odds to win the tournament are an unwise wager.



POLAND

66/1 – EFR 14<sup>th</sup>

If this Polish team progresses beyond the group stage, it will be another dark horse contender. With the goalkeepers Łukasz Fabiański and Wojciech Szczęsny, the Poles are very well stocked at this position, which is helpful given the plodding nature of the team's defenders. New coach Paolo Sousa specializes in springing tactical surprises upon his opponents. Sousa's tournament surprise may be a new formation, utilizing a Back 3 to cover such defensive cracks.

The Poles are incredibly dependent upon the goals of Robert Lewandowski, a scoring machine for Bayern Munich, where he is in the best club form of his career, and as good as any striker in Europe. Without the contribution of Arkadiusz Milik, his now-injured strike partner, will Lewandowski get the necessary service from Piotr Zieliński and Mateusz Klich? With Poland neither especially helped nor hindered by its middle-of-the-pack EFR, the Round of 16, at least, is well within its grasp.



**SWEDEN**

**90/1 – EFR 8<sup>th</sup>**

The team's long odds are deceptive. The well-organized Swedes are actually the second most talented team in the group, and a very strong EFR makes them a great bet to join Spain in the Round of 16. There are quality players throughout the team, including goalscorer Alexander Isak, midfielder Dejan Kulusevski, and playmaker Emil Forsberg. Coach Jan Andersson consistently squeezes the most out of any squad of players under his tutelage and this year's squad is a strong, physically imposing, cohesive unit. Likely battling with Poland for second place in the group, Sweden is another tournament dark horse once the knockout stages commence.



**SLOVAKIA**

**325/1 – EFR 18<sup>th</sup>**

This quite limited team is built by coach Štefan Tarkovič upon the foundation of a capable goalkeeper, Martin Dúbravka, and a strong defense featuring the Inter Milan center-back Milan Škriniar. The sublimely talented veteran Marek Hamšík is the team's creative hub, but his influence is hindered by the team's exceptionally weak attack. Slovakia's lowly EFR confirms the wisdom of its massive odds. The team's EURO 2020 will be of the three-and-done variety.

## GROUP F



FRANCE

9/2 – EFR 19<sup>th</sup>

This supremely talented team benefits from a potent synthesis of technical prowess, collective tournament experience, and the *esprits de corps* earned by winning the 2018 World Cup after reaching the final of EURO 2016. Coach Didier Deschamps has a settled, well-honed side that embodies their coach's pragmatism; it is team ethic over flamboyant play, which allows the French to control decisively the flow of games despite not scoring that many goals. Consistently winning in a low-scoring fashion is the only blemish on a team without obvious weaknesses.

Striker Karim Benzema's return from a six-year international soccer exile only adds to an embarrassment of riches from which Deschamps must select. Deschamps can also call upon stars such as defender Raphaël Varane, midfielders N'Golo Kanté and Paul Pogba, and forwards Antoine Griezmann and Kylian Mbappé. It is not simply the coach's tactics that keeps France playing within itself. A terrible EFR impedes Gallic sporting spontaneity. *Les Bleus*, as a result, may be this tournament's "nearly" team, reaching the final, or at least the semi-finals, but underperforming overall, given the depth and breadth of talent at their disposal.



GERMANY

8/1 – EFR 11<sup>th</sup>

The three-time EURO champions and 2014 World Cup champion enter this tournament in the uncharacteristic role of underdog. Since a poor 2018 World Cup, the Germans have produced disciplined, yet underwhelming, performances. The aura of invincibility is gone;

opponents no longer fear playing against them. On the eve of this tournament, does attack-minded coach Joachim Löw know his best team, or even his best formation? A major worry is whether Löw has fixed the defensive frailties of the 2018 team. Via his apparent preference for a Back 3, rather than a more solid-looking Back 4, he is attempting to remedy a comparatively shaky, unstable defense that nonetheless boasts back-in-form goalkeeper Manuel Neuer behind veteran defender Mats Hummels and rising star Antonio Rüdiger.

The team is stacked in midfield. Leon Goretzka, İlkay Gündoğan, Joshua Kimmich, and Toni Kroos are the strongest central quartet in the tournament. Germany's pool of offensive talent – Serge Gnabry, Leroy Sané, Kai Havertz, Thomas Müller, and Timo Werner – is outstanding. Can Löw knit the array of attacking talent together?

A huge advantage in this very intimidating group is that Germany plays every match at home in Munich. Home pitch advantage, combined with a decent EFR, should enable the Germans to edge out the Portuguese in the quest for one of the automatic Round of 16 slots.



**PORTUGAL**

**9/1 – EFR 16<sup>th</sup>**

The bad news for Portugal's opponents is this team is far more talented than the one that won EURO 2016. Fernando Santos is a pragmatic coach; at EURO 2016 and at the 2018 World Cup, he played a defensive-minded 4-4-2. Now, he is blessed with more talented defenders and attackers, which has prompted his switch to a more offensive 4-3-3 system. Santos' largely settled squad boasts goalkeeper Rui Patrício, Rúben Dias, who now may be Europe's best defender, midfielders Bruno Fernandes, João Palhinha, Renato Sanches, and Bernardo Silva, the forwards João Félix, Diogo Jota, André Silva, and the legendary Cristiano Ronaldo. The other bad news for opponents is that its attacking midfielders and strikers are in very good form.

The first piece of good news for Portugal's opponents is that, in striking contrast, the team's defensive midfielders are either out-of-form or injured. The second piece of good news

is Portugal sports a lackluster EFR. One can easily see Portugal claiming one of the Top 4 third-place spots. But central midfield weaknesses liaising with anemic economics suggest the group's top two slots may be beyond Portugal, who may advance as far as the quarter-finals, but no further.



**HUNGARY**

**500/1 – EFR 17<sup>th</sup>**

The good news for coach Marco Rossi and his Hungarian team begins and ends with their home pitch advantage in their first and second group matches. Rossi's challenge was made all the more daunting when the country's best player, the influential young RB Leipzig midfielder Dominik Szoboszlai, became unavailable through injury.

This is now largely a squad of journeymen players, although a couple are noteworthy. RB Leipzig's Péter Gulácsi is one of the best goalkeepers in the Bundesliga. A strong, hard-working defence is led by Leipzig central-back Willi Orbán. Up front, Mainz' Ádám Szalai is a big, strong Old School center-forward. Unfortunately for the Magyars' supporters, there is nothing in the nation's economic freedom profile to suggest the team's very lengthy odds of success are unwarranted.

Major international tournaments are a reminder that, while governments pour taxpayer money into their soccer programs, a healthy dose of the free market better prepares teams to meet or exceed their respective national expectations. Across Europe, that trend looks set to continue during EURO 2020.

*Patrick Basham is founding director of the [Democracy Institute](#), a London- and Washington DC-based, politically independent research organization.*