Introduction

There is now a great wealth of economic literature about professional sport, and the economic community cannot remain indifferent to with the rise of this true twentieth-century phenomenon in society. Since the mid-1950s, we have witnessed a transposition of the instruments of economic analysis to the field of sport. The basic problem is to know whether such a transposition has been effective in understanding recent developments concerning the place of sport in modern society.

The argument put forward in this book is that professional sport is an extremely complex phenomenon with many facets, because of its internationalization, funding and organization, and so on. Faced with such complexity, it seemed to us that an overall, applied approach would be preferable to a partial and theoretical approach to the economic models that are at the heart of Anglo-Saxon sports literature.

Nevertheless, beyond this need to widen the analysis, the problem of a certain number of values and aims assigned to economic activity has to be taken into account; these define what some have since called humanistic economics (Généreux, 2001); or, even more radically, “downscaling” (décroissance) (Latouche, 2004). Would not sport be a very good field of study, not only to understand all the abuses of expanding the market economy, but also to think about an alternative? This comes back to the circular causality of the relationship between sport and society:

- On the one hand, sport, as we know, is the product of a market society. The aim here is not so much to promote the constituent values of sporting culture (fair play and respect for the opposition, and so on), as to produce a profitable spectacle, even if it means ignoring certain unfortunate consequences such as doping, cheating, money-laundering and corruption, and the like.
- On the other hand, it is surprising to note how much vocabulary relating to sporting competition has now entered that of economic competition: consider the current usage of such expressions as, “a level playing-field”, “may the best man win”, “competitive balance” and “faster, higher, stronger”, amongst others. This means that sport embodies the ideal approach to the market economy.
In order to denounce this liberal and productivist ideology, which suggests that the market has the ability to regulate the economy provided that the market is not itself subjected to regulations, we have chosen a certain number of specific features of professional sport to show that this mass phenomenon is truly in tune with the society that produces it. It is therefore to be feared that, beyond equally ideological views about sporting values, we cannot really think of another place for sport in society, unless the rules of the game of the productivist market economy are modified.

To test such a hypothesis, we have chosen those points that appear to us the most fundamental in defining a sporting culture:

- the aim of sporting activity;
- the demand for social justice;
- the struggle against a dual society.

In terms of aims, we will try to answer the question: sport in the service of what? We begin from the statement that professional sport is wholly a business. Besides, there is a real instrumentalization of sporting values as a means for profit maximization. The problem is, therefore, to know how to move towards a more human sport by organizing it in a new way:

- Either from an internal point of view: sports bodies suffer from a total lack of democracy. What governance for sport has to be put in place to create more transparency?
- Or from an external point of view: over the last few years, new actors have really taken control of sports bodies – mainly the media, but also other major actors in the funding of sport (sponsors and multinational marketing agencies, and so on). What impact do they have on the working of the sporting system and how can more autonomy be regained?

In terms of social justice, a lot of discrimination exists in the field of sport and the requirement for equity is not, at the present time, respected. We discuss ways of combating the most serious cases; this can be done by analysing two problems: Third World exploitation through sport and lack of true sporting ethics.

With respect to a dual society, we criticize the attacks on the demand for balanced competition. Indeed, it is easy to see that the search for profit maximization benefits the richest. If we take the example of football,
giving back a place to those who have been left out of the equation involves prior study of several types of proposal: regulating the labour market, controlling transfers, regulating the job of intermediaries (agents), redistributing income, supervising accounts and so on. The deregulation of the markets over the last few years has been favourable to the richest, significantly accentuating disparities with the poorest and destroying competitive balance.

In order to deal with these questions, this work has been organized into three major parts: development, organization and ethics. In the first part (Chapters 1–3), we deal with the general relationship between sport and economic development, in order to explain the place of sport in modern society. Indeed, the sporting spectacle has today acquired such a scale in the daily life of individuals that this phenomenon cannot be treated as simple entertainment intended for crowds who are more or less at a loose end. Professional sport is now subject to numerous pressures from powerful actors operating within a complex worldwide economy and there cannot be a simple vision of it, without falling into false reductionism. Three stages are required to deal with this relationship between sport, economics and development.

The first chapter is a historical approach to professional sport, in order to discover its origins and explain its development. One realizes that, as well as an essentially political instrumentalization, sport as a spectacle is in step essentially with an economic and financial logic. Therefore it is necessary to explain the nature of the relationship between sport and economics, taking into account whether one admits that sport is an economic activity like any other, or not. Two questions arise:

- Has professional sport a certain autonomy with regard to the development of the economic system, which would justify the idea of a sporting exception? Professional sport is not entirely an economic activity like any other and would demand special regulation, the main components of which we try to identify, along with its development.

- Is professional sport completely determined by this development of the economic system and its main characteristics concerning state intervention, globalization and competition and the like, thereby leading to the treatment of professional sport as a true industry?

The second chapter presents an analysis of the economic impact of professional sport in order to assess its potential in creating jobs or in value-added: this by itself is being hotly debated by the authors of such studies. It is particularly interesting to note that whereas the scientific community
of economists concludes that there are only very minor economic consequences for such events, private survey firms find major ones. This reflects the fact that this type of calculation is used to justify public decisions to support sporting spectacles – which is not legitimate.

The third chapter is an analysis of underdevelopment in sport, carried out by studying the spatial distribution of its competitors, performances and the organization of major competitions. It is far from certain that developing countries have a real interest in entering the medals race or organizing sporting mega-events. Imbalances in world sport, both in terms of competitors and in terms of sporting events, need to be studied through an analysis of the relationships between economic development and sporting development. It is also a question of illustrating the diversity of Third World countries in their role on the international sporting scene.

In the second part (Chapters 4–6), we analyse the main difficulties posed by the organization of professional sports. It is a question of showing that the choice of model between regulation and the market is not a neutral one and can have consequences for achieving competitive balance. The main difficulty lies in how best to reconcile economic competition and balanced sporting competition. Yet, after reading the first part of the book, it would appear that the economic and social stakes involved in professional sport are such that many actors clash in trying to promote a model of the organization of sport that is favourable to them. In order to analyse such a complex system, we break its working logic down into three basic steps:

1. Where does the funding for professional sport come from?
2. How do those involved negotiate sharing out the income thereby made available?
3. What are the consequences of such a distribution on competitive balance?

The fourth chapter tries to show that the way of funding professional sports has significantly evolved over the last 20 years and has seen the rise in the power of television, which has become the principal source of funds for professional sport. This control of sport by television must therefore be questioned, by analysing the working of the sports broadcasting market and that of broadcasting rights.

The simultaneous conversion of television and professional sport to the market economy during the 1980s caused a breakdown in the competitive balance between clubs. This was linked to the logic of audience maximization by channels, which bought and broadcast preferably, if not uniquely, matches by major clubs. This polarization increased financial and sporting inequality, and reduced the uncertainty of the result and interest of the
spectacle. That is why, more than ever, regulation is necessary – as much to reduce the consequences for television viewers of the abuse of the dominant position and restrictive practices of channels, as to organize sporting competition in an optimal way for sporting authorities.

The fifth chapter is interested in the terms of collective bargaining for the revenue created by the sporting spectacle. Thus, actors with divergent interests confront one another in the sports labour market: players, intermediaries and club owners, and so on. It would therefore be interesting to understand how, according to the balance of power between these different groups, player transfers, salaries and the part played by intermediaries and so on, are negotiated amongst themselves; and what consequences this can have on the general development of the system. In particular, it is the risk of accentuating the separation between clubs or between players and so forth, which in the end calls into question the achievement of competitive balance.

The sixth chapter tackles the question of the illusion of competitive balance in professional sport. This idea is really at the heart of sporting ideology; it is the “glorious uncertainty of sport”. Therefore, a balanced competition between two protagonists would guarantee not just the quality of the spectacle – but, above all, the profit. Questions have to be asked not only about the reality of such a balance, but also the effectiveness of the means implemented to achieve it; which poses the whole problem of the choice of organization model and regulatory instruments.

In the third part (Chapters 7 and 8), we wonder whether an alternative to the present governance of sport is possible, so that the deadlocks into which traditional models have led us can be avoided. To do that, it seems to us that a return to ethics is essential.

Sporting ethics are based on a double foundation. One is objective: sporting rules, which act as a regulatory standard and that are essential for ensuring that competitions remain ordered and honest. The other is subjective: the sporting spirit, which represents the system of values that are generally associated with it. Sport and ethics – these two concepts seem, therefore, to go hand in hand, as is emphasized in the Charter of the Olympic Games:

The Olympic Spirit is a philosophy of life, inspiring and combining in a balanced whole the qualities of the body, the will and the spirit. Combining sport with culture and education, the Olympic Spirit is meant to be the creator of a lifestyle based on the joy of effort, the educative value of good example and respect for universal, fundamental ethical principles.

Chapter 7 returns to the problem of defining sport and its status as either a public good or a private good. Sport has progressively become
a total social phenomenon, which has really invaded the daily life of all people in the world. The basic problem is therefore to know what part economic and financial stakes play in such a generalization of sport as a spectacle; and what place is there for another conception of sport as a global public good.

Chapter 8 deals with one of the most controversial attacks on sporting ethics: resorting to doping. With the many scandals that have affected international sport in recent years (the Tour de France, Italian football, rugby in the Southern Hemisphere and athletics and the like), doping appears to be a massive and organized practice, and not an isolated act. That is why it is the main negative externality of the sporting spectacle.

A series of questions are raised by such consequences. For example, is there an incompatibility between doping behaviour and sporting ethics? What is the extent of the phenomenon? Are the new forms of doping that result from the progress of science (for example, gene therapy and cellular therapy) created by the sudden appearance of new attacks on medical ethics and sporting fairness? How and why did one arrive at such practices? How does the doping industry work? Does the champion who takes drugs have a rational behaviour? What is the social cost of doping? Can high-level sport without doping be imagined?

To summarize, the aim of this book is to show that professional sport is a very complex phenomenon with many specificities according to its place in modern societies, its organization with the research of competitive balance and its governance, which needs an alternative. Professional sport is now under the pressures of many economical powerful actors inside a very complex economy. The choice of a model of organization between market and regulation is not neutral and has heavy consequences on the realization of competitive balance. Finally, it appears that professional sport, in contradiction with what is announced in the official sporting doctrine, has denied its main ethical foundations of its origins and has to be reformed.