

Short Course
Sports Economics
Prof. Stefan Kesenne
November 2017, Athens

Session 1: Tuesday 7/11/2017

Introduction

- What is Sports Economics all about?
- Professional team sport versus amateur team sports
- Peculiar characteristic of the professional team sports industry and its implications
- Single Entity Status and monopolies in the team sports industry.
- The main objectives of sports teams: Profit - or utility/win maximization?
- Two important hypotheses in sports economics:
 - o Uncertainty of output hypothesis (UOH)
 - o The Invariance Proposition.

References:

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Session 2: Wednesday 8/11/2017

The Football Product Market

- Demand for stadium tickets
- Club revenue and cost
- Price elasticity
- Ticket pricing rule under profit- and win maximization
- Sports and Television market of broadcast rights
- Downstream market of televised sports

References:

Noll, R. (1974) 'Attendance and Price Setting' in R. Noll (ed), *Government and the Sports Business*, Washington DC: Brookings Institution, pp.115-58.

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Session 3: Thursday 9/11/2017

The Player Labor Market in Professional Team Sports

- Demand and Supply of talent in the player market
- Walras Equilibrium with profit-maximizing teams
- Comparing Profit- and Win maximization
- Walras equilibrium versus Nash conjectures

References

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Session 4: Friday 10/11/2017

League Policy

- Revenue Sharing, competitive balance and player salaries
- Impact of different Sharing Systems
- Salary Caps, competitive balance and player salaries
- North-American salary cap versus G-14 (ECA) salary cap.

References:

Noll, R. (1974), 'Alternatives in Sports Policy', in: R. Noll (ed), *Government and the Sports Business*, Washington DC: Brookings Institution, pp. 411-28.

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Session 5: Monday 13/11/2017

Player Mobility and the Transfer Market

- The Bosman verdict of the ECJ (Dec. 1995)
- The Impact of the Transfer system
 - on competitive balance
 - on average player salaries
 - on the distribution of player salaries
- Third Party Ownership (TPO)

References:

Kesenne, S.(2006), 'The Bosman Case and European Football' in: Andreff W. and S. Szymanski, (eds) *Handbook on the Economics of Sport* , Northampton, MA, Edward Elgar.

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