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## Book Reviews

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## Book Reviews

*Fair Ball: A Fan's Case for Baseball*, by Bob Costas. New York: Broadway Books, 2000. 179 pp.

It is my great good fortune to have met Bob Costas, and I am looking over an inscribed copy of his book, *Fair Ball*, as I write this review. Nobody cares more about all things baseball than Bob. Testimony to the breadth of his caring is the note at the very back of the book—the net proceeds of *Fair Ball* go to the Baseball Assistance Team, providing financial assistance to members of “the baseball family” in need.

The writer is not a professional economist, which poses a challenge writing this review. Much like the top students in my undergraduate sports economics class, Bob is smart, writes well, but is not very well-versed, economically. And the book reminds me of the best that I have seen in that class—much jargon-slinging, very rudimentary economic application, and, ultimately, a reliance on value judgments and emotional appeal to carry an argument. But let us remember that *Fair Ball* is a fan's case; value judgments and emotional appeal should be expected.

The first two chapters set up Costas's plea for all teams to have a “fighting chance” and for owners and players to return “some financial sanity to the game.” He paints his preferred scenario for 1993—two divisions, no wild card, no divisional playoffs, and no interleague play before realignment. Owners should have instituted comprehensive revenue sharing. Then, for the long haul, owners could offer a bit more expansion to the fans, a salary cap and floor to the players, and sensible realignment and scheduling. Instead, the result was three divisions, the wild card, inadequate revenue sharing, and a salary cap offer to players but without any real giving on the owners' part. And then the world fell apart with the strike of 1994. These set up chapters are well written, entertaining, and full of fun examples.

In Chapter 3, “The Nature of Sports Leagues,” Costas tells us that we have to know how something works before we try to fix it. The old point that there is nothing like a sports league, which requires cooperation to survive, is the linchpin. Bob goes so far as to state that a league is only as healthy as its weakest franchise and that owners and players “need to sustain what economists sometimes refer to as the ‘natural monopoly’ that is a successful major sports league” (p. 46). He argues that the Major League Baseball (MLB) monopoly does not carry the sinister implications that it did before players' rights were established. This is a telling point because clearly the market power of leagues reduces the amount of baseball and raises the price of tickets and broadcast rights. But as we will see throughout the book, the economic well-being of fans does not enter into his vision for MLB.

And other important points are missed. First, nothing about cooperation to produce league games requires the constraints on competition that also are pursued by leagues (in negotiations over broadcast rights, labor, and stadiums). But, like owners have in the past, Costas waves the “cooperation requirement” whenever MLB practices generate anticompetitive economic results. Second, Costas's view ignores fan economic welfare. As a

commentator, he deals with players and owners and the book proceeds as if only they have any economic stake in the game. Fans, to Costas, only care for the beauty of the game and some hope of team success. Owners and players are economic actors but fans, apparently, are not. The topics of what fans have to pay and how much they get for their money, the former being higher and the latter being less under league market power, are never raised.

In Chapter 4, "It's Not the Revenue, Stupid (It's the Revenue Sharing)," Costas returns to firm, if somewhat simple, ground. He observes that there is plenty of revenue in MLB; it just is not distributed to enhance balance. And he comes down firmly on the side of the economically obvious—large revenue concentrates winning and disperses despair for the majority of fans. This chapter is well done. It uses a little data to make the case clearly.

Costas argues for dramatic local revenue sharing (local television and gate revenues) in Chapter 5 ("Balancing the Field"). He recognizes that teams on the receiving end must put the money into talent or nothing will change, but he offers nothing in the way of how to enforce spending by some owners whose market factors would dictate pocketing the money. Some crystal ball gazing also is offered—under meaningful revenue sharing, teams may become more competitive, fans in smaller cities will again have a "reason to believe," maybe stars will stay put, and cities would see more value to stadium investments.

Again, there is a bit of insight but the idea of revenue sharing is stretched over possibilities it simply may not cover. None of Costas's hopes follows necessarily from local revenue sharing (they might happen, they might not). And if it were so obvious that all these good things would happen, one wonders why richer owners have not already taken less, making good on the chance that all would be better off because fans will respond economically to increased balance! Richer owners might be short sighted, as Costas claims, or they may simply have a different crystal ball that leads them to rate the chances lower.

Chapter 6, "Union Men," spells out a bit of the history of union intransigence and argues that players should soften their position. Bob argues that the overwhelming majority of players are consigned to teams with little hope of postseason play. In their enlightened self-interest, they should see that more balance is good for all. Joining with owners to return financial sanity would serve most players rather than the few zillionaire players under the current structure, so union rank and file actually can take charge here.

This is the usual type of analysis one sees in the media—make a statement as if it were fact and cajole the reader into agreement. But although the National Football League Players Association might be more egalitarian in its decision making, the Major League Baseball Players Association is strongly controlled by star players. So Costas simply begins on a false premise. Given this, it is a tough case to make that star players should take a pay cut on the unknown chance that all can be better off because fans will respond economically to increased balance.

In Chapter 7, "The Floor-to-Ceiling Cap," Costas asserts that revenue sharing solves only half the problem. In addition, on the players' side, a floor-to-ceiling cap is needed:

The second part of the equation is also crucial. Reducing the revenue gap works only if you can also come up with some mechanism that puts a ceiling on individual and team salaries. Otherwise, the same vexing disparities will keep occurring at even higher, more dangerous dollar levels. (p. 92)

I begin to detect a pattern—state claims without justification just because they seem intuitive and include a bit of jargon packaging. But theory shows either local revenue sharing or the salary cap may (not will) enhance balance independently (Fort & Quirk, 1995; Vrooman, 1995). At least Bob recognizes that there are enforcement problems. Charitably, that Costas argues for both may simply be connected to his observation that neither players nor owners will do anything until the other shows some believable intent to rectify competitive imbalance.

Chapters 8 to 12 provide thoughts about some very specific aspects of the game's organization and practice. For example, the wild card is the devil incarnate (Chapter 10) and there should be no ads on uniforms, foul poles, or behind home plate. None of these chapters have much to offer the sports economist, but then they were not written for that purpose. It seems allowable to include all of these in a fan's case for baseball, but that is up to the reader to decide. (By the way, having seen Bob in action, I know how he would respond to any quibble with his pet peeves. He would simply say, "You can disagree, *but you'll be wrong!*")

In his "Conclusion," Costas acknowledges the "practical difficulties" associated with his plan. He says that a return to sanity really rests with owners. Such a move may mean that smaller market teams just tell larger market teams that they are not going to play without meaningful revenue sharing. Perhaps this means shutting down the game again until big market high rollers come to their senses. With bumbling and duplicity on the owner's side and intransigence on the other, he is not optimistic. But he hopes that "common sense" will prevail:

Players and owners alike need to be less willing to sacrifice the game's essence on the altar of commercialism. If they come to this realization, they will have our gratitude, our respect, and our continued support. And I promise you that all those involved will be richer in the long run. (p. 177)

The book really does only one thing more than the Blue Ribbon Panel Report 2000 suggests, namely, an explicit call for a floor-to-ceiling cap. And there are large issues that remain. First, what is the correct level of competitive balance? A level that gives fans in all MLB cities reasonable postseason hopes, or a level that extends the economic welfare of fans? Second, whether fans like dynasties is an empirical issue that remains unsettled. *Fair Ball* focuses on fans that have teams. But from the perspective of fan welfare, including those without a home team, dynasties may be more satisfying than a high degree of balance. Third, there is nothing here about the roles to be played by either collective bargaining or Congress. Finally, there is the underlying cause of revenue disparity—the lock-tight grip that MLB maintains on team location, moves, and expansion. The maintenance of exclusive territories creates revenue dispersion. None of these issues is addressed in Costas's book.

But we should not be too hard on *Fair Ball* on these omissions because it is pretty typical of media sports analysts to miss them. I heartily recommend Bob Costas's *Fair Ball* to all sports economists. It is written in a lively style and I had no problem imagining Bob sitting there chatting along. It is full of fun examples that I will shamelessly steal for use in my sports economics class. But let us recognize *Fair Ball* for what it is—a plan to redistribute from players and richer owners to less rich market owners. The justification? Bob Costas thinks that is how it should be done.

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—Rodney D. Fort  
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*Économie du Sport*, by Wladimir Andreff and Jean-François Nys. In *Collection Que Sais-je?* (4th ed.). Paris: Presses Universitaires de France, 2001. 128 pp.

*Économie du Sport*, by Jean-François Bourg and Jean-Jacques Gouguet. In *Collection Repères*. Paris: Editions La Découverte, 2001. 128 pp.

There seems to be a lot of (healthy?) intra-university competition at the University of Limoges in France. During the same year and in the same city, two books were published with exactly the same title, of exactly the same pocket size, with exactly the same number of pages, and written by four different sports economists who are or were connected, full-time or part-time, to the University of Limoges.

The first small pocket book, written by two of the pioneers of sports economics in France and in Europe, Wladimir Andreff and Jean-François Nys (A&N), is number 2,294 in the well-known French series: *Que Sais-je?* (What do I know?). This series goes back a long way. The first title was published 60 years ago, and during the years a respectable number of 3,600 titles have been published on all kinds of subjects, written by more than 2,300 authors and translated into more than 40 languages. However, as far as I know, an English version of this book does not exist.

The second book, written by Jean-François Bourg and Jean-Jacques Gouguet (B&G), is also part of a series of pockets called *Collection Repères*, which, up to date, counts about 300 volumes. One obvious question is if these books are in any way different from each other. Another question is why these colleagues have not been trying to make it one book on sports economics. I do not have the answer to the second question, but the answer to the first one is that the contents of the two books are different indeed.

The structure of the A&N book is kept simple. The authors have divided the contents over three chapters: "Sport Finance," "Sport Management," and "Sport Markets." The first chapter deals with the financing of sports in France, although some comparisons are made with other European countries. A distinction is made between the public and the private finance of sports. On the public side, state support as well as subsidization from regional governments and municipalities are considered. On the private side, household consumption of both participation and spectator sports are described, as well as sponsoring. Also, the importance of the value added of the unpaid voluntary work in the sports sector is mentioned. Chapter 2 on sports management starts with the objectives of clubs in the voluntary sector. A more extensive treatment is given of the professional sports sector. In particular, the labor market of professional players and sporters receives a lot of attention. Its specific characteristics like the

segmentation of this labor market and the “bilateral monopoly” structure and its impact on salaries are discussed. Also, the problems caused by the monopoly leagues, the specifics of a sports enterprise compared with firms in other industries, and the negative aspects of too much commercial interest in sports are considered. Chapter 2 continues with the tax and social security issues and the organization costs of sports competitions and finishes with the development in sports equipment and its private and public financing. In Chapter 3, the different markets of sports articles and services are described. The most important determinants of supply and demand of sports goods are analyzed, sports participation and club membership figures are presented for the different sports disciplines in France, as well as the sale of sports shoes, clothing, and equipment. Much attention is paid to the internationalization of the industry of sports equipment, the problems of foreign investment, and reallocation of production to low-wage countries. The section on the market for sports services looks at the supply and demand of sports spectacles, including sports on television, the press, and sponsoring. The very last section of the book explains the effect of sports on economic development and employment, in both developed and developing countries.

Chapter 1 of the B&G book is called, “Professional Sport and the Market Economy” and deals with the growing mediatization of sports, its changing juridical and financial structure, and the recent turbulence on the European labor market for players after the Bosman case. In the second chapter, the increasing globalization of sports in all its aspects is discussed. The authors distinguish three periods since 1850 and describe the strategies of the different agents like the International Olympic Committee and the international federations in this process. Chapter 3 looks at the different models of organization sports competitions and compares the closed systems in the American major leagues with the more pyramidal European model. Also, the impact of the different regulations that exist in both sports worlds is discussed. Chapter 4 concentrates on the sports economy in the former Soviet Union. The transitional problems from a state-regulated sports system to a free market system have created several problems like the decline of amateur sports and the ambivalent evolution of top-level competition sports; in some sports the Russians still excel, whereas in others they are losing track. The fifth and final chapter pays attention to the economic significance of sports, including the value of amateur sports. Also, a number of ethical questions like the use of doping are raised.

Looking at the structure of both books I wonder if a textbook on the economics of sports cannot be organized like a general textbook of economics. Apart from the distinction between the macroeconomic and the microeconomic approach of the sports industry, economists would prefer a microeconomic analysis that starts with the consumption side (demand) followed by the production side (supply). Where demand and supply meet, competition and the price mechanism regulates the market. And where markets fail, government intervention and regulation of the industry is needed. But probably this is too much an Anglo-Saxon approach of economics. The “French Exceptionalism,” as Bourdieu called it, stands for more state and public service, collectivism, and solidarity, and a more institutional and descriptive approach of the sports economy that is also, to a certain extent, characteristic for these books.

The A&N book presents a general introduction and a lot of interesting information for the reader who wants to learn about the sports industry in France. It offers a mix of recreational and professional sports issues. Although a few aspects of amateur sports are considered in the B&G book as well, it is much more a book on professional sports. The question is why this is not reflected in the title of the book?

The problem with writing a book on a relatively young research domain like the economics of sports is that it can only fall back on the topics that have been studied so far, so that every book suffers from being not all too well-balanced. Some topics are overrepresented; others are not dealt with. Of course, it is not possible to be complete in a book of less than 150 pages, and it is not easy to organize the information and the research that is available. This remark applies in particular to the older A&N book, which is already at its fourth edition. My main criticism is that the recent evolution and changes in the sports industry have been so fundamental that one cannot keep the same structure that was adopted 20 years ago. The A&N book has not changed very much in that respect over the different editions. I would have preferred a clear separation of professional and amateur sports because they have become, in my opinion, two completely different worlds from an economic point of view. I also think that the present structure of the book could have been improved by more integration of the different topics. To give just one example: In Chapter 1, the private consumption is discussed as one of the sources to finance sports, and in Chapter 3 the topic shows up again in the discussion on the demand side of the market of sports equipment and sports spectacle.

The B&G book has a more modern look and is more up to date. The authors had the advantage of starting from scratch in their first edition, they clearly separated professional and amateur sports right from the start, and, by choosing professional sports as their main topic, structuring the book was easier. It is also more a book on economics in the sense that the contents are more based on economic theory and analysis. Nevertheless, the approach is sometimes a bit ambiguous. If the authors chose a graphical presentation of the economic theory on page 98, it would have been better to use this tool whenever it could be helpful to explain things, and there were plenty of opportunities in other chapters to do so.

Nevertheless, these two books offer a good and low-priced introduction to the economics of sports. They more than deserve their position in the two series of books that France can offer its citizens. However, I think the public would have preferred one integrated book on the economics of sports instead of two, certainly if it is the product of four sports economists at the Limoges University who refer a lot to each other's work in both books.

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*The Game of Life: College Sports and Educational Values*, by James L. Shulman and William G. Bowen. Princeton, NJ: Princeton University Press, 2001. 449 pp.

This book is based on what is probably the most comprehensive study to date on college sports and the mission of higher education. Its authors played sports in college and have had distinguished academic careers. Bowen, former economics professor and president at Princeton University, is currently president of the Andrew W. Mellon Foundation. Shulman is the financial and administrative officer for the Mellon Foundation.

The research methodology is first-rate. Five categories of selected schools are analyzed: Division IA private universities (e.g., Duke, Rice, Stanford), Division IA public universities (e.g., Michigan, North Carolina, Penn State), Division IAA Ivy League Universities (e.g., Columbia, Princeton, Yale), Division III coed liberal arts colleges (e.g., Denison, Kenyon, Swarthmore), and Division III universities (e.g., Emory, Tufts). Selected data are also pre-

sented on certain women's colleges such as Smith and Wellesley. Altogether, 30 schools were surveyed longitudinally by the Mellon Foundation, with detailed information from about 90,000 undergraduates who entered college at three points in time: 1951, 1976, and 1989.

Classification of schools allows comparisons on key aspects of athletic programs. The distinct time frames reveal contrasts on features such as educational achievement, attitudes, family circumstances, and career choices. With response rates of about 75%, there is a high degree of reliability in the sample. Also, there are significant findings on female athletes and comparisons of so-called high profile sports of football and basketball, with low profile sports like crew, fencing, tennis, and wrestling.

After the opening chapter on the historical development of intercollegiate athletics, there are three chapters on the characteristics and experiences of male students, followed by four chapters on women students. Then, in Chapter 9, leadership contributions of male and female athletes are reviewed. Chapter 10 examines gift-giving histories of athletes and nonathletes, and Chapter 11 addresses the complex finances of sports programs. The final three chapters summarize the findings, take stock of underlying patterns, and prescribe direction for the future.

Readers should find confirmation of certain preconceptions about the collegiate sports scene, but there are numerous surprises too. Several misconceptions have arisen about college sports, and the main entertainment value of the book, making it something of a page turner, is its convincing evidence of demythologization.

Among the key empirical findings that one might expect are that athletes are being recruited far more intensively and offered more scholarships than in the past. The "walk-on" athletes at Division IA schools in 1951 or 1976 had largely disappeared by 1989. Also, whereas few female athletes were recruited in 1976 (their numbers were negligible in 1951), this practice was common in 1989 at Division IA and Ivy League schools. Nor is it surprising to learn that athletes are given preferential treatment in admissions, although that athletes at one typical school were about 50% more likely to get admitted (after taking SAT scores into account) is a shocker. An "athlete culture" has developed on campus, in contrast to earlier times when jocks more closely resembled other college students. Female athletes are following in the footsteps of their male counterparts in this regard, especially in schools that award athletic scholarships.

Despite lower SAT scores, athletes were found to graduate at high rates. However, for both men and women, academic rank is significantly lower than their classmates and has deteriorated markedly in recent years. As is generally known, male athletes are highly concentrated in certain fields of study, particularly in the social sciences, and female athletes are following this pattern. Among popular fields are business, communication, psychology, economics (when there is no business program), and political science.

Male athletes are apt to pursue postcollegiate careers in business and finance and less often in medicine, law, science, or engineering. Former athletes in the 1951, 1976, and 1989 cohorts consistently made about 10% more money on average than their classmates.

One might expect that former athletes would be inclined to donate more money to their schools, and they generally do. But high profile athletes at Division IA schools are an exception, giving less. This is partly explained by the anecdotal quote from a former athlete who said, "I gave my knee to Stanford—that's all you're getting from me." The data also contradict a widely accepted myth—that winning teams, especially in football, have a positive

impact on giving rates. The authors determined that, except for coed liberal arts schools, winning football teams do not inspire increased alumni donations.

Although one might imagine large profits generated by high profile sports at Division IA schools, this is another myth. The authors quote top sports economist Roger Noll as saying, "No university generates a large enough surplus to justify the capital expenditures necessary to field a football team." Reference is further made to the University of Michigan's sports teams in 1998 to 1999, which had excellent records in football, ice hockey, women's basketball, and men's gymnastics, and overall were ranked sixth among colleges nationally. Yet the athletic department had a deficit of \$2.8 million (or \$3.8 million when capital expenditures and transfers were added in).

In their proposed direction for change, Shulman and Bowen offer sage advice, generally on closing the growing gap between college athletics and educational values. They think it is important to address the blatant abuses of standards of good conduct, especially in the high profile sports of football and basketball, and to consider deemphasizing these sports. The authors note evidence of the rapid growth in the number of coaches and their corresponding emphasis on recruiting, which they perceive as far out of balance with the educational mission.

Shulman and Bowen view Title IX, the law requiring gender equity in athletics for women, as providing an opportunity to rethink the organization of sports on campus. Until now, the approach has been to increase women's sports, which is admirable, but greater equality could be reached by cutting back on men's programs. One idea is to return to single-platoon football. Another is to reduce the number of football scholarships.

Whatever the ideas for retrenchment—and many good ones are offered in the book—it is difficult to overcome the vested interests in favor of increased commercialization of big-time college sports. The media, booster groups, and former athletes are strong advocates of continued growth, so the academy is held hostage to outside forces. The authors urge college presidents and boards of trustees to face up to problems before they worsen. As summed up in the last page of the text material:

The objective, in our view, should be to strengthen the links between athletics and the educational missions of colleges and universities—to reinvigorate an aspect of college life that deserves to be celebrated for its positive contributions, not condemned for its excesses or criticized for its conflicts with educational values.

Shulman and Bowen provide splendid research that refutes myths with solid evidence on the roles of education and sports in preparing students for the game of life. Their book not only deserves to be widely read but acted on as well.

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