

**SPORTING EQUALITY IN PROFESSIONAL
TEAM SPORTS LEAGUES AND LABOUR MARKET
CONTROLS: WHAT IS THE RELATIONSHIP?
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INTRODUCTION:

In the economics literature on professional team sports leagues, it has typically been argued that for these industries a special case can be made for allowing the continuance of economic collusion among the firms supplying each industry's output. Such collusion can, in principle, occur in two forms - product market controls and/or labour market controls. Under the former, firms can agree to fix output prices, to restrict the quantity of output supplied, to share the output market between firms on an "equitable" basis or to redistribute revenues from those with large shares to those with small shares and so on. Under the latter, firms can agree to fix employees' rates of pay, to restrict the industry's demand for labour, to share access by firms to the available supply of labour on an "equitable" basis (via zoning or "drafts"), to require that compensation be paid by one firm to another when it secures the services of one of the latter's erstwhile employees, and so on. While professional team sports leagues have usually employed both types of collusive behaviour, it has typically been the labour market controls which have been the subject of debate and controversy - perhaps because in this area the firms' collusive behaviour impinges directly on the perceived self-interest of a smaller, better organized and more articulate group of individuals - viz the players.

The players argue that they should be allowed to operate with the same labour market freedoms as workers in other industries normally enjoy. They are usually willing to admit that the peculiarities of "team performance" and "team competition" provide grounds for a system of two or three year contracts between employer and employee. But beyond that, they argue, why should there not

be "freedom of contract", with the individual player free to negotiate a contract with whichever employer he (or she) wishes, on terms which meet the mutual satisfaction of the two parties involved - any grumbles from third parties (such as previous employers) notwithstanding?

When the players have mounted this argument, their employers have usually responded by arguing that professional team sports are a special case, as far as economics is concerned, and that to provide players with the same labour market freedoms as workers in other industries normally enjoy would create havoc and destroy the economic viability of the team sports industries. Since that would be against the long-term interests of players, this argument continues, their demands for freedom of contract are myopic, and should not be acted upon by those authorities of the state which have the power to declare the existing labour market controls illegal. This line of argument is founded on a theory of economic behaviour in the professional team sports area which can be summarized as follows: the greater a club's revenues, the greater its ability to entice high quality players into its employ (assuming no labour market controls); the greater the quantity of playing talent in one team's employ the greater the probability that such a team will win most of its matches; the greater the predictability of a match, the lesser will be its attractiveness to consumers as a sporting event. From these three basic premises it is argued that in the absence of economic collusion among the clubs in a sport, the richer teams will gain an ever-widening performing advantage over the poorer clubs, and results of fixtures will become more and more predictable. Spectator interest will then progressively wane and the clubs in aggregate will experience financial decline. A high degree of "sporting equality" among the clubs in a professional team sports league is argued to be a *sine qua non* for the economic prosperity of the industry. And the degree of "sporting equality" displayed in a league is regarded as something very fragile - likely to evaporate away very rapidly in the absence of economic collusion among the firms comprising the league.

The key importance of "sporting equality", and its inherent fragility are two features of professional sports leagues which have been accepted almost without question by those economists who

have examined these industries. Braham Dabscheck argued for the abolition of labour market controls, and for leagues to place reliance on more thoroughgoing product market controls, but he nevertheless accepted the basic argument that in the absence of any economic collusion among the firms producing a particular team sports-output, socially sub-optimal state of affairs would ensue.¹ The present paper challenges this basic argument. The paper does not claim to provide a cast-iron case for the superiority of a "no-controls, no economic collusion"* regime. But it claims to cast serious doubts on there existing an unanswerable case for the inferiority of such a regime. As long as the case is not proven one way or the other, there would seem to be merit in treating these industries in the same fashion as any others in our society. Unless there is a very strong and convincing case for doing otherwise, the players of professional team sports should be provided with the same labour market freedoms as workers in other industries enjoy. This paper argues that there is no convincing economic case for the players of professional team sports being treated any differently from workers in "normal" industries in our society.

The paper is divided into four main sections. The first section examines the "Conditions of Production" in professional team sports industries, the second the "Conditions of Demand for the output", and the third the "Conditions of Supply of the Labour Inputs". The fourth section then draws the three sets of threads together and considers how the relevant output market and labour input markets function. The role of "sporting equality", its supposed fragility, and the case for collusive controls are then examined in the context of the operations of these markets.

CONDITIONS OF PRODUCTION

According to the economics text-books, "production" is the activity by which flows of inputs (raw materials, the services of labour and capital, electric power etc.) are transformed into outputs. Sometimes those outputs then become inputs into further rounds of production, sometimes they are made available to consumers for "final consumption". As far as the "activity" of production is concerned, the text-books typically make a number of simplifying assumptions, so as to keep their analysis of producer

behaviour as straightforward as possible. Each separately identified input is assumed to be homogeneous and perfectly divisible. The maximum quantity of output it is possible to obtain (using today's technology) from each possible bundle of inputs is assumed to be known with certainty and known in advance. It is assumed to be possible to obtain a given quantity of output in a large variety of ways by using varying input mixes (i.e. substituting somewhat more of one input in place of somewhat less of another). Finally it is assumed that the maximum possible quantity of output which the firm can obtain from the use of a given input mix is independent of whether the firm had been using that same input-mix in the immediate past. This latter is known to economists as the assumption of "zero costs of adjustment". It means that the firm's choice of production behaviour in one period is rendered independent (on objective grounds at least) from its actual production behaviour in preceding periods.

In attempting to apply textbook economics to the production behaviour of firms (i.e. "clubs") in professional teams sports industries, one encounters major problems with each of these four assumptions. There is also the problem of specifying the output which is being produced. One of the well-known "peculiarities" of team sports industries is that one firm cannot produce by itself an output which the broad mass of consumers will find acceptable for final consumption. The services of two firms' teams are needed plus one set of stadium facilities before the production of a "final output" can take place.² In principle, the stadia facilities could be provided by third parties, and this does of course happen in the case of cup-finals and other games played at "neutral venues". But in practice most clubs have "home grounds", and most matches take place at the home-ground of one of the two teams competing with one another in the match. The quality of the stadium facilities at a club's home ground thus forms one output variable about which (or about possible changes in which) the club must make a decision in each decision period. This decision seems to be more closely related to the consumer-demand considerations discussed in the next section, however, and will be examined further in that context. For the remainder of this section we shall concentrate on production-decision-making regarding the other principal output supplied by the team-sports firm, the team performance.

On the surface it might appear that the text book model can be applied to the production of this type of output with only minor modifications being called for. The relevant dimension of this output variable is one of quality rather than quantity, and this means that our units of measurement must always be open to criticism. But this is a problem which economists encounter with a great number of goods and almost all services. If it were the only obstacle encountered, there ought to be little to worry about. Our real worries start when we consider quality variation on the input side. The inputs used in the production process are predominantly labour inputs - the labour of players, of coaches, of physiotherapists etc. Let us assume for the moment that we have managed to overcome the problem of defining units of quality for each separately identified type of labour, and move on to discuss the more serious problems. Note, however, that in carrying out this step it would normally have been necessary to divide player-labour into a number of separate sub-categories. Batsman labour, bowler labour and wicket keeper labour are separate inputs to a team performance at cricket as are goalkeeper labour, midfielder labour and winger labour to a team performance at association football.

Our problems begin in earnest when we observe that the clubs cannot buy each labour input - selecting the precise quantity they would like to use and ordering supply accordingly. Labour services cannot be physically separated from the individual supplying the services. In order to purchase the former it is necessary to hire the latter. Labour inputs therefore have to be purchased by the "package". The packages are not standardized in any way, as far as the "quality contained" is concerned. Indeed, it is very difficult for the would-be purchaser to obtain, in advance of use, any precise idea of the size of the "quantity contained" in any particular package. Some packages contain quantities of more than one input. Sometimes these are available for simultaneous use during a particular team performance, such as when a good wicketkeeper is also a high quality batsman. Sometimes the two input types are mutually exclusive in their use during a particular team performance (e.g. the goalkeeper who is a good striker). Sometimes two (or more) packages have the attractive quality that when their contents are mixed the resulting quantity of input available for use is greater than the sum of the quantities contained in the individual packages.

Sometimes the opposite occurs. Because of these "compatibility" problems, it is impossible to regard each labour input as homogeneous, no matter how carefully we have defined our units of measurement. The problem is of course compounded when there are compatibility effects across different input-types. Put two players of apparently identical ability with the same coach and you often find that one player will "blossom", or sometimes that one player will "wilt". The same happens with defenders and goalkeepers in association football and in a host of other cases. The quantity of labour input contributed to team performance by any one "package" is thus not in general independent of the "names on the labels" of the other packages concurrently in use in the same team.

The "packaged" nature of the inputs presents other problems for the textbook economics model. If the range of available package sizes was very large, if there was a reasonable depth of supply available at each package size, and if each club were then free to make up the quantity it seeks to purchase by any one of a multiplicity of permutations and combinations of packages, then "divisibility" - or rather the "indivisibility of individual packages" - would not need to worry us. In a team sport, however, it is a fact of life that the number of different individual players a club can field during the course of a particular game is always fairly narrowly circumscribed. An association football club, for example, is not free to choose whether it fields one goalkeeper of quality level 120, or two goalkeepers each of quality level 60, or three of level 40 or so on. Although the club has some discretion over the quantity of player labour it chooses to field in a particular game, with quantity here defined as the aggregate number of units of labour quality fielded, the club must operate within the constraint of the number of actual player-heads permitted by the rules of the competition. Since this number is typically fairly small, and since the number of clubs playing a particular team sport at the highest levels of competition is not usually particularly large, transactions in the relevant labour inputs are largely confined to those suppliers located in the upper extremities of the population distribution ranked according to "quantity possessed"¹ in the appropriate skills. Towards the end of the upper tail of the distribution, we would expect the range of "package sizes"

in existence to be discontinuous, and there to be very little depth of available supply among those package sizes that are available. Indivisibility problems thus operate to frustrate the clubs from any attempts to "fine-tune" the quantities of labour inputs they use. Adjustments in labour input levels must normally be "lumpy". Combined with the problems associated with assessing "package size" in advance, and assessing any compatibility effects, this puts the team sports firm in a quite different situation to that of the "widget-manufacturer" of textbook economics, as far as homogeneity and divisibility are concerned.

Once a club has made its decision about which "packages of labour inputs" to hire (the players, the coaching staff, etc.), has carried out its programme of training and match preparation, has selected a squad of players to perform in a particular match and has sent them out onto the field of play for that match, the management of the club can do very little more to affect the level of output produced - i.e. the quality of the team performance in that match. Yet the level of output that is actually produced remains subject to major uncertainty. Any new recruits or players returning from periods of injury (or of "poor form") will typically be unknown quantities to some extent - both in themselves and in their compatibility effects vis-a-vis other team members. Individual players might sustain injuries, might be upset or encouraged by crowd behaviour, or might simply have spectacularly good or spectacularly bad days for no apparent reason. A piece of good luck during the match might lift team morale or a piece of bad luck depress it. A team selected as the best to play on a dry, bumpy pitch might suddenly find itself playing in rain. The list can go on and on. All business enterprises must expect to face plant-breakdown problems from time to time, and decisions must therefore be made as to whether particular items of plant are too unreliable, too accident-prone, or too broken-down to be worth patching-up and persevering with. And when ordering new items of plant and equipment attention needs to be paid to the expected "reliability" of the available alternatives, as well as to their usefulness when functioning "normally". In the production of a team performance, it is the players and the coaching staff who constitute the firm's plant, and problems of the plant-breakdown type tend to be the norm rather than the exception to the norm. Decision-making in response

to this type of problem thus plays a much more central role in the team sports industry than in the case of the rather stylized firm of textbook economics.

We have already noted the fact that "lumpiness" and heterogeneity characteristics among the labour inputs employed will make it difficult for a team sports firm to make small adjustments to the input mix it employs. We must now observe that any adjustments which the club does make are likely to involve it in "costs of adjustment". Players who have played in the same team together for some time become accustomed to one another's manner of playing. Coaches and players who have got to know one another's strengths and weaknesses can interact together to develop a team style which places stress on bringing out the strengths during matches and covering for any irremediable weaknesses. This all leads to a certain momentum in the quality of the output which a given group of individuals are able to produce in co-operation with one another. Over and above any effects arising from situations of fundamental compatibility/incompatibility between individuals, it will typically be the case that the replacement of one established individual in a team by a newcomer-individual of exactly equal skills (assuming for the moment such a person exists) will lead to a period of temporary disruption in the team's performance. Only when the newcomer has "settled in" will things return to what they were originally. Where the newcomer is of superior skills to the established player that he (or she) is replacing, there will typically be a similar "adjustment cost" (in the form of a period of reduced quality of team performance) to be borne, before the newcomer settles in and the team performance rises above its pre-adjustment level.

When a club contemplates making an adjustment to the input-mix it employs, therefore, it will need to assess whether the benefits of a preferred input mix are likely to be sufficient to more than compensate for the short-term costs of carrying out the adjustment. The more substantial are costs of adjustment, therefore - other things being equal - the greater the incentive for the club to adopt the conservative approach of continuing with its established input mix, and avoiding "rocking the boat". But adjustment cannot be postponed indefinitely. Both players and coaches

inevitably grow old. And sometimes they "depreciate" at an accelerated rate as a result of injury, over-indulgent living, inexplicable "loss of form" or whatever. As far as the aging of players is concerned, clubs can adopt one of two basic strategies: maintain a team consisting of persons with a broad range of ages, and replace one or two retirees every season, selecting as replacements players from the bottom end of the age spectrum; or build a team consisting of persons with a narrow range of ages, and carry out a more thoroughgoing retirement/renewal programme once every few seasons. Whether the strategy of frequent small-scale adjustments or the strategy of infrequent large-scale adjustments is the best one for a particular club will depend partly on its perceptions of the nature of the costs of adjustment it faces and partly on the nature of its objectives as a club. If costs of adjustment are perceived to rise more than in proportion to the scale of the adjustment made, this will make the frequent small-scale adjustment strategy more attractive while if costs of adjustment are perceived to rise less than in proportion to the scale of the adjustment made, this will tend to tilt the scales the other way. If the other teams in the league are all pursuing the frequent small-scale adjustment strategy, however, one team which might expect to be consistently a middling-to-good team by conforming to the same strategy, might prefer to opt for the alternate course which provided it with the prospect of being an excellent team one or two years out of nine or ten, at the cost of worse than middling performance during the other years of the cycle. It should be noted that production uncertainties are likely to be greater in the latter type of strategy than under the smooth adjustment approach. Hence the degree of risk-averseness exhibited by the club will be a further factor influencing the decision as to which type of production strategy it should adopt.

Before moving on to discuss conditions of demand for these industries' outputs, some comments should be made on "technical progress" in the production of "team performance". Advances in medical science have clearly improved the contributions made by physiotherapists, fitness coaches etc. to team performance. And it could be argued that improvements in player equipment have been a source of some increases in the quality of output. But by and large people tend to think of the actual playing of the game as

being something in which technical advance is not really possible. This is debateable. It could be argued that tactical innovations such as the 4-3-3 formation in association football, or special "set-piece" routines from dead-ball situations in the same sport, play the same part in sports industries as product-improving innovations in manufacturing industry. If this argument is accepted, it then follows that there are the same types of benefits to be gained, and costs to be incurred from being at the "cutting-edge" of technological change in a professional team sport as in manufacturing industry. To be the first in the field with a particular innovation requires the incurring of costs of research and development. Many Research and Development projects bear no tangible fruit, and many that do bear fruit bear too little to be regarded (ex post) as having "paid their way". A tactical innovation in a professional team sport cannot be patented - its fruits are likely to last only until opposition teams have learned to emulate it and/or neutralize it. Nevertheless firms which are the first in the field (or usually better still the second and third in the field) with a successful innovation are likely to steal a march over firms which adopt the "wait and see" approach. In deciding on its production strategy the team-sports firm must thus weigh the costs and benefits of being a leader or a follower in the field of tactical innovation. There are then feedback effects between this decision and the hiring-of-personnel decisions. Some persons are more capable at working within a "high innovator" production strategy than others, even where the others are in other respects more skilled and talented.

CONDITIONS OF DEMAND FOR THE OUTPUT

It has long been recognized by economists that, at least as far as Western Europe and Australia are concerned, professional team sports firms do not behave as profit maximizers. Rather their objective appears to be largely a matter of the maximization of sporting success.³ In pursuing this objective, however, each firm must operate within a financial constraint - it must break-even or at least avoid making losses in excess of some defined maximum. One might expect this constraint to be non-binding as far as any particular single year is concerned, but over a run of say ten years

the club must satisfy the constraint, and must plan its decision making accordingly. When the professional team sports firm examines the conditions of demand for its output, and the conditions of supply of the inputs it uses, therefore, it is interested in assessing the revenue consequences and cost consequences of various management decision strategies not because it is seeking to pick the strategy likely to yield the greatest excess of revenue over costs, but because it is seeking to pick the strategy which will yield the greatest likely pay-off in terms of sporting success, while simultaneously satisfying the requirement that costs are covered by revenues.

If we consider a situation in which the league authorities make no financial redistributions among clubs, and no revenue flows arise as a result of transfer of player registrations, we can say that the revenue received by a club during the course of a season depends principally on the enthusiasm displayed by spectators/potential spectators regarding the viewing of that club's sequence of fixtures. Where such enthusiasm is manifested in physical attendance at the matches, this provides direct revenue to the club via gate takings. Where the enthusiasm is for armchair viewing via the medium of television, the revenue channel is indirect. But in the absence of systematic financial redistributions among clubs by the league authorities, or systematic bias on the part of the broadcasters, one would expect the clubs attracting the biggest armchair audiences to receive the biggest broadcasting fees. We shall pick up the issue of supporters' club donations, sponsorships etc below. For the moment we shall concentrate on the question: What determines the degree of enthusiasm displayed by the population as a whole for viewing a particular team sports fixture?

According to the economics literature on the subject, the key variable is the anticipated closeness in level of quality of the performances of the two teams competing - or, putting the same thing another way, the degree of uncertainty as to the outcome of the match. A number of other variables have been recognized as playing some role: the absolute levels of quality of the two teams competing; the "sporting importance" of the particular fixture; price of attendance and spectators' incomes; the size, quality and convenience of location of the stadium; the availability of com-

peting leisure attractions; and - since the market is typically geographically segmented - the "population potentials" of the two areas represented in the match and their distance from one another. While statistical studies have typically found the "geographical" variables to be doing most of the work in "explaining" attendance levels,⁴ economic theorists have continued to stress the role played by the "sporting competition" variable. To quote Sloane:

The paradox of competition in football is that while a club's objective is to finish the season in a higher league position than any of its rivals it has also a vested interest in the continuing success of its rivals in the league, for the more successful the rival in terms of league position and popularity, the larger will be the total attendance resulting from the common product. A qualification is that a match between two lowly teams fighting to escape relegation will often attract a larger attendance than a match between two middle of the table teams. Uncertainty as well as the quality of the football creates interest.⁵

This type of argument was summarized succinctly by Braham Dabscheck:

If the result of a competition is uncertain, interest in its result will be high, and so in turn will attendances, gate receipts and profits. Uncertainty in a sporting competition is maximized by having teams of equal sporting ability?

It is important to recognize that this argument rests on a highly specific implicit theory of spectator motivation. The potential spectator is conceived of as a disinterested observer of the league and of the fortunes of its constituent clubs. Such a potential spectator observes the recent form of the various clubs, observes whether each particular fixture scheduled for a given day is likely to be a close encounter, and whether its outcome is likely to be "important" as far as the championship race is concerned, and then chooses from the available menu of games that (if any) which is likely to give him (or her) the greatest value of "entertainment" in excess of the costs of attending/viewing it. No doubt there do exist some individuals who behave in this way, but my hypothesis is that they form only a tiny minority of those in attendance at almost all normally scheduled team sports fixtures.

Two alternative theories of spectator motivation seem to warrant attention: the "committed supporter" theory, and the

"champ-follower" theory. It is a matter of simple observation that some individuals identify themselves very heavily in terms of their loyalty to a particular team-sports club. When the club's performance is of high quality, they feel good. When the club's performance is of low quality, they feel miserable. How a particular individual comes to be "hooked" on a particular club (or even on a particular club (or even on a particular sport) is a separate issue. In the present context, the important thing is that, at any given time, there exists a large number of persons who are committed supporters of various particular clubs. If the "committed supporter" physically attends one of the fixtures of his (or her) team, he (or she) will normally be embarking on a gamble. If the team performs well, the positive payoff of euphoria will be accentuated by the supporter's being physically present at the victorious occasion. But if the team performs badly, the supporter will feel more miserable than if he (or she) had watched the game on television at home, or had simply read about it afterwards in the newspaper. Some committed supporters are so dedicated or "loyal" (or so eternally optimistic) that they will attend come what may. And some committed supporters might be "into catharsis", and actually experience some overall feeling of satisfaction from the immediate misery of seeing their team go down. But by and large the greater the likelihood that the team will play well, the greater will be the proportion of the pool of committed supporters turning out to attend the team's fixtures.

"Champ-followers" come in two main varieties, but as far as their attendance decision-making is concerned, there is practically no distinction between the two. Some champ-followers neither identify themselves with the teams they watch, nor make any pretence of doing so. They identify themselves as pure aficionados of the sport in question. Like the aficionado of opera or of ballet, such person is keen to see the best performance of the art-form that is available and accessible. Although results in matches are not a sure-fire indicator of a team's quality of performance, they do provide a useful supplement, in the team sports arena, to the writings of the critics, the commentaries of the "experts" etc. "Champ-followers" will flock to see the team that is currently putting on the highest quality performances - the team which their objective judgment leads them to believe will be the season's

champion in the sport. The second variety of champ-follower also tends to take his custom from one team's games in one season to another team's in another, on the basis of his (or her) objective judgment of which team is likely to be the season's champion. But in this case he (or she) avoids any outward display of impartiality as between different clubs, and assumes the demeanour of the committed supporter. Enjoyment comes largely from identification with the champion team, rather than mere observation of the quality of its performances. When the champion is forced to abdicate, allegiance is transferred to the new champion rather than being maintained for the pretender in exile. Clearly this second type of champ-follower forms something of an intermediate case. Where he (or she) is slow in adjusting his (or her) view of which team is most likely to be next seasons champion, and she (or he) has easy access to only one or two stadia, the attendance behaviour displayed will shade imperceptibly into that of the not particularly strongly committed "committed supporter".

If the level of attendances and of general spectator interest in the matches played in a particular team sports league is primarily the outcome of decision-making of these types, it ceases to be at all clear whether increased sporting equality will be positively correlated with higher aggregate attendances and increased spectator interest. If all teams were equal, with none standing out from the crowd and the championship merely a lottery, champ-followers of the aficionado type would probably see little reason to bother viewing any games. And champ-followers of the bandwagon-effect type might easily prefer to climb on no bandwagon, if they cannot ride one with anything more than a "sporting chance" of championship success. When we turn to committed supporters, we must take into account two important points: different clubs possess different sized pools of committed supporters; and past experience has led to different clubs' committed supporters regarding different levels of performance as "normal" for their teams. If a club which has traditionally been a low achiever starts to perform "middling-well", its committed supporter attendance will rise while if a club which has traditionally been a high achiever starts to perform only "middling-well" its committed supporter attendance will tend to fall. Who is to say whether, if a "good fairy" were to come along and suddenly make all clubs equal, the committed

supporter attendance gains of the gainers would outweigh the losses of the losers? Depending on the distribution by size of the various clubs' pools of committed supporters (and on the distribution of the levels of performance which have come to be regarded as "normal"), it might easily be the case that maximum aggregate attendances are achieved by clubs X, Y and Z always being the top three clubs in the competition and clubs A, B, and C always being at the bottom.

In examining the economic decision-making problem facing firms in professional team sports industries, economists have typically laid great stress on what they have termed the "paradox of success". According to this supposed paradox, a club's pursuit of its objective of maximizing sporting success must inevitably conflict with its perceived self-interest in maintaining spectator interest in its fixtures. This deduction rests on a particular theory of spectator motivation, and one which, as has been demonstrated above, is open to challenge. The economics literature has recognized that the directors and managers of team sports clubs in Western Europe and Australia behave differently from the profit-seeking "economic man" of normal business life. But the sport-spectators have continued to be viewed as disinterested self-contained individualists, mere observers of matches who identify with no particular team and choose which match to watch on the basis of an objective assessment of the probability of a close encounter. They remain a species of "economic man". This would seem to be the true paradox in the economists' theory.

We must now return to our central question. If improved sporting performance boosts a club's attendances and revenues, and a deterioration in sporting performance has the opposite effect, must not the good tend always to become increasingly better, and the bad increasingly worse? The answer is no, and this answer consists of two parts. One concerns the nature of the link between having money to spend and being able to boost the quality of one's team performance. That link is discussed in the next section. The second part concerns attendance behaviour and builds on the alternative theories of spectator motivation set out above.

It is possible that the level of a club's attendances is affected by the recent rate of growth of the team's quality of perform-

ance, as well as the actual current level of that quality of performance. Once a team's performance ceases to improve, its attendances might start to fall off, even though the actual level of performance is extremely high. And at the other end of the scale, once a team's performance has ceased to deteriorate, its attendances might start to pick up, even though the team's level of performance is pretty low. Whether this type of behaviour does occur depends largely on the attitudes of the committed supporters. Whether they experience pleasure or pain from a particular match can be expected to depend largely on how their team's actual performance in that match compares with their assessment of an "acceptable level of performance", based on the club's traditions, its recent form, and any special circumstances such as injuries, weather conditions etc. The "acceptable level of performance" might be expected to be adjusted upwards when the team has been exceeding expectations, and vice versa. Club administrators often interpret the attendance consequences of this as being due to inexplicable "fickleness" on the part of committed supporters. With the champ-followers, the situation is more straightforward. There are always aficionados who want to have spotted next year's champion before anyone else. And there are always bandwagoners who want to be on the bandwagon sooner in the piece rather than later. It is difficult for a champion team to retain the allegiance of its champ-followers: they are always watching for signs of decline and portents of a successful challenge. Managers of champion clubs appear to have much more to worry about regarding their attendance levels than whether they are becoming so good that their winning is becoming a bore to their spectators.

CONDITIONS OF SUPPLY OF THE LABOUR INPUTS

The existing economics literature on professional team sports embodies a theory of labour supply behaviour by players, coaches etc. which is rudimentary to say the least. In the absence of any labour market controls imposed on them by the leagues, it is assumed that each player would provide his (or her) services to the club offering the fattest pay-packet (or, in more polite language, the most substantial "remuneration package"). How plausible a view

is this?

To begin with, it should be noted that many people have strong likes and dislikes regarding which country, or region, or even which city they live in. Sometimes this is a matter of family networks, sometimes a matter of broader socio-cultural ties, sometimes it appears to be simply a matter of personal idiosyncrasy. But at the end of the day the upshot is the same, whatever the underlying reason. Player X is likely to be happier playing for Club A in City A than for Club B in City B even though Club B is offering a substantially fatter pay-packet. Player Z, with different tastes, might be in the inverse situation.

Secondly there is the issue of inter-personal compatibilities. Even in the absence of compatibility effects in the actual playing of the game (though there is likely to be an association between the two) inter-personal compatibility effects are likely to make Player X happier working with the "friendly chaps" at Club C than with the "miserable characters" at Club D, even though Club D might be offering more pay.

At first sight it might appear that compatibility-in-playing effects need not be of any concern to the individual players. If a club judges wrongly in the hiring of a new player then it's the club's money that is wasted. But when a player joins a club and does not live up to the expectations of that club, this would normally be expected to have a detrimental impact on that player's future career. Playing skills can atrophy very rapidly. If the player is dropped into the reserves, or kept on in an inappropriate team-position, that player might never be able to bounce-back to playing at his (or her) "true" full potential. Players must thus form their own judgements as to the soundness of the thinking underlying any offers made to them by would-be employers. This then constitutes a third argument for not expecting players always to sell to the highest bidder.

Further arguments against the notion of an all-powerful hegemony of the purse can be added. Some players prefer being a big fish in a small pond and are willing to forego some income to indulge that preference. Some players who are in the employment of champion teams and have won all the sport's glittering prizes become complacent about their playing performance, which then fades

off accordingly. This then raises the whole question of player motivation. If club managers and administrators are regarded as being motivated by a desire for sporting success rather than pecuniary profit, might it not be the case that at least some of the players have similar peculiarities in their objectives? On the one hand this might reinforce the power of a champion team - it can attract new recruits with a package consisting of so much pay plus the promise of the game's glittering prizes, whereas a bottom-of-the-league team can offer only a tenuous hope of the latter. But on the other hand it will also mean that some players will be keen to join a team they perceive to be up and coming in preference to today's reigning champ. In a similar fashion to bandwagon effect supporters who are keen to be on the bandwagon early, there is more glory for a player to have been part of the team that crawled up from nowhere to the top, than to have simply joined a safely established team in the first place.

The link between having money to spend and being able to boost the quality of one's team performance is thus far less straightforward than it might seem at first sight. As was discussed in the "Conditions of Production" section, it is by no means easy for clubs to work out which new players they ought to attempt to hire in order to maximize their team's quality of performance. And as has been discussed in this section, it would be no means easy for a club to entice the players of its desire into its employ, simply by offering fat pay-packets - even if players were subject to the normal freedoms of contract. Especially in the case of something like the F.A. Cup then, there is many a slip betwixt cup and lip.

CONCLUSION

When one examines carefully the fundamental economic features of professional team sports industries, one is led to doubt whether economic collusion among the firms producing a particular team sports output has any marked effect on the degree of sporting equality displayed by the particular sport, and also whether the degree of sporting equality displayed by that sport has any marked effect on the overall "economic health" of the industry: The various behavioural assumptions set out in this paper lead to the

following "deductions"; at any given time there is likely to be a pecking order of teams and a given degree of sporting equality. Both the pecking order and the degree of sporting equality will tend to vary through time in a fairly "random" manner. Whether there are labour market controls, product market controls, both, or neither is likely to make very little difference to this pattern.

To establish the set of predictions which follows from an alternative set of behavioural assumptions is not of course a proof - in any sense of the word - that the prevailing orthodoxy among sports economists is wrong. But it should be remembered that the prevailing orthodoxy itself represents very little more than a set of deductions following from a set of behavioural assumptions: statistical tests have never found "sporting equality" to be a key variable in "explaining" attendances; prevailing labour market controls appear to have had little influence on the degree of "sporting equality" exhibited by leagues,⁷ etc.

By pointing out that the orthodox assumptions are far from self-evidently correct, the present paper has aimed to demonstrate that the case for the players in professional team sports leagues being treated differently from workers in "normal" industries in our society rests on no firm footing whatsoever - it is challengeable on both theoretical and empirical grounds. In the absence of a strong and convincing case for doing otherwise, the players in professional team sports should be provided with the same labour market freedoms as workers in other industries enjoy.

NOTES:

1. B. Dabscheck, "Sporting Equality: Labour Market vs Product Market Control", *The Journal of Industrial Relations*, Vol. 17, 1975, pp.174-190. Dabscheck's paper provides references to earlier work by economists on this topic. Important subsequent contributions include: P.J. Sloane, "Sporting Equality: Labour Market vs Product Market Control - A Comment", *The Journal of Industrial Relations*, Vol. 18, 1976 and Dabscheck's reply *loc.cit.*, P.J. Sloane, "Restriction of Competition in Professional Team Sports", *Bulletin of Economic Research*, Vol. 28, 1976; P.J. Sloane, *Sport in the Market?*, Hobart Paper No. 85, I.E.A., 1980; N.C.

Wiseman, "The Economics of Football", *Lloyds Bank Review*, No. 123, 1977; and J.A. Schofield, "The Development of First-Class Cricket in England: An Economic Analysis", *Journal of Industrial Economics*, Vol. 30, 1982.

2. This is discussed in some detail in W.J. Neale, "The Peculiar Economics of Professional Sports", *Quarterly Journal of Economics*, Vol. 78, 1964.
3. See P.J. Sloane, "The Economics of Professional Football: The Football Club as a Utility Maximizer", *Scottish Journal of Political Economy*, June 1971, together with the papers cited in footnote 1.
4. See R.A. Hart, J. Hutton and T. Sharot, "A Statistical Analysis of Association Football Attendances", *Journal of the Royal Statistical Society*, Vol. 24 1975; and P. Drever and J. McDonald, "Attendances at South Australian Football Games", *International Review of Sport Sociology*, Vol. 16, 1981.
5. Sloane (1971), *loc.cit.*, 124.
6. Dabscheck (1975), *loc.cit.*, 176.
7. See Dabscheck (1975), *loc.cit.*