

THE UNIVERSITY OF THE WEST INDIES, MONA
ECON2025: Economics of Sport

This is a reading
and writing course

Semester I, 2019-20
Pre-requisite: ECON1012
Lecturer: Christine Clarke
Room Number: 16 (along Economics Block)
Ext.: 3285
Office Hours: Thursday 9am – 1pm

Course Description

This is a level two course that explores the analytical frameworks used by economists in assessing the impact and value added of sport development, sport infrastructure and sporting events. The Economics of Sport has become a major area of research in economics as a complement to research in sport in the areas of sociology, anthropology and criminology thereby making it an important public policy issue. This course requires students to engage the international literature with a critical eye and with a view to assessing the various sporting events and developmental strategies pursued within the Caribbean and more specifically in Jamaica. Students are encouraged to engage with a high level of curiosity and a willingness to read.

Responsibilities

As the lecturer, I am responsible for giving you the resources to do well in the course through lectures and tutorials. In order to access these resources, you will need to participate in class, prepare for and lead select tutorials and revise the material carefully in preparing for exams. By registering for this course you have accepted this responsibility and your commitment and willingness to learning the material will be reflected in your grade for the course.

Prepare yourself for the unforeseen incidents that are bound to occur over the course of the semester by completing and submitting assignments before the deadline – you are free to submit any time before the deadline (by definition). Only reasons approved by the University administration will be accepted in relation to missing assignments. In this event, the pro-rating for the remaining assignments will be adjusted to absorb the missing assignment.

Students are encouraged to view the assignments as an opportunity to develop a research idea for their Level III courses and therefore should endeavour to collect data and produce a literature review that is as comprehensive as possible.

Course Learning Outcomes

Upon successful completion of the course, the students should be able to critically assess the microeconomics techniques that are applied to the sports industry, in the following specific areas:

- Analyze the demand for sports, the possibility of price discrimination and market power across different sports.
- Explain the multi-dimensional impact of marketing and advertising on sports and the commercialization of sports.
- Analyze profit variation and competitive balance along with the short-run and long-run profit maximization decisions for owners of clubs.
- Empirically evaluate role of leagues and league structure in professional sports, including the prevailing dominant league model and rival league models.
- Compare the current empirical research on the competition for talent with the theoretical predictions of models.
- Analyze and assess the results of labor trading and acquisitions and the rise of unions in professional sports internationally vis-à-vis what prevails in the Caribbean.
- Evaluate whether professional sports bodies/associations and individual sportspersons create enough economic activity to justify government subsidies.
- Explain the controversies relating to anti-doping in sport viz the potential economic gains from winning
- Assess the issues relating to high-school and university i.e. academics versus sport

Teaching Methodologies

The methodology will include lectures, seminar reviews from international conferences such as hosted by www.playthegame.org as well as guest lecturers from practitioners in related fields such as sports medicine (to speak to issues of injury and anti-doping issues, for example) and sports psychology (to address issues of performance, for example).

Format of Course Delivery

This course will be delivered through one two hour lecture and one tutorial hour per week; tutorials will provide the opportunity for students to develop their own ideas.

Course Content

*All readings with *** indicate material that is available via the University Library's UWILINC Electronic databases site. Google UWILINC and learn how to navigate your way around that site.*

You will find resources aligned with the required text at http://wps.aw.com/aw_leedsvonal_econsports_4/136/34996/8959192.cw/index.html helpful in your preparation for exams as well as information relating to chapters in Leeds and Von-Allmen.

UNIT 1 Economics Introduction/Review Weeks 1 to 5

- Demand and Supply Models
- Producing Output and Production Functions
- Market Structures: From Perfect Competition to Monopoly
- What is meant by the Economics of Sport?
- How relevant is the economics discipline to the understanding of sport?
- Externalities & Public Goods
- Utility Functions and Indifference Curves
- Regression Analysis

Chapters 1 and 2 from Leeds and Von Allmen

UNIT 2 Monopoly and Antitrust Weeks 6 to 10

- Price Discrimination in Sport
- Barriers to Entry
- The desire for competition in sport
- Revenue Capacity for sport events

Chapters 4 from Leeds and Von Allmen

UNIT 3 Industrial Structure and Labour Economics in Sport Weeks 11 & 12

- Rise of Professional Sports
- Profits vs. Wins
- Role of Leagues/Associations
- Sources of financing: marketing, lottery etc.
- Sport, betting and match outcomes
- Discrimination (Employee, Consumer, Gender inequality)

Chapters 3, 5, 8, 9, 10 from Leeds and Von Allmen

UNIT 5 Policy Issues

if we get to it

- Facility Development
- Sport Development
- Intellectual Property Rights and Legal representations
- Impact assessment of the public financing of sport
- Public Policy and Sport
- Support for national teams

Course Assessment

This course will be assessed using the following tools:

- 1. Graded Problem Sets (50%)**
- 2. A Two hour Mid-semester examination (25%)**
- 3. Two hour Final examination consisting short answer, case analysis and short answer questions (25%)**

Prescribed Texts

Michael A. Leeds and Peter von Allmen, *The Economics of Sports* (Prentice Hall, 2010)
Government of Jamaica, “Green Papers on Sport”, 2004 and 2011
Government of Jamaica, “White Paper on Sport”, 2013

Highly Recommended Texts:

Fort, R. (2010). “Sports Economics”, *Prentice Hall*.

Szymanski, S. (2009). “Playbooks and Checkbooks: An Introduction to the Economics of Modern Sport”, *Princeton University Press*.

Andreff, W. and S. Szymanski, *Handbook on the Economics of Sport* (Edward Elgar, 2009)

Play the Game website: <http://Playthegame.org>

European Union Council on Sport: <http://ec.europa.eu/sport/>