

**Seminar:**  
*Analytical Foundations of Pro Sports Leagues*  
*(In Six Easy Lessons)*

December 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup>, 2008  
(10-12 am/2-4 pm)

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**Contact**

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**Sign up**

If you want to sign up for the seminar, please send an Email to Karina Rothenari, secretary to Prof. Dietl at [secretary.dietl@isu.uzh.ch](mailto:secretary.dietl@isu.uzh.ch)

**Instructor Qualifications**

See <http://www.rodneymfort.com/Academic/Vita.html>

**Learning Goals**

- Understand the primary theoretical underpinnings of the industrial organization of pro sports leagues at the graduate level.
- Move students to explore theoretical issues associated with pro sports leagues.
- Prepare students to produce a well-defined research proposal on the theory of professional sports leagues.

**Approach and Assignments**

This is a “read and discuss” seminar. I will assume you have read the papers for each meeting and we will proceed from there.

A short paper detailing one theoretical area to explore with accompanying relevant literature review.

**The Material:**

*Assumed Reading: The Classics*

*Part 1 (December 3): The Neo-Classical Wave; Lessons Learned.*

*Part 2 (December 4): Whence the Invariance Principle? Lessons Learned.*

*Part 3 (December 5): New Directions; Lessons Learned; Proposal Sketches.*

**Part 1 (December 3): The Neo-Classical Wave**

**Assumed Reading: The Classics**

1. Rottenberg, S. 1956. "The Baseball Players' Labor Market." *Journal of Political Economy* 64:242-258.
2. Neale, W.C. 1964. "The Peculiar Economics of Professional Sports." *Quarterly Journal of Economics* 78:1-14.
3. Jones, J.C.H. 1969. "The Economics of the National Hockey League." *Canadian Journal of Economics* 2:1-20.
4. Sloane, P.J. 1971. "The Economics of Professional Football: The Football Club As A Utility Maximiser." *Scottish Journal of Political Economy* 17:121-145.

10:00 – 12:00 am:

1. El-Hodiri, M., and Quirk, J. 1971. "An Economic Model of a Professional Sports League." *Journal of Political Economy* 70:1302-1319.
2. Quirk, J., and El-Hodiri, M. 1974. "The Economic Theory of a Professional Sports League." In R.G. Noll (ed.) *Government and the Sports Business* (Washington, DC: Brookings Institution).

2:00 – 4:00 pm:

3. Heilmann, R.L., and Wendling, W.R. 1976. "A Note on Optimum Pricing Strategies for Sports Events." In R.E. Machol, S.P. Ladany, and D.G. Morrison (eds.) *Management Science in Sports* (Amsterdam: North-Holland Publishing Company).
4. Fort, R., and Quirk, J. 1995. "Cross-Subsidization, Incentives, and Outcomes in Professional Team Sports Leagues." *Journal of Economic Literature* 23:1265-1299.

Daily Summary: Lessons Learned?

***Part 2 (December 4): Whence the Invariance Principle?***

10:00 – 12:00 am:

1. Daly, G., and Moore, W.J. 1981. “Externalities, Property Rights and the Allocation of Resources in Major League Baseball.” *Economic Inquiry* 19:77-95.
2. Kesenne, S. 1996. “League Management in Professional Team Sports with Win Maximizing Clubs.” *European Journal for Sport Management* 2:14-22.

2:00 – 4:00 pm:

3. Rascher, D.A. 1997. “A Model of a Professional Sports League.” In W. Hendricks (ed.) *Advances in the Economics of Sport, Vol. 2* (Greenwich, CT: JAI Press, Inc.).
4. Szymanski, S. 2003. “The Economic Design of Sporting Contests.” *Journal of Economic Literature* 41:1137-1151.

Daily Summary: Lessons Learned?

**Part 3 (December 5): New Directions**

10:00 – 12:00 am:

1. Szymanski, S. 2004. “Professional Team Sports Are Only a Game: The Walrasian Fixed-Supply Conjecture Model, Contest-Nash Equilibrium, and the Invariance Principle.” *Journal of Sports Economics* 5:111-126.
2. Fort and Winfree. Forthcoming. “Sports Really Are Different: The Contest Success Function, Marginal Product, and Marginal Revenue in Pro Sports Leagues.” *Review of Industrial Organization*.

2:00 – 4:00 pm:

3. Fort, R., and Quirk, J. 2007. “Rational Expectations and Pro Sports Leagues.” *Scottish Journal of Political Economy* 54:374-387.
4. Dietl, H.M., and Lang, S. 2008. “The Effect of Gate Revenue Sharing on Fan Welfare.” *Contemporary Economic Policy* 26:448-459.

Final Summary: Lessons Learned. Research Proposal Sketches.