

Diskussionspapier des  
Instituts für Organisationsökonomik

6/2023

Globalisation of Sports

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Discussion Paper of the  
Institute for Organisational Economics

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Instituts für Organisationsökonomik  
6/2023**

Juni 2023

ISSN 2750-4476

**Globalisation of Sports**

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**Abstract**

Globalisation affects not only politics and the economy, but also sport, which has become significantly more international, competitive and financially powerful. This is particularly advantageous for most consumers or spectators. Especially top athletes benefit, while not so good athletes can suffer from the greater competitive pressure. The same applies to event organisers and the mass media, from which the best and largest in particular benefit. Poorer nations can more easily enter and win international competitions, although richer nations retain advantages. All in all, globalisation of sports is not a zero-sum game, but the benefits outweigh the costs.

JEL Codes: F69, L83, Z20

Keywords: Competition, Globalisation, Media, Olympics, Sports

# Globalisierung des Sports

## Zusammenfassung

Die Globalisierung betrifft nicht nur Politik und Wirtschaft, sondern auch den Sport, der viel internationaler, kompetitiver und finanzkräftiger geworden ist. Das ist insbesondere für die meisten Konsumenten bzw. Zuschauer von Vorteil. Auch Spitzensportler profitieren, während nicht ganz so gute Athleten unter dem größeren Wettbewerbsdruck leiden können. Dasselbe gilt für Veranstalter und Massenmedien, von denen vor allem die besten und größten profitieren. Ärmere Nationen können leichter an internationalen Wettbewerben teilnehmen und auch gewinnen, wenngleich reichere Nationen Vorteile behalten. Insgesamt handelt es sich nicht um ein Nullsummenspiel, sondern überwiegen die Vorteile der Globalisierung des Sports.

Im Internet unter:

[http://www.wiwi.uni-muenster.de/io/forschen/downloads/DP-IO\\_06\\_2023](http://www.wiwi.uni-muenster.de/io/forschen/downloads/DP-IO_06_2023)

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# **Globalisation of Sports\***

## **1. Introduction**

The internationalisation of sports is old and can already be observed in ancient times. Globalisation, meaning not global homogenisation but increasing interdependence between most countries and people in the world, is a new phenomenon. Even the Olympics became truly global only after World War II, before they were mainly European events with some other Western powers like the USA (the first FIFA World Cup in Uruguay in 1930 was an early outlier). Global integration happens on all levels now.

One can ask who benefits and who loses by this development. In the following, we will look at consumers (Chapter 2), athletes (Chapter 3), organisers and media (Chapter 4) as well as nations (Chapter 5). Chapter 6 concludes.

## **2. Consumers**

Consumers worldwide win opportunities by the globalisation of sports. The quality of sport events is rising while the prices are falling, at least in real terms per consumer and compared to other services. Fans of certain athletes or teams may lose because their favourites may fall behind in the global competition. However, other fans are happy about it and new bonds can be made.

## **3. Athletes**

The best athletes earn more because of globalisation with its larger audiences and more integrated markets. New opportunities emerge especially for athletes from poor countries who can not only win more but also financially stronger fans while the opportunity costs of training time can be lower for them. Sports professionals are internationally mobile.

Some athletes in the middle may lose because of higher competition. Others can win, at least financially, by staying away from professional sports altogether where superstars get rich but the average remuneration is quite low.

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\* This discussion paper is based on the slides of a presentation at the Annual Conference of the Society for the Advancement of Socio-Economics (SASE) in Trier on 1 July 2006. The trends described are still valid.

## **4. Organisers and Media**

There are large economies of scale in sports, especially regarding mass media. The costs of media reporting are mainly fixed costs and the marginal costs of additional viewers (as well as listeners and readers) are close to zero. The revenues in sports are rising and the standards for sporting events, their organisers and broadcaster are increasing, too. Smaller ones may perish, others will merge.

Innovations are important in a more competitive environment. With globalisation, specialised sports companies have been invented. Other companies can also profit by new opportunities for advertising and sponsoring. When it comes to different sports, the already large ones like football are growing the most, but niche sports are also attracting more fans worldwide. International sports associations are gaining in importance.

## **5. Nations**

Because of globalisation there is more competition between national teams and individual athletes. Poor nations and their athletes can profit because they can more easily participate in international sports events and compete (as well as cooperate) with others. However, most sports need capital and richer nations still have advantages.

The nationality of athletes does not matter in many cases or can be changed. Most fans want their own nation's team or athlete to win, but they take it sportingly and accept the victory of a better one. Some sports remain nation-specific and nations can specialise to be world-class in some fields while neglecting others.

## **6. Conclusion**

Globalisation is not a zero-sum game, neither in economics nor in sports. Some actors may lose but most win in sports. Sports and globalisation are competitive. However, both are cooperative at a higher level and the increased competition is beneficial to most. Finally, it is possible to ignore sports if one is not interested.

## Diskussionspapiere des Instituts für Organisationsökonomik

Seit Institutsgründung im Oktober 2010 erscheint monatlich ein Diskussionspapier. Im Folgenden werden die letzten zwölf aufgeführt. Eine vollständige Liste mit Downloadmöglichkeit findet sich unter <http://www.wiwi.uni-muenster.de/io/de/forschen/diskussionspapiere>.

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