

2 Cooperation for Mutual Advantage

The goal of Chapter 2 is to explain how cooperation can offer a mutual advantage for players in a highly competitive sports environment. Although competition and cooperation may at first seem like opposites, when applying the golden rule of economic ethics, they are not only combinable but, when functioning under the right conditions, competition can actually act as a form of cooperation in sports games. This offers players a way to pursue their common interests and gain a mutual advantage.

2.1 Incentives & Interests in the Game

2.1.1 Extrinsic Rewards

Elite level sports participants seem to be motivated more by external preferences than internal preferences (Loland, 2002, p. 115); that is, they use sport as a means to obtain extrinsic rewards more than intrinsic ones. The three most pertinent extrinsic rewards (also known as “scarce benefits” (Simon R. , 2010)) for elite level sport stakeholders are similar to those in society at large—money, power, and prestige (Weber, 1968, p. 926; Crone, 1999, p. 326). Society pressures its members to obtain these resources, but the supply is limited. In elite level sports, this creates fierce competition to obtain the scarce resources of extrinsic rewards.

The extrinsic rewards in sports have value due to their scarcity. For instance, if many people had an abundance of fame, power, and money, these

cherished rewards would be rendered less valuable. The scarcity of these assets is what makes them prized (Covington, 2009, p. 151). Many different sport stakeholders use the sports game as a means to obtain the “scarce benefits” of money, power, and prestige. Athletes compete with other athletes in order to become famous and receive greater remuneration. Coaches use sports as a way to gain prestige, i.e., when they are associated with a winning team. Spectators obtain bragging rights when their team does well, and they even place bets in order to reap monetary benefits from the sport. Extrinsic rewards are not only associated with the athletic competitors, but the commercialization of sport as an attempt to gain extrinsic rewards reaches all levels of the sport stakeholder chain (Rosentraub, 2004, p. 108).

Since participants in sports games may be under pressure to obtain extrinsic rewards for which there is a finite supply, only a few select participants are actually able to acquire them. The end result of this disproportionate distribution of resources tends to be what sociologists call “innovative deviance.”⁴⁶ Innovative deviance is a violation of a social norm (or, in this case, a sporting rule) due to the desire to gain an unattainable cultural norm (Merton, 1968, p. 200). “It is the combination of the cultural emphasis and the social structure which produces intense pressure for deviation” (Merton, 1968, p. 199). This type of deviance is also a form of normative fallacy, because moral demands may not be in line with the empirical conditions of the reality of the game. Participants rectify this misalignment by breaking rules in order to make it easier for them to obtain the extrinsic rewards. In sport, such rule breaking

⁴⁶ This is part of sociologist Robert K. Merton’s “means-end-theory” which parallels the economic perspective noted throughout in the current work. See Merton (1938, p. 679) for further discussion of the sociology viewpoint.

takes the form of cheating, violence, and using performance-enhancing drugs, among other types of opportunistic behavior.

The structural goal of the sport competition is to “measure, compare, and rank participants according to their athletic performance” (Loland, 2002, p. 123), with the first ranked participant being declared the winner. Winning enables participants to meet their extrinsic goals (money, power, and prestige) because the winner has a disproportionately larger share of the extrinsic rewards (Rosen, 1981, p. 846; Galiher & Hessler, 1979, p. 10). Because of this, winning is the most important means for participants in order to meet their ideals of success.

Winning as a Means to Obtain Extrinsic Rewards

In professional sports, where salary increases are correlated with past performance (Staudohar, 2006, p. 195) either via team contracts, endorsement contracts, or directly via prize money, winning is the best way to realize these external aims, and therefore it is generally thought to be the most important goal for participants in elite sports.

In sports, everyone wants to be a winner, but only one team or individual can achieve the win. In this sense, winning can be viewed as an extremely desirable ideal. The harsh competition that is present in top-level sports sifts through the masses and awards the very best competitor with the first place prize (Galiher & Hessler, 1979, p. 10), leaving the runners-up with next to nothing. Because of this top-heavy distribution of resources, a “second place is first loser” understanding can permeate sports.

This “bottom line” thinking is a mainstay in sports (Eitzen, 1988, p. 19). The end result is the only thing that allows a payoff for stakeholders, and the number of hours athletes train, the effort they put forth in the game, and

their will to do well all count for nothing in the sports game. It can appear that the end result, not the means, is the only thing that matters; and that it is not important how athletes win, they just need to win and succeed (Volkwein, 1995, p. 316).

This emphasis on winning has a number of associated and largely unintentional consequences for athletes (DeFrancesco & Johnson, 1997, p. 199; Boxill, 2003b, p. 115). These include the pressure to win, increased injury due to overexertion, cheating, unsportsmanlike behavior, illegal moves during a game, doping, legitimization of violence and aggression, and a “win at all costs attitude” (Crone, 1999, p. 321; Alt, 1983, p. 103).

Commodification of Athletes

With so much depending on winning the game and its associated rewards, there is less weight on how the game is played at the elite level and more emphasis given to the result of the game. Attention is paid only to the outcome and the profit created outside of the competition (Boxill, 2003b, p. 114), which distorts the ideals of sports competitions.

The “means-to-an-end” way of thinking turns opponents into obstacles that block the possibility of success (Boxill, 2003b, p. 109). Competitors are no longer respected as partners in the quest for excellence—they are seen as the enemy in the fight to reach the top or as commodities to be traded for the next best thing.

Treating others as mere objects that are used to get a particular reward is, according to Kant, a fallacy against freedom (Kant, 1997, p. 37).⁴⁷ According to Kant, human beings should always be treated as an end in and of themselves, not merely as the conduits for getting what one wants. This implies that it is an athlete's *duty*⁴⁸ to treat opponents with dignity, respecting them as fellow participants.

Commodification of athletes and other stakeholders is against the maxim of sport as a mutual quest for excellence.⁴⁹ This means-to-an-end manner of thinking can penetrate many aspects of sport. Sponsors may view athletes purely as the way to sell more of their product, and by doing so demand more and more unrealistic victories from them. Coaches might be employed by team management in order to create successful winning athletes, and when they are unable to do so they are fired. Athletes may be bought and sold by teams as a way to achieve wins, yet they are given no respect as individuals. Former champions might be unsuccessful in subsequent attempts to win, and they could be dropped from the public eye when they offer no value to media and spectators. All of these are examples of a commodification of sport stakeholders for extrinsic rewards.

2.1.2 Conflicting Interests

In the sports game, stakeholders may have some interests that oppose one another. This may create conflict between competitors who are trying to obtain

⁴⁷ Also see Michael Sandel's *Justice* (Sandel, 2009, p. 110) for a detailed discussion of Kant's theory on using persons as a means to an end.

⁴⁸ See Kant (1996, pp. 156-157).

⁴⁹ As per Sigmund Loland's theory (2002) regarding the moral norms of sport, which is discussed further in §2.2.5 of this dissertation.

what is in their own best interest but have no choice but to go against the interest of other competitors in order to do so.

Athletes compete with one another to win a game, match, or race. While there is one winner, there are many “losers,” or athletes who fail to rank number one in any given competition. Losing is usually an unpleasant experience, which most athletes would like to avoid. This means that, by willing himself to win, an athlete is willing his opponent to lose. Sports games can therefore be viewed as a form of zero-sum game; i.e., when one player wins, the other one loses (Beckmann, 2012, p. 9).

In the language of game theory,⁵⁰ winning sports games can be viewed as classic zero-sum games⁵¹ due to the symmetrical relationship between how much one competitor gains and how much the other competitor loses (Levermore, 2004, p. 19). Compared to other forms of economic games, sport is distinctive in that winning cannot occur without concurrent losing—and in this sense sports competitions can seem to be games without “value-creation.”

Although players in sports games do not only have interests that are purely oppositional, the numbers can seem to present themselves in this fashion. This can be a dangerous way to view sports competitions, particularly within international competitions, where one country’s sports team is pitted against another in a war-like manner. The media often emphasizes this aspect by using such terminology as battle, conquer, defend, defeat, and attack. The media creates the impression that there is no type of cooperation between teams

⁵⁰ Game theory is defined as the “study of mathematical models of conflict and cooperation between intelligent rational decision-makers” (Myerson, 1997, p. 1), and is discussed further in upcoming sections.

⁵¹ It could also be viewed as a negative-sum game, because there are often more losers than there are winners in many sports.

(Levermore, 2004, p. 19), and that there are no common interests present at all, but this is not the case.

2.1.3 Common Interests

Although the zero-sum game is a way to interpret what is happening as sports competitions take place, it is clear that understanding how to oversee the game requires insight into the “cooperative learning process” (Beckmann, 2012, p. 10) that takes place between participants. It is advantageous to see sports games as a potentially mutually beneficial interaction between stakeholders, or to view sports within the positive-sum-game.

Naturally, this does not mean that there are no conflicting interests in the game, but it means that, in order to find rules that lead participants to strive for mutual excellence, the focus must be on the *common* interests that players undoubtedly share, while also managing the *opposing* interests. In order for sports games to take place at all, participants must have some shared interests. Players come together with the shared understanding that they will play by the rules. Managers, coaches, and sponsors are vested in the performance of the athletes, and athletes both share in the interests of the spectators and rely on them to purchase tickets to games and/or to watch games on television. These shared interests are in the self-interest of all players, as well as the interests of the game for the game’s sake. Through the realization of those common interests, stakeholders are able to experience a paradigm shift from a game of power struggle to a game of learning (Beckmann, 2012, p. 10). Participants can benefit from viewing one another not simply as opponents, but as partners striving together for mutual excellence.

Common interests are what make sports games possible to play. Participants must have common interests to have a reason to cooperate and

begin, continue, and finish the game (Boxill, 2003b, p. 112). The mutual challenge that players take seriously lends itself to a game well played. These common interests are what allow competitors to challenge one another to be their best and to respect one another for their skills. Common interests are what motivate participants to become competitive partners. It is true that each player wants to win, but above all they strive together to perform at the highest level possible in order to win.

2.1.4 The Dilemma

As discussed previously, morally motivated, finite rational agents are often faced with dilemmas that are difficult to negotiate. In sports, this translates into situations where stakeholders are forced to decide between two or more options that may have long-lasting consequences and effects on other stakeholders in the industry. In these circumstances, moral actions may not line up with what is in the stakeholders' self-interests, and in such instances it is often helpful to get a deeper understanding of the situation and the possible outcomes by using economic models as tools for better decision-making. One of the helpful tools that is utilized by economic ethics is game theory.

Game theory is an instrument used to analyze conflict and cooperation through quantitative interpretations of hypothetical examples (Myerson, 1997, p. 2). In game theory, a "game" is a situation where "players" decide between "moves" that have specific quantitative "payouts" as a result. These payouts may differ, depending on the choices that the competing player makes. Game theory has the ability to take sometimes-complex situations and break them down to a quantifiable series of decisions made based on incentives; it can also add a deeper understanding to ethical dilemmas that require moral actions within certain constraints and limitations.

Since game theory is indeed a simplification of complex situations, caution should also be taken to avoid losing the context by such simplification and creating a normative fallacy in the process. That being said, taken at face value, game theory can be a starting point and basis for getting to the core of ethical dilemmas via hypothetically manipulating rules, incentives, and choices based on rationality and self-interest. In a way, game theory gets to the root of ethical problems, showing the cause and effect of variables that make conflict or cooperation more or less likely.

Since the economic ethics game theory model assumes that all players are rational, preferring to make choices that are in their own self-interests, the payouts in the game are paramount for deciding which choices players should make.

In many ethical predicaments in sport, players have the choice to either cheat or to play fair. Playing fair leads to a satisfactory result for all players, as it increases their overall enjoyment and spectator satisfaction, and allows them to achieve excellence through the challenge of a game well played. However, it is not always easy for players to choose to cooperate with one another by competing according to this ideal. There are also empirical conditions that limit the actions of players, and even though it would be better for everyone if players played fairly, sometimes they end up failing to play fairly at all. This is an indication that the individual payouts for cheating must be higher than for those who observe the rules.

An interpretation of the above scenario within game theory might take the form of the payouts in the matrix represented in Figure 7.

		Player B	
		Do Not Cheat	Cheat
Player A	Do Not Cheat	I 2,2	II 0,3
	Cheat	III 3,0	IV 1,1

Figure 7: Game based on Prisoner’s Dilemma

Source: Own Illustration, following Suchanek (2007, p. 53).

Here, the assumption is that players *A* & *B* have no prior knowledge of one another and do not know if they can trust each other not to cheat. The matrix represents four different outcomes that are determined by the two choices that each player must make in the situation. The two numbers listed in each quadrant represent the payouts for player *A* & *B* respectively (*A*,*B*). In this situation, quadrant I shows the outcomes for player *A* & *B* when they both choose “Do Not Cheat.” In this case, both players are paid with the hypothetical number of 2 units. In quadrant II, player *A* chooses “Do Not Cheat” while player *B* chooses “Cheat,” resulting in a payout of 0 for player *A* and 3 for player *B*. Quadrant III shows the payout of 3 for player *A* for choosing “Cheat” and 0 for player *B* for choosing “Do Not Cheat.” Quadrant IV shows a payout of 1 unit for player *A* & *B* both choosing “Cheat.”

In the above-mentioned dilemma (see Figure 7), known as a “prisoner’s dilemma,”⁵² it is clear that both players would benefit more if they both played fairly (2,2) instead of both cheating (1,1). Since one player, however, might risk receiving the payout of 0 by choosing to play fairly, while

⁵² Originally developed by Merrill Flood in 1950 (Axelrod, 1984, p. 216).



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