

Chapter 2

European and US Models of Sport

Abstract In this chapter, we describe and compare the European and US Sports Models and reach some general conclusions.

Keywords European Model of Sport • US Model of Sport • Sports Franchises

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2.1 Introductory

When it comes to the practice of sport and the organisation and staging of sports events, Europe punches way above its geographical size and population compared with the rest of the world. As the European Commission pointed out in para 1.3 of ‘The European Model of Sport: Consultation Document’:

Traditionally the Member States of the European Union have hosted a significantly large percentage of world sports events: for example, 54% of Summer Olympics between 1896–1996 and 50% of football World Cups between 1930 and 1998. This remarkable concentration of world sport events within the EU has been partly a result of history. Europe saw the start of the industrial revolution. The ensuing development towards economic and social progress enhanced the development of sport in Europe. Traditionally has its origins on the European continent; the Olympic movement, for example, came about as the result of a European initiative. Moreover, most of the important international sport organisations

*are based in Europe. Europe can therefore be considered the powerhouse of world sport. The latest developments are evidence that sport in Europe is very dynamic.*¹

In view of the importance of sport in Europe, this book will concentrate mainly on European legal issues and developments, but, as sport is also well developed in the United States (US), especially when it comes to the marketing of sports persons and events, a word or two needs to be said on the manner in which sport is organised in the US (the so-called ‘closed system’) compared with the sports model which has emerged in Europe (the so-called ‘open system’).

For an in depth study and comparison of the two systems, see the article by Prof. James Nafziger, entitled, ‘A Comparison of the European and North American Models of Sports Organisation’.²

2.2 The European Model

The European Model of Sports Organisation is characterised essentially by two features: the so-called ‘Pyramid Structure’ and the ‘Promotion and Relegation System’.

Under the ‘Pyramid Structure’, the clubs form the base of the pyramid. Regional Federations form the next level; the clubs are usually members of these organisations. National Federations, one for each discipline, represent the next level. Usually all the Regional Federations are members of the respective National Federation. The apex of the pyramid is formed by the European Federation, which are organised along the same lines as the National Federations.

The pyramid structure implies interdependence between the levels, not only on the organisational front, but also on the competitive side, because competitions are organised on all levels. This can be compared very specifically with the ‘horizontal structure’ of US sport, where there is little connection between the professional leagues and the lower echelons of any particular sport. As far as the system of ‘Promotion and Relegation’ is concerned, this system is also one of the key features of the European Sport Model. It is designed to reward merit and promote equality of opportunity and balance competition among teams. The promotion and relegation system also performs an ethical function by mandating relegation to a lower tier of any team that has engaged in specified questionable practices.

In comparison, in the US, the model of ‘Closed Championship/Leagues and Multiple Sports Federations has developed’. The same teams, once in this Championship, keep on playing in this League. In Europe, there is a new tendency to try to combine both systems. UEFA (The European Governing Body of Association Football) has suggested that clubs could qualify for European competitions not only by a system of ‘promotion and relegation’, but also by fulfilling

¹ (1998) DG X, <http://europa.eu.int/comm/sport/index.html>.

² Nafziger, *The International Sports Law Journal*, ISLJ 2008/3-4, pp. 100–108.

certain economic and technical criteria. The idea of a so-called ‘Super League’ could be of interest to the top European clubs with more money for them and less money spent on administration.

Finally, the European Model of Sports Organisation also places great importance on ‘grass roots’ involvement, that is, relying on volunteers at the local level, rather than paid professionals, to train athletes and organise competitions in their local communities.

2.3 The US Model

As mentioned, the US Model of Sports Organisation is essentially a ‘closed’ one and also a ‘horizontal’ one. The US Sports Model is less easily defined, mainly because there is little agreement on what exactly it is other than what, to a certain extent, the European Sports Model is not.

Sport in the US is not a pastime or a means of contributing to society, as it is in Europe, but is essentially a business which is engaged in mainly by professionals. However, some of the negative features of the European Sports Model, such as ultra-nationalism, racism, intolerance, and hooliganism, are generally absent in US sport.

Other features of US sport are the ‘draft system’ or player recruitment; salary caps; ‘collective bargaining agreements’ which are well established and effective as players’ unions are strong; and ‘collegiate sport’ which operates at an amateur level, although educational scholarships, worth a lot of money, are on offer to student sportsmen and women. This may be regarded as ‘payment in kind’.

There are also differences in the application of EU Competition Laws and US Anti-Trust Laws to sport in Europe and in the US respectively, as well as the legal ownership and commercial exploitation of Sports TV and Media Rights in both systems.

Major League Teams in the US are commercial franchises and investments in them are protected by the ‘closed’ and ‘horizontal’ system. Membership of a League is an essential requirement for a Team to compete, and it has been well said, therefore, that, although in Europe there are no Leagues without teams, in the US there are no Teams without Leagues.

2.4 Conclusion

In conclusion, it may be said that globalisation and increased commercialism in sport on both sides of the Atlantic is leading, to a certain extent and in certain respects, to a convergence between the European and US Models of Sport at all competitive levels.

Indeed, as Prof. Nafziger points out in his above-mentioned article on page 108:

The variations in practices among the several North American professional leagues as well as the much-neglected similarities between features of the European Sports Model and the actual characteristics of sports organisation in North America further call into question both the reality of a North American Sports Model and the extent to which its features actually differ materially from those of its European sibling.

Traditionalists may lament the changes that are occurring rapidly in the organisation of European sports, such as the creeping Americanization, as it has been dubbed, of English football. But the current developments are often positive. For example, the perennial issue among NCAA [National Collegiate Athletic Association] schools in North America of allocating funds between money-making and money-spending sports is becoming significant in Europe as the more monolithic, single-sport structure of its organisational pyramid falls apart. Also, European sports will likely continue moving toward a collective bargaining system and an exemption from EC competition law for labour agreements.

These developments should certainly accrue to the benefit of players even as they threaten to undermine the carefully crafted vertical integration of the European sports pyramid. The more the models stay the same, the more they change.

Further Reading

Halgreen L (2004) *European Sports Law: A Comparative Analysis of the European and American Models of Sport*. Forlaget Thomson, Copenhagen



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Blackshaw, I.S.

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