

Alicia Bockel

The Golden Rule in Sports

Investing in the Conditions of Cooperation for a Mutual Advantage in Sports Competitions



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With a foreword by Prof. Dr. Andreas Suchanek

Alicia Bockel
Munsbach, Luxembourg

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Foreword

Sport is fun; it is good for health and well-being and can contribute to building a sense of community. And in addition, it is a big industry. This final fact may affect the prevailing understanding of the game: unlike amateurs, professional players are offered an extrinsic source of motivation for partaking in sports and this may contribute to specific conflicts between self-interest and morals.

In her book “The Golden Rule in Sports” Alicia Bockel investigates this issue from an ethical point of view, analyzing the reasons for conflicts between self-interest and morals in professional sport as well as offering a normative orientation as to how to behave in situations of conflict.

A basic cause of such conflicts is competition, which is a crucial prerequisite for the “sweet tension” which fascinates fans and (paying) spectators. Alicia thus argues that competition can be seen as a means for a deeper rooted common interest of all involved, namely, the interest that the game takes place. To make this happen, credible rules are indispensable—but rules alone do not suffice. A further pre-requisite is the understanding of the athletes—and others—that it makes sense to adhere to the rules, so that the game is maintained. This understanding typically includes values like fair play or respect as its focal points, and they make a visible difference with regard to the way players adhere to the rules (or not).

These inter-relationships between moves, rules and understanding can be nicely summarized, as Alicia shows, in the Golden Rule “invest in the conditions of social cooperation for mutual advantage”, where the concept of

“conditions” is tantamount to a system of fair competition. The right investments take place when athletes play by the rules, when governing bodies enforce the rules in a fair way, or when supporters back their team in a way that is not disrespectful to the opposing team. This implies that all stakeholders, ranging from the media, to coaches, spectators, governing bodies, and athletes, play a role in creating conditions that can build a mutual advantage—and therefore are responsible for the way the game is now and will be in the future.

The fashion in which Alicia reconstructs individual actions to represent signals that shape the understanding of the game is enlightening, especially in terms of the implications that she draws from the determination of responsibility, the role of trust (worthiness), or the criterion of consistency as a provider of information. Accordingly, this book is not only a contribution to theory, but offers helpful orientation for all those who are acting in the realm of (professional) sports.

Andreas Suchanek
Leipzig, December, 2013

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Alicia Bockel

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Abbreviations

ARD	Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland
BALCO	Bay Area Laboratory Co-operative
CSR	Corporate Social Responsibility
e.g.	<i>exempli gratia (for example)</i>
etc.	<i>et cetera (and so forth)</i>
FIFA	Fédération Internationale de Football Association
i.e.	<i>id est (that is)</i>
MLB	Major League Baseball
NBA	National Basketball Association
NCAA	National Collegiate Athletic Association
NHL	National Hockey League
PR	Public Relations
UCI	Union Cycliste Internationale
US	United States
WADA	World Anti-Doping Agency
ZDF	Zweites Deutsches Fernsehen

1 Introduction: The Problem

In early 2013, after many years of denying the fact, Lance Armstrong confessed to having taken performance-enhancing drugs during his iconic cycling career. When interviewed, he was asked whether it felt wrong to him and whether he felt remorse for his actions at the time. He stated that he did not feel bad about doping at the time, and likened the doping practices in cycling to putting “air in our tires or . . . water in our bottles”. He viewed doping as simply being “part of the job” that created a “level playing field” for him and his opponents (Armstrong, 2013, p. 1).

After his conviction, Lance Armstrong was stripped of his seven Tour de France victories and labeled a drug cheat. He stated that in hindsight, the fallout from his actions should have been avoidable, and that he’ll “spend the rest of [his] life trying to earn back trust and apologize” to those who believed in him¹ (Armstrong, 2013, p. 1). It seems that for Lance Armstrong, the enticement of short-term advantages may have created unwanted consequences for him in the long run. This example demonstrates that, although it may appear obvious that cheating is bad for the future of professional sport, it seems to happen anyway. This real-world problem is part of what will be addressed in the following pages.

¹ He is also involved in many lawsuits that can potentially cost him tens of millions of dollars (Macur, 2013, p.1).

Elite level athletes navigate through a highly competitive arena that demands top-level winning performances while at the same time requiring them to play fair and demonstrate sportsmanship (Volkwein, 1995). At first glance, the high level of competition that is inherently present in sport may seem like the source of a problem that manifests itself when athletes act opportunistically and unethically in order to win at all costs. This apparent problem is not as straightforward as it may seem, and therefore it is best understood within the context in which it exists. For this reason, the first chapter of this work addresses the concrete setting of sport's ethical dilemmas while also discussing the tools for understanding and potentially solving this problem through economic ethics heuristics.

1.1 Concrete Context & Problem

1.1.1 Incentives in Elite Level Sport

The word “sport” has various meanings depending on the social context in which it is used, and although it is not possible to state an absolute definition of sport (Müller, 2010, p. 113), it is important to come to a better understanding of its meaning within the context of the current work. Sport can be used to refer to any number of activities, from basic fitness and jogging, to youth recreational sports, to top-level elite sports.² From an ethical perspective, however, all sports are not created equal. Although they may have some elements in common, (most sport, for instance, involves some sort of exercise and movement), there

²Sport has a “narrower” and “broader” meaning—the narrower version including sport competitions that take place on the elite level (Mueller, 2010, p. 111).

are fundamental differences in what motivates and incentivizes sports players at various levels of sport participation (Loland, 2002, p. 115).

Physical activities like jogging, hiking, yoga, bike touring, and Nordic walking all have a sporting element because they do involve movement, fitness and skill, but they do not focus on scarce extrinsic incentives and therefore lack high levels of competition that (when working under the wrong conditions³) can lead to cheating and opportunistic behavior (Boxill, 2003b, p. 115). From an ethical perspective, these types of physical activities, or “non-competitive sports,” are unlike their elite level competitive sport counterparts;⁴ they work under different conditions and may not create the same types of ethical dilemmas that lead to a mutual disadvantage for players, and therefore are not within the scope of the current work.

In addition, competitive sports that are of a recreational nature differ from elite level sports because of the incentives that players have to participate in such games. Recreational athletes tend to have more internal preferences; that is, they participate in sports games because those games bring incentives that take place during the game. Those incentives might be fun, values, social interactions, or movement (Loland, 2002, p. 112). Elite level athletes tend to have more external preferences—meaning they seek incentives that are realized outside of the competition. Some examples of such incentives are money, fame, recognition, or power. Although there are elements of both internal and external preferences present in all types of athletes, and the exact mix does tend to vary

³ The idea of conditions is explained fully in Chapter 3.

⁴ When competitive sport takes place, individual skill is put to the test against the resistance of another (Gaffney, 2007, p. 117). Non-competitive sports do not necessarily involve gauging performance against another person, and therefore do not create the same type of conflict.

depending on each individual athlete, as a general rule, elite athletes have more external preferences and recreational athletes have more internal preferences.⁵

External preferences may be tied to opportunistic behavior because there is a limited amount of these incentives that can be obtained. There seems to be a finite amount of power, fame, and money that an athlete can gain from participating in a sporting event, and most of these incentives are awarded to the winner (Crone, 1999, p. 10). Internal preferences are different because these incentives are not scarce—they are unlimited. Each athlete can have an unlimited amount of fun, social interaction, and movement—and these are not to be divvied up to the winners only. One can easily lose games and still experience internal preferences. Because of the differing amounts of internal and external preferences present for recreational and elite level athletes, and because opportunistic behavior and cheating accompanies external preferences, the current work addresses ethical dilemmas at the elite level exclusively.⁶

Elite athletes differ from amateur athletes in their incentives as well as in their devotion to the game. The professional athlete desires to “play the game as well as it can be played” and makes sacrifices to “devote all his time, and subordinate all other interests, to the perfecting of his skill and proficiency in his chosen sport” (Kennedy, 1931, p. 3). Amateur athletes might, on the other hand, make sports activities secondary to different undertakings that are deemed more important—like jobs, family, and other aspects of life.

⁵ See Loland (2002, p. 112-113) for further distinction between internal and external preferences. Although it is not possible to comprehend the preference mix of each individual sports participant, it is generally understood that elite level athletes have more external preferences, and due to the scarcity of these types of preferences, remain in a highly competitive environment that is more susceptible to opportunistic tendencies.

⁶ Therefore, all references to “sport” in the current work refer to elite and professional level sports in particular.

1.1.2 Opportunism

It is understood that athletes, at least for the most part, play fair and put forth their best effort on the field.⁷ As in society at large, most athletes seem to be engaged in “business-as-usual, with little or no thought to opportunism, most of the time” (Williamson, 1993, p. 98). However, there are always people who break rules and exploit the trust of others in order to benefit from short-term gain.

Most men are capable of seeing [the mutual benefit of rule following] and of sacrificing the immediate short-term interests (...). On the other hand, neither understanding of long-term interest, nor the strength or goodness of will (...) are shared by all men alike. All are tempted at time to prefer their own immediate interests (Hart, 1961, p. 193).

Opportunism is defined as the “effort to realize individual gains through a lack of candor or honesty in transactions” (Williamson, 1973, p. 317)—that is, seeking self-interest in a deceptive way⁸ (Williamson, 1985, p. 47). In addition, opportunism represents “situational temptations for abusing trust” (Suchanek, 2012, p. 3) for short-term gain. It disregards long-term self-interests that can come from trust-building action, instead focusing on the self-interest seeking of the moment with little regard for tomorrow’s situation.

Human beings may well be self-interested by nature, but they have the ability to forgo short-term opportunities that could potentially damage long-term

⁷ As sport is embedded in society, it is taken as given that most athletes are well socialized and therefore adhere to fair social norms as a general rule (see Williamson, 1993, p. 98).

⁸ Also defined as “the conscious policy and practice of taking selfish advantage of circumstances, with little regard for principles” (Urdang, 1986, pp. §O-P).

ones. In sports, this means that when athletes decide to take opportunistic action by cheating, it can damage their own (as well as other stakeholders') chances of reaping long-term benefits. In sports, opportunistic behavior can manifest in the form of rule breaking and cheating that can often turn into full-blown sports scandals.⁹

1.1.3 Opportunistic Behavior in Sports

Opportunism in sports can take various forms on and off the field. Since sport stakeholders have an impact on the sporting environment through their actions during games as well as in their private and public lives, sport scandals that result from opportunistic sporting behavior have a large scope. The most common types of violations, along with selected examples, are stated below:¹⁰

Doping

The World Anti-Doping Agency (WADA) has defined doping as “the occurrence of one or more of the anti-doping rule violations set forth in the [WADA] code” (WADA, 2003, p. 8). The WADA code identifies specific performance-enhancing drugs and methods that could potentially provide athletes with an unfair advantage in sports competitions. Several high-profile doping incidents in various sports have taken place in sporting history.

⁹ The negative impact of sports scandals on the common understanding of sports games is potentially drastic. See §4.1.3 of the current work, which discusses focal points.

¹⁰ Of these four types of opportunistic behavior, doping and gambling are considered *direct* manipulations of the conditions of the game via the moves, while sex and violent acts as well as doping and gambling all *indirectly* affect the game via the understanding of the game. See Chapter 3 for more details regarding conditions of the game and the three sub-conditions.

BALCO (Bay Area Lab Co-Operative) Affair: This now infamous lab in Northern California supplied baseball players, cyclists, track and field athletes, US football players, boxers, and judo athletes with steroids (Li & Macintosh, 2012, p. 244). This affair led to the doping convictions of Barry Bonds, baseball's then home-run world record holder, and Marion Jones track and field winner of three gold medals at the 2002 Olympics. Due to these two cases, the BALCO affair was very high profile.

Tour de France Doping Scandals: Several large doping scandals have occurred in cycling, including the *Festina* scandal in 1998, the *Operación Puerto investigation* in 2006, and the *Lance Armstrong accusations* in 2012. Cycling is known to have a “doping culture” (Rosen D. , 2008, p. 2).

Ben Johnson's Seoul Olympic Scandal: Ben Johnson was stripped of the hundred-meter Olympic gold medal and world record after he tested positive for steroids. It is said that no doping scandal in history has had quite the same level of significance (Lull & Hinerman, 1997, p. 212) because of the extreme polarities between the apparent “greatest race of all time,” which was later uncovered to be the “dirtiest race of all time,” disappointing millions (Moore, 2012, p. 1).

Gambling

Opportunistic behavior in the form of gambling takes place when players participate in activities like match fixing and point-shaving in order to profit from sports betting via insider information. Players illegally control the score in games in order to make a profit from betting arrangements they themselves make or from receiving bribes from others.

Operation Slapshot: In 2006, several players in the National Hockey League (NHL) were involved in participating in a sport gambling ring that was run by NHL coach Rock Tocchet (Tuohy, 2010, p. 129). There were suspicions that players may have been involved in betting on games in which they played, although it was denied by those involved. The wife of “The Great One” Wayne Gretzky was named as a high roller and is said to have contributed a substantial amount to the \$1.7 million in bets that went through the ring in a little over a month (Finley, Finley, & Fountain, 2008, p. 66).

1951 Point Shaving Scandal: Seven NCAA (National Collegiate Athletic Association) basketball teams in the northeast region of the United States were involved in a scandal where players accepted bribes to keep from scoring points so that gamblers could win bets (Finley, Finley, & Fountain, 2008, p. 47).

1919 Black Sox Scandal: Several Major League Baseball (MLB) players admitted that they were paid by gamblers to lose the prestigious World Series to their underdog competitors, the Cincinnati Reds (Nathan, 2005, p. 1).

European Football Betting Scandals: “The biggest match fixing scandal to ever hit Europe” (BBC News, 2009, p. 1) was unveiled first in 2009 with the investigation of over 200 games, and later in 2013 with a further investigation of over 380 games where players were noted to have influenced the score. Match fixing was documented to have become “soccer’s disease” (Pinto & McGowan, 2013, p. 1).

Sex

Sex scandals take place when sexual acts that are viewed as immoral are made public. This can include rape, infidelity, or any promiscuous act that can

damage an individual's reputation and have "a profound impact on the sport or contest" (Hughes & Shank, 2005, p. 214).

Duke Lacrosse Rape Scandal: In the spring of 2006, several of Duke University's lacrosse team players were arrested for raping an African American stripper whom they hired to dance at one of their parties. The allegations were later dropped when the credibility of the accuser's claims was questioned (Henn, 2009, p. 24).

Kobe Bryant Sexual Assault Case: National Basketball Association (NBA) player Kobe Bryant was arrested for the rape of a 19-year-old hotel employee in 2006. Bryant attested that the sexual encounter was consensual, while the victim testified otherwise. The case settled out of court (Teitelbaum, 2010, p. 121).

Tiger Woods Infidelity Scandal: The man known as one of the "best golfers of all time" (Brumer, 2007, p. 84), and also as the highest paid athlete of 2008, was caught when his infidelities with at least 18 women became public in the fall of 2009 (Ng, 2012, p. 132).

Violence

Sport violence is defined as "the use of force designed to injure or harm an opponent" (Simon, R., 2010, p. 208). Acts of violence can take place during and

outside of competitions and be committed by athletes, coaches, spectators, or other stakeholders.¹¹

Nancy Kerrigan Attack: Olympic figure skating gold hopeful Nancy Kerrigan was attacked with a blunt object before the US Olympic trials in 1992. Her skating rival, Tonya Harding, was said to have been involved in the planning of the attack (Finley, Finley, & Fountain, 2008, p. 4).

New Orleans Saints Bounty Scandal: Between the years of 2009-2011, the NFL's New Orleans Saints head coach, Sean Payton, was said to have paid his team members to injure certain players from opposing teams (Marvez, 2012, p. 1).

Sport scandals damage the reputation of sport stakeholders, changing the way athletes and sports are viewed by the public and within the sport itself. Scandals are dangerous because they are often blown out of proportion by the media, resulting in what sociologists call “deviance amplification.” This means that opportunistic behavior is amplified through the media, creating one-dimensional and distorted information¹² that is then disseminated to the public (Young, 1968, p. 1st Syn.).

¹¹ Stakeholders are defined as “those groups without whose support the organization would cease to exist” (Stanford Research Institute, as cited in (Freeman, 2010, p. 31).

¹² The importance of accurate information in building the basis for sustainable cooperation will be covered in Chapter 3. Sports scandals act as sources of distorted information for stakeholders, and therefore reduce the opportunities for cooperation (for a mutual advantage).

1.1.4 Stakeholder Impact

Opportunistic behavior has a negative impact on stakeholders' incentives because it limits the potential for realizing internal and external preferences in the future,¹³ When stakeholders act in opportunistic ways, they send signals¹⁴ that they do not play by the rules, and these signals are amplified when the media sensationalizes rule-breaking activity.

Internal Preferences

Opportunistic behavior and cheating cause stakeholders to lose their ability to obtain internal preferences in the following ways:

Challenge decreases: When players cheat (i.e., when they dope, or take part in point shaving schemes or gambling) they may decrease the challenge present in the game—which is an internal preference for athletes. Athletes prefer to compete against opponents who have the potential to perform at a matched level. In that sense, “with unevenly matched competitors, there will usually be reduced experiences of mastery and challenge” (Loland, 2002, p. 135). When doped athletes compete against clean athletes, this creates an unmatched level of performance potential. In addition, when games are fixed due to gambling schemes, players lose games on purpose, thus creating mismatches in levels of performance.

¹³ See Chapter 3 for more on this topic.

¹⁴ The idea of “signaling” was first addressed by Spence (1973) as a way of providing information for agents in the face of uncertainty in the job market. This idea is discussed further in the following chapters.

Entertainment decreases: Opportunistic behavior (that affects the fairness of the outcome of the game) creates a game that is not purely based on performance. This game, then, lacks unpredictability, which decreases entertainment value and deters potential spectators (Loland, 2002, p. 136).

External Preferences

Opportunistic behavior and cheating causes stakeholders to suffer losses in their ability to obtain external preferences in the following ways:

Cost increases: When players break the rules of the game, there is a lack of trust that they will follow the rules in the future. This increases the need for monitoring and controlling, which in turn increases (transaction) costs (Williamson, 1996, p. 12) for stakeholders.¹⁵

Profit decreases: When the outcome of a game can be predicted, there is less incentive for spectators to buy tickets to watch games because the entertainment value is lower (Loland, 2002, p. 136). This leads to more empty seats and less profit for stakeholders such as athletes, event organizers, coaches, and managers. The media is less interested in games that are less exciting (Delaney & Madigan, 2009, p. 282), and since sponsors base their investments on the number of spectators (lack of empty seats) and the media coverage of events in

¹⁵ Transactions happen when “a good or service is transferred across a technologically separable interface” (Williamson, 1985, p.1), and the cost of these types of transfers are the transaction costs. Services and goods being transferred can be economic, political, or social commodities (Greif, 2006, p. 46).

order to increase brand awareness (Irwin, Sutton, & McCarthy, 2008, p. 164), this has a negative effect on sponsor dollars¹⁶ that trickle down to stakeholders.

1.1.5 What is the Right Thing to Do?

If players played fairly, avoiding opportunistic behavior, they would have the opportunity to realize valuable benefits—those internal and external preferences noted earlier. However, they do not always choose to play by the rules. As numerous doping, gambling, violence, and sex scandals in sports demonstrate, there are at least some athletes that choose to do the *wrong* thing, i.e., focusing on their short-term gain rather than opting to invest¹⁷ in long-term gain through fair play. In these situations, there is something that makes doing the “right thing” difficult for players.

Opportunistic behavior in sports happens when a short-term incentive is available that is enticing enough for players to be willing to break the rules in order to obtain it. In situations where doing the “right thing” means giving up sought-after benefits (those based on self-interest), it is difficult for players to choose to do the right thing. When moral ideals (cooperating by playing fair) and self-interest (obtaining incentives) oppose one another, players are put into dilemmas where they are not sure what they should do (See Figure 1).

¹⁶ The sports advertising industry is a “multibillion dollar business” (Blair, 2012, p. 135).

¹⁷ It is the task of business ethics to investigate “the requirements of such kinds of investments” (Suchanek & Waldkirch, 2002, p. 19). This will be elaborated upon in further sections of the current work.

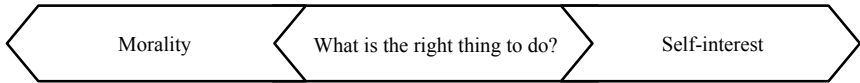


Figure 1: Morality vs. Self-interest: What is the Right Thing to Do?

Source: Own Illustration

In today's society, it may be impossible to create institutional arrangements¹⁸ that fully eliminate opportunistic behavior (Ostrom, 2010, p. 113), and sports are no different in this regard. It is not as simple as creating a Hobbesian authority to punish players when they cheat, since such a central authority may never be completely effective in catching cheaters in the sporting game (and in society for that matter), and there are also unforeseen negative consequences to hyper-monitoring players.¹⁹ The ineffectiveness of strict monitoring and controlling may create a difficult situation for players and governing bodies alike. Because it is tempting for players to risk cheating, as governing bodies cannot control everything that players do, thus lowering the risk of getting caught, this makes any short-term advantage gained from cheating all the more enticing for players.

The opposition of morality and self-interest in sports makes it difficult for players to decide what they should do. If players have no self-interested reason to act morally, then they can more easily justify choosing to cheat because it is in their favor in the short run. The next section addresses the conceptual problem related to this dilemma that players face when deciding what to do.

¹⁸ Institutional arrangements are the "laws, rules and customs of society" (North & Thomas, 1973, p. 7).

¹⁹ More on this idea is covered in §3.2.3.

1.2 Conceptual Context and Problem

1.2.1 Practical Syllogism

The Rational Agent

Economic ethics considers decisions of the *rational agent*—that is, a person who makes choices based on reason. By definition, this agent must be free (Hobbes, 1904, p. 86), to decide for himself how to answer the question, “What should I do?”²⁰ when he is in a specific situation or dilemma, and one is only free when he lives by *self-imposed* limitations and rules (van Mill, 2001, p. 8).²¹ However, even though self-interested, presumably rational agents are indeed rational, they may not always behave rationally. Therefore, it can be difficult to predict an agent’s actions, which we will not attempt to do here. Instead, we will try to understand how the agent goes through his ethical decision-making process.

Kant describes the act of using one’s own understanding to emerge from ‘self-incurred immaturity’ as enlightenment (Kant, 2009, p. 1). He urges the people of his day to “*Sapere aude!* Have courage to use your own understanding” (Kant, 2009, p. 1). During the late 1700s, this really was a brave act; in modern times, it is more commonplace and accepted, but it still requires bravery. Stepping outside the status quo and using rational thinking to come to

²⁰ See Kant’s *Groundwork of the Metaphysics of Morals* (1997).

²¹ Rules are discussed further in §3.1.1.

sometimes difficult ethical decisions requires courage, determination, and a willingness to do the right thing despite short-term enticements.²²

Moral Ideals

Moral ideals represent a shared common interest—something that is in the best (self) interest of members of society (individuals) and society as a whole, and which contributes to social cooperation for a mutual advantage (Suchanek, 2007, p. 42).²³ Individuals are not only rational agents; they are *morally motivated* rational agents. This means that they not only have the ability to rationalize and reason, but also that they are called to act in a moral way, in accordance with moral principles and ideals. These moral principles are *a priori*, strictly developed outside (or before) experience²⁴ (Kant, 1996, p. 9), and they would be those that individuals would choose from the *original position* no matter their social class or role (Rawls, 2001, p. 14).²⁵

By definition, an “ideal” is meant to be the perfect version of something²⁶ and thus intended for emulation. A moral ideal is no different in that it represents the utmost moral perfection to which one should aspire. As morally motivated rational agents, humans may be drawn to this moral ideal and are meant to emulate it, but at the same time they must realize that it is in fact an *ideal*—which by definition is impossible to obtain completely in its purest form (Kant, 1996, p. 148). In terms of the ethical argument, moral ideals answer the

²² Stakeholders are responsible for doing the right thing in the long term (by making investments) even when short-term (seemingly beneficial) advantages are present. This is explained further throughout the current work.

²³ See §2.6 for further details.

²⁴ Kant calls this “system of *a priori* cognition from concepts alone” the *metaphysics*.

²⁵ As per Rawls’ “veil of ignorance” theory for deciding fair basic principles.

²⁶ “Ideal: existing as an archetypal idea” (Merriam-Webster, 2004, p. 616).

question, “What is really important?” (Suchanek, 2007, p. 41). Well-accepted moral ideals in modern society include equality, justice, peace, and human rights (Suchanek, 2007, p. 42). It is difficult for any rational person to disagree with these ideals, and most people would concur that these are the “right” to pursue. If everyone in society acted in accord with these principles, i.e., following them in the shared interests of society and its members (Kant, 1997, p. 36), the world could possibly be a better place in which to live.²⁷

As delineated by Aristotle, Kant, Locke, and Hobbes, the pursuit of moral ideals requires the previously discussed rationality. Therefore, the current discussion involves “normative morality,” which for economic ethics purposes overrides those descriptive moral ideas that focus on non-rational assumptions. Examples of counter-rational descriptive morals would be loyalty and sanctity based on tradition (Gert, 2011, p. 1), which are not part of the current discussion. That said, there is nevertheless room for theological interpretations of the moral ideal in economic ethics, which, unlike natural law, is concerned with the actions of rational agents but not necessarily with how the subsequent rationality is achieved. For instance, Catholic philosopher Thomas Aquinas believed that the will of God enables reason to flourish in the minds of the people (*Summa* I-II, 19, 3). Hobbes, on the other hand, took the secular view, determining that man uses reason to establish what is morally right, but does not explain whence this reason comes (Gert, 2011, p. 1). Both ideas are in line with the economic ethics concept of the morally motivated rational agent.

²⁷ Due to the empirical conditions that are present, it is not the case that all people act in accordance to these values; the belief that it is so would constitute a normative fallacy. Further clarification will be made in the next sections.

Moral ideals have been, and continue to be, at the basis of the ethical discussion (Van Ness Myers, 1913, p. 6). Just as a driver needs to know the end destination before setting off on a journey, one is only able to discuss how to lead a good life once that individual knows what a good life looks like. For economic ethics, a good life is one that focuses on shared interests that lead to social cooperation for a mutual advantage. This moral ideal is at the heart of economic ethical argument (Suchanek, 2007, p. 42).

If morally motivated rational agents were to consider their actions in conformity with moral ideals, life would probably be better for everyone. For some reason, however, it is not that simple. Agreement with certain ideals does not mean an individual is necessarily prepared to act according to them (Suchanek, 2007, p. 43). This issue leads to the next part of the ethical argumentation, which is to consider the conditions present in making proper decisions to act in a moral fashion.

Empirical Conditions

The main role of ethics is to determine what we should do. However, knowing what we should do is also a question of what we are able to do (Suchanek, 2007, p. 30). Although they are essential, moral ideals are only (the first) part of the ethical process. Humans are not only morally motivated rational agents, they are morally motivated *finite* rational agents (Kant, 1996, p. 148)—meaning that they are only able to act within the limits of reality²⁸ (Rawls, 2005, p. 88). Those limits are the empirical conditions.

²⁸ “We strive for the best we can attain within the scope the world allows” (Rawls, 2005, p. 88).

Although most rational beings agree that a moral ideal such as world peace is the right thing for the shared betterment and self-interest of the world, thus far, at least, it has not been possible to achieve. The reason for this discrepancy is that morally motivated, finite rational agents are operating in a world with certain limitations (Krasnoff, 2001, p. 30). These agents are only able to make decisions based on a number of limited alternatives. So, if moral ideals constitute what is really important, then empirical conditions are potentially responsible for preventing one from achieving what is important.

Recognizing that all humans live in a world with empirical conditions is a matter of humility. Once again, humans are *finite* beings—and believing anything else would be unrealistic. A person can only make moral decisions based on the limited number of choices that they have, and must weigh decisions based only on those possibilities. Hence, what good are moral ideals if they cannot exist in the “real world”?

Accepting empirical conditions requires not only humility but also responsibility for one’s actions. One must also realize that the empirical conditions that are currently present only exist because of many decisions that man has made in the past.²⁹ Every decision that has been made in the course of human history has contributed to the state of the world today, which means that everyone must accept that they have had an impact on the empirical conditions as they stand.³⁰

²⁹ More on how the empirical conditions are shaped can be found in §3.1.

³⁰ It may seem easy to blame another person or institution for the current limitations embedded in the empirical conditions, but to realize that each person is accountable for part of the empirical conditions gives each person a level of responsibility (this is addressed in later sections of this dissertation).

On one hand, empirical conditions are restrictions that hinder pure moral action, but, on the other hand, empirical conditions also represent opportunities. Current empirical conditions may have been shaped largely by previous decisions, but future conditions also allow themselves to be formed by current decisions. Each empirical condition presents an opportunity to navigate to the end destination as well as to “beat a new path” to that destination, namely the moral ideal.

Normative Recommendations

An individual has the task of balancing (but not mixing)³¹ the duality that exists within his role as the morally motivated finite agent—he is on one side a moral being and on the other side an empirical agent (Krasnoff, 2001, p. 31).³² As James Madison wrote in his Federalist paper No. 55, “as there is a degree of depravity in mankind which requires a certain degree of circumspection and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence” (as cited in Connelly, 2010, p. 172). Both sides use reason to discover the most appropriate moral action that satisfies a balance between these dualities. They use reason “in accordance with the modeled constraints, citing only reasons those constraints allow” (Rawls, 2001, p. 86). Ethics is exactly what takes these two sides and finds the best-fit solution to the question: What should I do?

³¹ Kant makes a point that mixing moral ideals and empirical conditions can result in “bringing forth false or at least indulgent moral laws” (1996, 11). The strength of the ethical argument is that these two are present as single ideas that can be used together.

³² In order to avoid potentially confusing or awkward sexist language, references to “he” or “she” and related pronouns should be construed to apply to either sex, unless specifically referenced in quoted material.

Using the above-mentioned scheme, the duality that exists within the ethical agent can be described as follows:³³

1. Morally Motivated
 2. Finite
-
3. Rational Agent³⁴

It is the job of ethics to find the best-fitting solution to the ethical dilemma and to make a normative recommendation based on certain moral ideals and within the context of the empirical conditions. This can be represented as follows:

1. Moral Ideals
 2. Empirical Conditions
-
3. Normative Recommendations

The interplay of moral ideals (what I want) and empirical conditions (what I am able to do) in order to develop a normative recommendation (what I should do) can be shown like this:

1. What do I want?
 2. What am I able to do?
-
3. What should I do?

³³ As per the “praktischen Syllogismus” presented by Homann & Suchanek (2000, p. 133).

³⁴ Human rationality then, is bounded by the limits of the conditions that are present within the situation itself (Williamson, 1973, p. 317). In the context of the current work, rationality is understood to be “bounded rationality,” which cannot be confused with irrationality (Simon H. , 1985, p. 297). It is precisely because rationality is bound that opportunism occurs (Williamson, 1993, p. 97).

A rather simplistic analogy for showing the interplay of moral ideals and empirical conditions to find the normative recommendation is shown as follows, where the process is compared to driving from point A to point B (in this case, from Wittenberg to Leipzig):

1. The destination (Leipzig, Germany)
 2. The roads (the German road system)
-
3. Recommended directions (Highway A9 towards Leipzig, exit 17 towards B181)

If one is in Wittenberg and the destination is Leipzig (what one wants), one must navigate through the German road system (what one is able to do) to get to one's goal. The recommended directions, in this case, would be to take Highway A9 towards Leipzig and exit the highway at exit number 17 toward the B181 (what one should do). In this analogy, finding the best way to get from Wittenberg to Leipzig, while taking into account the possibilities for traffic and congestion, construction on the road, the capabilities of the vehicle, and any external factors, would be the problem at hand.

Real life ethical dilemmas, however, have no GPS device to guide us step-by-step to the final destination. Humans must use rationality (morally motivated and finite) to arrive at the normative ethical answer to the question of what to do.

1.2.2 The Normative Fallacy

Pretense of Knowledge

The system of ethics has the task of combining empirical conditions and moral ideals to create normative recommendations that are rationally sound. In some

cases, however, moral ideals are taken outside of the context of the environment in which they must be implemented. This type of error is, according to economic ethics, called the normative fallacy (Homann & Suchanek, 2000, p. 134). This pretense of knowledge³⁵ seems to occur far too often in the world of sports and beyond, as it is too easy to simply see what someone should do, and sometimes far more difficult to see what someone is actually able to do within the constraints of reality (Suchanek & von Broock, 2009, p. 24).

When observing an ethical dilemma from the outside, it is often easiest to see what someone is doing wrong and assume that this is the problem. For instance, when an athlete breaks a rule in order to gain some unfair competitive advantage, it might be easy to say that that person is simply immoral, and that the right thing to do would be to follow the rules. It might be tempting to believe that, when sponsors exploit athletes for their own financial gain, it is simply wrong, because it is easy to see that the action is unethical and should be remedied. When athletes take performance-enhancing drugs, one might be inclined to come to the conclusion that they are simply acting in an immoral fashion, and some sports would not be in the position they are in today if these athletes would simply follow the anti-doping rules. But this type of thinking shows signs of a pretense of knowledge—the normative fallacy.

Moral appeals are those statements that only focus on the idealistic view of ethical decisions outside of their context. When such a statement is made urging a person to do the right thing, the statement is not made inside of the context of that person's situation; therefore, it is merely shallow and even sometimes incapable of being applied. If the question here was simply to appeal

³⁵ For further discussion on the pretense of knowledge and its dangers, see Hayek's Nobel Prize Lecture (1989) and Ghoshal (2005, p. 77).

to the moral ideal, there might not be any sport ethics issues and dilemmas.³⁶ Ethics requires us to take one step further and attempt to see the theory within the practice. Ethics requires us to dive deeper into the problem in order to see that it is not only a question of what is right or wrong; it is a question of what prevents us from doing what is right. Sometimes the environment in which decisions must be made makes it difficult to do the right thing, even though it might seem quite obvious that the right thing is better.

It is this pretense that often creates a divide between the decision makers (who may be trapped in ethical dilemmas) and those who judge them. This divide is fed by cynicism that comes from a real lack of understanding of what is going on in the “real world.” Asking questions that provoke incorporation of moral ideals into empirical conditions is a step in the right direction—away from normative fallacy and into a place of holistic ethical consideration.

Athletes as Sport Idols

It is clear that professional athletes are held in high esteem by their fans. Fans look up to athletes as models of a perfect physical and elite level performance that very few can achieve (Eitzen, 1988, p. 21). Athletes are used in advertisements in order to associate their elite level image with a certain brand.³⁷ Marketing efforts try to capitalize on the athlete’s influence on specific

³⁶ See Suchanek (2007, Ch. 2) for an extensive discussion of the importance of integrating empirical conditions and moral ideals in economic ethics.

³⁷ The association of an athlete with a specific product may increase sales and brand strength, but it comes at a cost. The responsibility that this implies is addressed in §4.2.3.

market segments. The athlete plays the role of an idol that, in the eyes of the fans, can do no wrong (Teitelbaum, 2005, p. xi).

Sport events are spectacles, and they can sometimes appear to be more like fiction than reality (Gebauer, 1987, p. 105), making athletes the stars of the spectacles. They put on performances much as actors put on shows, offering entertainment value to spectators. Often athletes are real-life celebrities who grace the covers of tabloid magazines and appear on nightly gossip television shows. They appear at parties with other celebrities and are part of the social elite. To take it a step further, not only do athletes have celebrity status, but they also play the role of modern-day heroes. When athletes win, they inspire their spectators and fans (Husher, 2007).

Athletes seem to embody all that “normal” people wish they could be, and many become household names to sports fans. Fans memorize the athletes’ statistics, watch all of their games, and know things about them that range from family history to who they are dating at any given time. Fans may believe that they know these athletes on a personal level, but this is normally not the case. Here, athletes play the role of the sport idol (Franke, 1989, p. 38; Femiak & Rymarczyk, 2010, p. 1). This sport idol concept tends to present some issues for athletes who are real life professionals, have empirical conditions to deal with in their lives, and are limited to making decisions within those conditions.

The sport idol phenomenon is amplified due to the fact that much communication about athletes to fans is through secondary sources, like the media. Spectators normally never get to meet athletes on an individual-to-

individual level, and therefore must rely on what the media projects³⁸ about the athlete in order to develop and judge the athlete's character. Assuming character traits based on incomplete information can result in the normative fallacy, namely, judging athletes on moral ideals without taking into account the real-life context in which those athletes must make decisions.

At the elite level, a special situation exists that makes the presence of the normative fallacy more likely. Due to the sport idol issue, athletes do not "display individual isolated moral behavior" (Volkwein, 1995, p. 315), but instead live in an extremely complex world that requires ethical decisions based on ever-changing conditions and situations.

A competitor can play the roles of both the rational individual as well as the athlete with a "win at all cost" attitude. This circumstance presents a specific problem in sports, as Volkwein elaborates:

As in the doping case of Ben Johnson at the 1988 Seoul Olympics, he was stripped of his gold medal because he broke explicit rules prohibiting this behavior. Thus, his steroid use was unethical behavior in the context of sport. He failed as an athlete; does that make him a failure as a person, too (Volkwein, 1995, p. 315)?

While it is important to take empirical conditions into account in ethical dilemmas, doing so can sometimes be a complicated matter in sports. Athletes seem to have "dual-personalities" (Volkwein, 1995, p. 315). The context created

³⁸ Although traditional printed media is the oldest information source for sports fans (CSCC, 2003, p. 6), the popularity of social media in recent years has also allowed athletes themselves to become a primary source of information for fans.

by fans is based on secondary information provided by the media, and it may not reflect the empirical conditions of high-level sport competition. Ultimately, sport events are artificially created realities (Volkwein, 1995, p. 315).

The interesting point that Volkwein makes is that actors and movie stars play a similar role—“entertainer,” putting on productions and spectacles—but somehow, unlike in the arts, it is more difficult for viewers to separate the athlete from the individual person. Actors are able to do many normally “immoral” things on the big screen or for the sake of art³⁹—but when athletes do the same it is considered wrong. In sports, spectators believe that “athletic achievements are identical with the athletes as persons” (Franke, 1989, p. 38). The line between fact and fiction is very blurry in sport—and this facilitates committing a normative fallacy while making moral judgments about the actions of sporting heroes.

Results of the Normative Fallacy in Sports

Some examples of statements that are normative fallacies, along with questions that reflect both moral ideals as well as empirical conditions, are stated in Figure 2:

³⁹ For instance, a married actor can kiss another woman in a performance and he is not accused of infidelity. An actor can punch or injure another actor in a film and this isn’t viewed as immoral.

Statements Reflecting Moral Ideals	Questions Reflecting Moral Ideals and Empirical Conditions
If athletes would just follow the rules, then there would not be any problems!	What is possibly keeping athletes from following the rules?
Drug-free sport would be possible, if athletes just decided to stop using prohibited substances!	What is the context in which athletes must decide whether or not to dope and how does this dilemma affect their choice?
Intense competition forces athletes cheat in order to win.	What conditions is competition working under that make cheating more beneficial than playing fair?
Anyone who dopes should be banned for life —no questions asked.	What incentive structure is currently set up to entice athletes to dope, and is it possible for incentives to change behavior of athletes who have doped?
If athletes would just focus on playing instead of making money, then we wouldn't have problems with cheating in sport!	How are professional athletes to earn a livelihood if they do not have external preferences that consider existential goals?

Figure 2: Results of Normative Fallacy in Sports

Source: Own Illustration

There are some very real consequences of committing the normative fallacy in the sport setting,⁴⁰ including the following:

Unfair Blame: Athletes are often blamed for things that are outside of their control or for decisions made within the context of competition at the highest level (Volkwein, 1995, p. 318). When athletes fail to act morally under these conditions, they disappoint the fans that had formerly held them in such high

⁴⁰ The following problems resulting from the normative fallacy are mentioned in Suchanek's *Oekonomische Ethik* (2007, p. 32). The examples that follow are sport-specific interpretations of these problems.

esteem. Fans dislike their former sporting heroes for disappointing them and consequently shun them for their actions.

Setting up Unrealistic Requirements: The institutions that govern sport may not properly understand the empirical conditions that exist in sports, and therefore create rules that are unrealistic and impossible to follow. One example could be the non-disclosure rules that are typically included in athletes' contracts. According to these clauses, athletes are not allowed to discuss the next year's contracts with potential teams until their current contracts run out—but not doing so would be unrealistic, because it would not allow athletes to secure contracts that they need to survive from year to year.

Setting up Non-Implemental Requirements: The WADA Code contains a number of prohibited substances, as well as prohibited methods of use, for which usage constitutes an anti-doping offense. The code stipulates certain actions that are illegal for athletes, although there is no realistic way to control whether or not an athlete has actually engaged in such actions. For instance, the actual act of receiving an injection of more than 50ml of a prohibited substance is against the WADA code, but it is impossible to implement adherence to this rule, since WADA officials would have to witness such an injection first hand—meaning that they would need to be present at all times in order to observe an athlete's behavior.

Constraining Future Requirements: Certain draft rules in NCAA College Basketball do not allow college basketball players to contact sporting agents about potential NBA eligibility except within a specific window (McCreary, 2012, p. 1). This short window forces athletes to decide between continuing to

attend college and chancing an entrance into the NBA (Zola, 2012, p. 162). If athletes are not accepted into the NBA after they apply, they are left without an opportunity to enter NCAA college basketball teams, meaning many cannot afford to continue to attend university. This rule sets up constraints for these young athletes who are trying to plan their careers in professional basketball, forcing them to make decisions that may involve quitting college without any backup plan.

Erosion of Institutions: When normative fallacies are present, rules may undergo devaluation. Rules are ignored informally simply because they cannot be adhered to realistically. An example in anti-doping regulations is the use of caffeine in sport. Up until 2004, athletes were expected to avoid consuming too much caffeine during sporting events. Since this was not only difficult to enforce—considering that caffeine is present everywhere, from energy bars to a standard cup of drip coffee—it was also unclear whether or not caffeine actually enhanced performance for athletes. In 2004, WADA removed caffeine from its Prohibited List for this reason (WADA, 2011, p. 1).

Erosion of Morality: In the 2000s, baseball experienced what is known as the “steroid era” (Ham, 2011, p. 236), when players started performing faster, better, and with more power. Baseball records were broken, one after another, and the players were rewarded with various monetary incentives for breaking these records. Due to the lack of controls, as well as the intense pressure and incentives to perform, the overall moral ideal in baseball was rendered less valuable. The rules did not reflect the real life situation, and the “steroid era” was born as a result.

Blocking of Fruitful Discussion: In sports, ignoring empirical conditions can lead to the blocking of fruitful discussion of ethical matters, creating a growing divide between sports players and sport rule enforcers. Rationalizing moral ideals outside of empirical conditions of the reality can cause resentment that prevents the possibility of discussing sport ethics problems and how to address them. Discussing moral ideals on their own, absent consideration of the applicable empirical conditions, is unproductive. This can create resentment in the people who must deal with the restrictions of real life on a day-to-day basis. Generally speaking, the normative fallacy can create unnecessary *conflict* (Suchanek, 2007, p. 33) between the various stakeholders involved in sports. When moral ideals are viewed out of context, the result can be destructive for in-sport relationships. Stakeholders in sport live and make decisions within very different and complex circumstantial situations—and attempting to understand the context⁴¹ of each stakeholder’s specific situation and dilemma could potentially prevent such negative results.

1.2.3 The Empirical Fallacy

Conditioned Behavior

On the opposite side of the normative fallacy, focusing solely on the empirical conditions, leaving no room for the moral ideals, is equally problematic. This trap of ethical argumentation is called the *empirical fallacy*. An empirical fallacy occurs when the context of the situation overpowers the argument and

⁴¹ The ability to empathize with the situation of another human being allows for the conversion of “an idea into an impression” (Hume, 2000, p. 208), so that it is then possible to develop a comparably similar impression that binds people to one another (Hume, 2000, p. 236).

corners moral ideals into a place where there is no room for negotiation in the direction of morality. In these cases, it can seem as those moral ideals are no longer relevant in the real world. The empirical fallacy makes moral ideals and empirical conditions seem like they are worlds apart and definitely not combinable.

Several psychological theories point to man's tendency to drift into an empirical fallacy in situations that seemingly restrict his moral actions. In the early 1970s, Stanford professor Philip Zimbardo conducted an experiment using college students who were asked to play the role of either prison guards or inmates (Zimbardo, Haney, Banks, & Jaffe, 1973, p. 38; Zimbardo, 1973, p. 243). The landmark *Stanford Prison Experiment* yielded shocking results from participants. The students who were designated as guards began to act in sadistic ways towards their inmate colleagues, degrading them to the point that the experiment was called off prematurely. The results of this study confirmed that "situational influences" can lead to the abandonment of moral ideals, and even to "evil" behavior, by almost anyone. Zimbardo later named this phenomenon the "lucifer effect" (Zimbardo P. , 2007, p. 195) because of the complete transformation from good to evil that is possible through situational constraints:

This experiment has emerged as a powerful illustration of the potentially toxic impact of bad systems and bad situations in making good people behave in pathological ways that are alien to their nature. This study reveals...the extent to which ordinary, normal, healthy young men succumbed to, or were seduced by, the social forces inherent in that behavioral context (...). The line between Good and Evil, once thought to

be impermeable, proved instead to be quite permeable (Zimbardo P. , 2007, p. 195).

Another experiment, conducted in the 1970s by Stanley Milgram, also confirmed that participants can easily get lost in the specific conditions of particular scenarios and briefly forget their own moral beliefs, agreeing to give dangerous levels of electric shocks to other participants when they were asked to do so by an authority. The experiment, which was inspired by Nazi Germany's acceptance of and obedience to Hitler's rule, resulting in the Holocaust, (Milgram, 1974, p. xii), showed that, in its worst form, human nature can ignore moral ideals when faced with the conditions of coercion through social norms like obedience.

Both of these psychological experiments demonstrate the dangers of the empirical fallacy; unfortunately, these results are easily transferrable to sporting situations. In sporting games, there are cases where athletes blindly obey the advice of authorities to take drugs or cheat, using the competitive nature of sporting games as a justification for immoral behavior. Athletes can easily misplace their moral sporting ethos and engage in corrupt actions.

Results of the Empirical Fallacy

In sports, the empirical fallacy could result in the statements shown in Figure 3.

Statements Reflecting Empirical Conditions	Questions Reflecting Moral Ideals and Empirical Conditions
Athletes are professionals and therefore they have to do anything they can to win a game, including cheating.	What is the right thing for a professional athlete to do when the game rewards cheaters and punishes fair-play?
Everyone else is cheating and therefore athletes have no choice but to cheat so they can continue to keep up.	What are the real choices that athletes are faced with when deciding which means they should use to remain competitive, and how can they be expanded?
Athletes have to feed their families and therefore have to work the system in any way they can.	How can the system be changed to in order to reduce incentives to exploit it?
Athletes will let their teams down if they do not win—and the only way they can win is to dope.	What is the right thing to do in a situation where sport culture is so infested with doping that athletes believe the only way to win is to dope?

Figure 3: Results of Empirical Fallacy in Sports

Source: Own Illustration

When ethical judgments are left without any room for discussion involving moral ideals, this can be an indication of the empirical fallacy. These situations provide no opportunity for stakeholders to choose the right thing to do. The viewpoints that reflect the empirical fallacy usually involve inherent necessity only in order to (morally) justify the particular actions (Suchanek, 2007, p. 34). The problem of the empirical fallacy creates vagueness of morality that keeps it so separate from reality that it cannot be discussed. This takes away one of the

most important parts of man's rights—namely, free choice.⁴² Sport stakeholders that view situations solely through empirical conditions are left without options for alternative actions. Because rational argumentation is based on the idea that there is a choice between alternatives, the empirical fallacy eliminates any space for ethical discussion whatsoever.

One goal of ethics should be to do everything possible to avoid both empirical and normative fallacies, which are both sources of conflict that result in resentment and mutual disadvantage for sport stakeholders. Both of these fallacies create a division between the rule enforcers and those who are expected to follow the rules, generally making ethics in sport difficult. The way to avoid these fallacies is to be sure to take into account both the (1) moral ideals and (2) empirical conditions, in order to remain open to a (3) normative recommendation that provides the possibility for mutually beneficial cooperation between stakeholders (that is neither too normative nor too empirical in nature).

1.3 Purpose

Economic ethics seeks to answer the question, “What is the right thing to do ‘within the scope the world allows?’” (Rawls, 2005, p. 88); in other words, how to find ways to change conditions that create the basis for dilemmas into ones that instead create sustainable cooperation for a mutual advantage, by allowing morality and self-interest to work together to make one another more fruitful (Suchanek, 2007, p. 10). When viewing the problem addressed in section 1.1.5,

⁴² “Freedom (independence from being constrained by another's choice), insofar as it can coexist with the freedom of every other in accordance with the universal law, is the only original right belonging to every man by virtue of his humanity” (Kant, 1996, p. 30).

the alignment of morality and self-interest makes it easier for players to know “what is the right thing to do” (see Figure 4).



Figure 4: Alignment of Morality and Self-Interest⁴³

Source: Own Illustration

In order to align morality and self-interest in cases where they may oppose one another, the fundamental premise from which the game⁴⁴ operates—i.e., the conditions of the game—must change. Such central changes to the game require behaviors that act as *investments* (Suchanek, 2007, p. 48), altering the conditions of the game and therefore the way the game functions.

In sports games, players would like to act cooperatively and play fairly, by the rules, but they must also look out for their own self-interests and remain competitive by seeking incentives that offer an advantage. When (1) sustainable cooperation and (2) competitive advantages are incompatible, it is difficult for players to know what to do; they are trapped in a dilemma where they must choose either to cooperate *or* to obtain competitive advantages (see Figure 5)—the two being mutually exclusive.

⁴³ Morality is shown prior to self-interest here because the golden rule reads: *cooperation* for a mutual *advantage* (Suchanek, 2007, p. 11) in this order. It is however, debatable as to which one is first chronologically, since individuals behave morally but from their own self-interest (Homann, 2006b, p.7)

⁴⁴ The word “game” is used to describe the situation where “players” must decide what the right thing to do is.

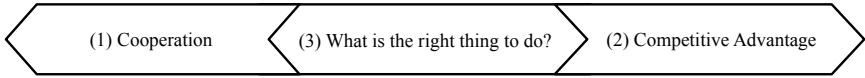


Figure 5: Cooperation vs. Competitive Advantage

Source: Own Illustration

In terms of the practical syllogism discussed earlier, the dilemma that pins cooperation against competitive advantage can be demonstrated as follows:

1. Cooperation
 2. Competitive Advantage
-
3. What is the right thing to do?

The purpose of the current work is to find ways to change the game through direct and indirect investments in the conditions of the game that support sustainable cooperation, leading to mutual competitive advantage. In terms of the practical syllogism of economic ethics, the situation can be represented as follows:

1. Sustainable Cooperation
 2. Mutual Competitive Advantage
-
3. Investment in the Conditions

These investments are “game changers” that align morality and self-interest so that doing the right thing is also the *most advantageous*⁴⁵ thing in a competitive environment (see Figure 6).

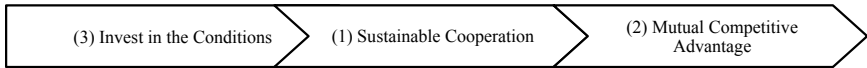


Figure 6: Alignment of Cooperation and Competitive Advantage

Source: Own Illustration

Applying the golden rule of economic ethics, namely, “Invest in the conditions of cooperation for a mutual advantage” (Suchanek, 2007, p. 7), while always taking into account the fact that a high level of competition must remain intact, a mutual *competitive* advantage is possible in sports games.

The goal of the current work is to answer the following research question:

- How can players invest in the conditions of sustainable cooperation for a mutual advantage despite a highly competitive sport environment?

⁴⁵ Modern economics uses the “*explicit concept of advantage*” as terminology that does not necessarily relate to concrete monetary payouts (Homann, 2006b, p. 7). In the current work, advantages refer to the increase in external as well as internal preferences for stakeholders. This means that, in comparison to all other relevant alternatives when it comes to obtaining internal and external preferences, the right thing is also the most advantageous thing in the long run. This is also known as the most *efficient* outcome: “an outcome for which no feasible superior alternative can be described and implemented with net gains is presumed to be efficient” (Williamson, 1996, p. 195). According to Axelrod, an example of such a strategy in game theory is “TIT FOR TAT”; the strategy did not always do well when only single interactions took place, but in this particular study it was always most successful in terms of the overall long-run score (Axelrod, 1984, p. 112).

The current work divides the main research question into three supporting questions, which are the focus of Chapters 2-4. Chapter 2 addresses the following question:

- How does cooperation offer a mutual advantage in highly competitive sports games?

Subsequently, Chapter 3 answers the following supporting question:

- What are the conditions of sustainable cooperation in highly competitive sports games?

Chapter 4 focuses on investigating the answer to the question:

- How can stakeholders invest in the conditions that provide sustainable cooperation?

Finally, Chapter 5 completes the argument, integrating the findings raised by the supporting questions into one cohesive defense, summarizing the answers to the research question, and concluding the current work by discussing the study's limitations and possibility for future research.

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).

the other player chooses to cheat (represented in quadrants II & III), both players choose to cheat in order to protect themselves, and they ultimately end up in quadrant IV, even though they would have both been better off if they had chosen the mutually relatively beneficial payouts in quadrant I. This translates into the sports games where a conflict of interest can exist that makes it difficult for players to choose to compete on a fair level (as a form cooperation)—even though it may be in the best interest of the competitors to do so. Since players are morally motivated but also limited rational agents, they are assumed to ultimately make the decision that results in securing self-interest.

In addition, players feel the negative impacts of loss of potential payouts far more than they feel the gain of actual payouts⁵³—so avoiding the negative that could come from the zero payout in quadrants II & III could be more important than risking a potential gain that could come from playing fair. In the end, it is a difficult dilemma for individual players who in theory would like to move to quadrant I but are unable to do so in practice. Under these circumstances, it seems to be quite clear that the conditions in the game are in need of a change.

⁵³ This holds true for players who have been winners in past games, meaning that defending champions feel loss more negatively than players who have never experienced winning. For more information on loss-aversion due to endowment, see Kahneman, Knetsch, Thaler, & Tversky (1979) and Kahneman, Knetsch, & Thaler (1990).

2.2 Competition

2.2.1 Defining Sport through Competition

It is clear that sport contests and competition are closely knit. From a semantic perspective, the word competition is often used in place of the word sport. Sports contests are inherently competitive in nature, and this competition not only gives players a reason to participate in sport but also defines the world of sport as we know it (Bertman, 2007, p. 11). An elite-level sport without competition is said to cease to have meaning (Gaffney, 2007, p. 116).

Competitors vie for victory and for its related spoils. Even when “competition with self” is present, an element of external competition still exists, since athletes must compare themselves with other people in their own group to gauge how well they are performing (Simon R. , 2010, p. 30). Competition is the mechanism used to measure achievement in sport (Smith, 1904, p. 31).

The most common understanding of sport describes it as “a structured, goal oriented, competitive, contest-based, lucid physical activity” (McPherson, 1989, p. 15)—and this definition is even more accurate at the elite level, where external preferences are most prevalent among sport stakeholders. At the elite level, competition is an empirical condition that is inherently present. It is an ethical task to take this into account and find the best compromise between the moral ideals of a fair and good sport interaction and the empirical condition of competition in order to make a normative recommendation that does not attempt to dampen competition’s positive qualities while also restricting the possibility of negative repercussions of competition.

There are many parallels between competition in sport and competition in society at large—in fact, competition in sport is known to have sprung up as a

manifestation of capitalistic ideals in society (Galiher & Hessler, 1979, p. 11). As discussed in the previous section, a disproportionate share of the scarce resources goes to the athletes that perform the best. This type of competition for scarce resources mirrors the basic setup of society's marketplace and reinforces the values that are present in society (Galiher & Hessler, 1979, p. 11). It is not surprising, then, that many of the positive and negative effects of competition that exist in the market are also present in society's sports.

2.2.2 Negative Consequences of Competition

As in larger society, when left completely unhampered, competition can have negative effects. In sport this manifests in different ways. One clear example is sport violence, or excessive aggressiveness that leads to "dehumanization of both competitors and spectators" (Galiher & Hessler, 1979, p. 10). Increased competition for scarce resources leads to more occurrences of violent behavior on and off the field (Crone, 1999, p. 4). Violence can be a problem for sport stakeholders: athletes, coaches, and spectators alike. Fans associate themselves with their teams so strongly that they can become violent towards rival teams and those teams' fans. The media often facilitates this violence by glorifying it in the press (Eitzen, 1988, p. 17). In one particular case, New Mexico's female soccer player, Elizabeth Lambert, acted aggressively towards her competitors, making big headlines in the sport press around the US. She was caught pulling one competitor's hair and throwing her on the ground, kicking one in the face with a soccer ball, punching one player in the face, and punching another square in the back (Wood, 2011, p. 235). Clips of these violent acts were played and replayed on YouTube, making the top stories for sports news programs for days on end. The effect on spectators from this media-reinforced violence can have an ongoing, widespread negative impact. Observers of competitive sports are

known to become more tense and aggressive when they witness such violence and aggression (Galiher & Hessler, 1979, p. 14).

Competition can also put extensive pressure on stakeholders to perform and win in order to remain viable players in the game. Participating in the sports game means being able to perform at a level that challenges competitors enough to make the game possible. Competitors can be pressured to do anything to obtain that *competitive advantage*—including cheating (Eitzen, 1988, p. 17). A highly cited example of this is athletes' use of performance-enhancing drugs in order to obtain an unfair advantage and the opportunistic behavior as discussed in Chapter 1.

2.2.3 Positive Repercussions of Competition

Competition has many positive qualities, which, especially in sport, can be used to challenge players to push themselves to perform to the best of their ability. When operating properly and under the right constraints that do not restrict the positive effects, competition can take on moral qualities (Lin-Hi, 2010, p. 7). Competition in sport, particularly within sport contests at the international level, such as the Olympics, international track meets, and World Cups, are excellent structures for creating a high level of international competition that is properly controlled (Galiher & Hessler, 1979, p. 17).

When taking into account the relevant alternatives of possible institutional arrangements (Coase, 1960, p. 43; Buchanan & Brennan, 1985, p. 74) competition offers many advantages. When competition functions under a position of equal opportunity there is a chance to produce “a cooperative venture for mutual advantage” (Rawls, 1971, p. 84).

Competition functions as a “disempowerment instrument” (Boehm, 1961, p. 22; Hayek, 2007, p. 166), creating incentives for new players to enter

markets and preventing dependence on certain other players. For sports, that means that new talent is able to enter the game, and there is constant motivation for current players to remain competitive in order to prevent their replacement by new talent. This also allows new players a chance to join existing teams and compete at the top level as long as they are able to perform. It cuts down on bureaucracy and favoritism⁵⁴, giving everyone the opportunity to win if they are able.

Competition induces a discovery process of new innovations and methods (Hayek, 2002, p. 19). In sport, this means that athletes must choose the most effective materials and methods that are within the rules in order to win. This motivates stakeholders to invest in the sport and provide athletes only with the best tools for the opportunity to perform. For instance, inferior sport products cannot survive in the market because they do not provide athletes with a means to achieve a competitive advantage. In that same sense, competition acts as a “discovery procedure” (Hayek, 2002, p. 9), as it incentivizes sport stakeholders to invest in innovation and progress. It also forces athletes to break world records, push themselves further, train harder, and become more efficient in the process.

Competition creates a reason for self-discipline and dedication that ensures that participants are completely engaged in the game and in preparation for the game, and it elicits response and recognition from players (Gaffney, 2007, p. 113).

⁵⁴ This is important because it creates a level playing field.

The activity of competitor A is driven by two desires or intentions. First, A desires victory; he or she wants to defeat opponent B, and thereby gain all the spoils of victory. Second, A desires that B recognize this desire to defeat B, because it is not possible, in my view, to compete against someone anonymously. True competition requires recognition and response (Gaffney, 2007, p. 113).

This engagement allows for a mutual challenge giving each player the opportunity to prove that he or she is a winner, “and they do this precisely because, with all of their energies, they are trying to prevent just that” (Gaffney, 2007, p. 113).

Aristotle thought that all human action strives towards the fulfillment of human nature through *eudaimonia*, or happiness through human flourishing (Aristotle, 1976, p. 34). Competition takes on an important role in enabling excellence and, in turn, human flourishing, as it gives humans a means to exercise this excellence through the constant and ever-appropriate incentives that it provides. Unlike anything else, competition has the ability to incentivize participants to strive towards merit and, in turn, a good life (Cooper, 1975, p. 145).

In order for participants to remain competitive, they must demand from themselves hard work, dedication, efficiency, and the highest level of skill. Through competition’s insistence on excellence, athletes are able to live good and flourishing lives⁵⁵. Consequently, the ability to set goals and work to

⁵⁵ It is also through the “burden” of competition, that flourishing is allowed. “What man actually needs is not a tensionless state, but rather the striving and struggling for a worthwhile goal, a freely

achieve them leads athletes to self-realization (Kennedy, 1931, p. 11). According to Aristotle, the reward of this work is a complete life (Aristotle, 1976, p. 34).

When functioning properly, sports competition has a moral objective of promoting the *telos*, or the goal of participants—human flourishing (Loland, 2002, p. 147). Flourishing takes place when “other things equal, human beings enjoy the exercise of their realized capacities (their innate or trained abilities), and this enjoyment increases the more the capacity is realized or the greater its complexity” (Rawls, 1971, p. 364). This is apparent in sport because athletes train and are able to realize their capabilities through sport as meritocratic measurement of this ability. Sport competitions are an arena for human excellence (Kennedy, 1931, p. 12) when they are working under the proper conditions.⁵⁶

This element of human flourishing is part of what makes sport a morally justifiable act, which is only possible due to the presence of competition. Players are motivated to do their best only because they know that sport provides them with a true objective measurement of their sporting abilities. At the same time, sport delivers this objective evaluation because it motivates all players to give their absolute best in order to win. In any alternative scenario (if one could exist), there would be a lack of incentives to perform, making objective meritocratic measurement of sporting abilities

chosen task” (Frankl, 2006, 105). The burden inherent in competition allows for struggling and striving for a goal.

⁵⁶ More on the proper conditions for competition in sport can be found in Chapter 3.

impossible. Sport competition provides participants with “a saving grace and proof of individual worth” (Overman, 2011, p. 296) that no other method can⁵⁷.

Competition allows for coordination of many different activities through what Adam Smith called the “invisible hand” (Smith, 1904, p. 273), which amazingly takes into account the individual plans of millions of people and puts a “price” on their desires. Smith stated, “it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages” (Smith, 1904, pp. 11-12). In sport this is translated into a clear cooperation that exists between various stakeholders, who are collaborating out of their own self-interests. Competition can take an athlete’s desire to win and turn it into a cooperative game that, when functioning properly and under the right conditions, delivers a *mutual competitive advantage* to all stakeholders involved.

2.2.4 Conditions of Positive Forms of Competition

The question is, how can competition have such drastically differing negative and positive results? What is the deciding condition that moves competition in the right direction in sports, changing it from a motivator of violent behavior to a condition of moral qualities on the field? How does one move from the negative to the positive results of competition? Part of the answer is below:

⁵⁷ For instance, art and music are not judged on an objective platform and are not as meritocratic as sports. They are loved by some and hated by others and therefore do not necessarily prove individual worth in the same quantifiable way that sports does.

The liberal argument is in favor of making the best possible use of the forces of competition as a means of coordinating human efforts, not an argument for leaving things just as they are. It is based on the conviction that, where effective competition can be created, it is a better way of guiding individual efforts than any other. It does not deny, but even emphasizes, that, in order that competition should work beneficially, a carefully thought-out legal framework is required (...) (Hayek, 2007, p. 36).

In sports, this framework can include the rules of the game. Sport is unlike any other business in the world in that it is capable of assuming a “laboratory-like” quality that can be used to observe the internal workings of its economic structure:

The world’s games are ready-made laboratories. Every stadium is a bell jar, where the intensity of bottom-line business competition is matched between the lines on the pitch. Objective functions come alive as owners readily reveal their preferences for winning at-all-cost over profit maximization. Detailed information about every player and every result is known by every school-boy and every corner bookie. Every statistic has a known face, and every face has a known salary (Vrooman, 2007, p. 309).

Sport is a unique arena for competition to flourish within certain pre-determined constraints. The rules fulfill the function of creating a limit and “drawing the line” where competitive acts cannot create negative consequences. Participants need these constraints in the game in order to funnel competition away from negative ramifications and into the positive ones.

It is certain that competition is a necessary condition for properly functioning sports contests. Pure monopoly would be a disaster in sport because players would have no competitors to play against (Neale, 1964, p. 2). For this reason, it is not ideal for players to attempt to monopolize performance in sports, but to come to some kind of cooperative agreement to compete at the highest level. Cooperation between participants is a requirement because players must agree to common objectives that curb their own competition.

There must be a balance between pure competition and cooperation in sport in order to realize the many positive aspects of the game. “The challenge for economic theory is to find a dynamic balance...to analytically grasp the passionate and pragmatic complexities of the beautiful game. The games themselves require balance in that competition must be tempered at some point” (Vrooman, 2007, p. 309). The tempering of competition lies in the purview of the rules—and rules are only possible with cooperation. Participating in sport means agreeing and adhering to the rules of play that govern the game. Playing by the rules ensures a level playing field for competition to push athletes to the many positive results that competition is capable of producing.

2.2.5 Excellence through Challenge

Critics of competition view it as an justification for selfish action, which means that it could encourage participants to do anything in order to win the game, including cheating. Some might even take it a step further and say that competition involves “working against others in a spirit of selfishness” (Fielding, 1976, p. 141). As previously discussed, sport competition involves many opposing interests, and it is never possible for all players to win the game, which leaves some losers. However, there is a distinct difference between selfishness and self-interest here (Simon, R., 2010, p. 25). Selfishness implies

that players win at all costs, and that the game produces one winner and one loser on a mutually exclusive basis. This implies that sports games are war-like games that have a winner-take-all payout. However, sport games are not set up this way. Sports games incentivize participants to act in their respective self-interests, but not in a selfish way. Since the payouts are not zero-sum, players are able to look out for their own self-interests while also respecting those of other players and the game itself.

Respect for fellow participants and for the game can be shown through adherence to the rules (Butcher & Schneider, 2007, p. 127). This moves sports games into a place where cooperation for a mutual advantage is possible. All players mutually benefit when the rules are followed and the game is conducted on fair terms as defined by the rules. This cooperation is not altruistic in nature—it demands that all players look out for their own self-interests⁵⁸ in order to ensure that there is a real challenge present. When all players perform at their highest capacity, they are delivering the ideals of sport and the opportunity to demonstrate excellence. Additionally, when players compete at their highest capacity, following the rules out of respect for the game and fellow players, they are taking part in sport as a “mutual quest for excellence.” This mutual quest for excellence allows for sport to constitute an arena for human flourishing; consequently, sport is morally justifiable (Loland, 2002, p. 147).

As counter-intuitive as it may seem, when athletes act in their own self-interest, ultimately they enable the entire game to function as a mutually beneficial platform for excellence through challenge. Sports games are meant to

⁵⁸ Following Homann, the role of morality is not to be intertwined with the individual “transactions” or moves in the game, but to be integrated into the rules or the “framing” of the game (Homann, 2006a, p. 17).

measure merit, and they can only do so if players give everything they have, in their own self-interest, in order to win the game. No athlete wants to win out of pity from another player; that degrades the value of winning. Altruism on the field is not something that reaps positive benefits within sports games, because putting forth the best effort possible is the only way that sports games can function as tools for meritocratic measurement. For this reason, putting forth sub-optimal in sport is a form of disrespect for the other player's hard work and cultivated skill—and essentially makes it impossible for athletes to obtain valuable internal preferences and incentives:

For the sportsman a great part of the “love of the game” is a love of the rigor of the game, a fierce joy in the competitive struggle, a satisfaction in mobilizing one's utmost in competitive skill and courage, and reaching down to untapped and unsuspected reservoirs of competitive ingenuity and endurance; the keen joy that is born of knowledge that one has given one's utter best to meet the best of respected opponent and that nothing of competitive ingenuity, or courage, or endurance has gone unmobilized or been withheld—this is a part of the “love of the game” (...) (Kennedy, 1931, p. 39).

Athletes train in order to be tested in competition, and if they are then indeed successful against their competitors, then they can call themselves winners. In this sense, mercy has no place on a sports field. Respect for fellow competitors means that players must be self-interested and play to the best of their ability (Kennedy, 1931, p. 40).

2.3 Fair Competition & Cooperation

2.3.1 Defining Fair Competition

It should be noted that self-interest is only able to transform into a mutual quest for excellence through challenge when it operates under proper conditions. Those conditions are grounded on terms that establish fair competition.

Fair competition in sport is based on two moral norms: formal and informal fair play (Pilz & Wewer, 1987, p. 10). Formal fair play ensures that the game is played by the written (constitutive) rules of the game. This means that players abide by the formal rules of the game in order to be able to play the game.⁵⁹ The formal fair play norm acts as a framework for sport to take place. Informal fair play, however, insists that players abide by the unwritten rules of the game, which ensure that players put forth their best effort and respect other players (Loland, 1998, p. 83). The informal fair play norm ensures that competition has the opportunity to transform into a vessel for cooperation for a mutual advantage. Both informal and formal fair play norms are crucial in making the most out of competition in sport.

Sports games are cooperative enterprises based on an agreement that each consents to when he or she enters the game (Loland, 1998, p. 83; Keating, 2003, p. 68). As long as the rules in sports games are consistently applied⁶⁰ and participants are voluntarily engaged, there is an opportunity for each player to mutually benefit. This means “each person receives a fair share when all...do

⁵⁹ When players choose to break the formal rules, they may not be participating in the (formal) game at all. See logical incompatibility thesis by Kreider (2011) and §3.1 of the current work.

⁶⁰ As defined by the two principles of justice (see Rawls, 1971, p. 52). Consistency in the application of rules is a key issue in sports and is discussed more fully in Chapter 4.

their part.” (Rawls, 1971, p. 52). In sports, doing one’s part means abiding by the formal norm of fair play (following the rules) and the informal norm of fair play (putting forth the best effort and respecting other players). This allows (fair) competition to act as a means of cooperation.

The main idea is that when a number of persons engage in a mutually advantageous cooperative venture according to the rules, and thus restrict their liberty in ways necessary to yield advantages for all, those who have submitted to these restriction have a right to a similar acquiescence on the part of those who have benefited from their submission. We are not to gain from the cooperative labors of others without doing our fair share (Rawls, 1971, p. 96).

Abiding by the fair play norms in sports is a form of sportsmanship, and is part of an athlete’s “fair share.” Sticking to the “letter and spirit of equality before the rules” (Simon R. , 2010, p. 42) is evidence of sportsmanlike behavior, which in itself is the demonstration of the virtue of fairness in sport. It emphasizes the importance of consistency in application of the rules so that victory shows the presence of true athletic excellence (Keating, 2003, p. 71).

Governing bodies have the task of consistently applying the rules in a fair way. Fairness in sport means that athletic performance is measured meritocratically—rooted in performance-based merit alone.⁶¹ In this sense, competitive advantages that do not relate to pure performance in sport should be

⁶¹ Although merit is a goal of sports games, it is not possible to completely eliminate non-meritocratic influences. For this reason, sport includes more than just a distribution of advantages (more on this idea is covered in the next section).

eliminated (Loland, 2002, p. 84); even though some procedures and rules may not be perfect, sport should ideally seek “pure meritocratic distribution of advantage” (Loland, 2002, p. 90). Measuring performance based on merit (and ultimately excellence) is the most important task of sport and is what it is specifically designed for (Keating, 2003, p. 71). For this to take place, the rules need to be applied equally, consistently, and fairly. Fairness is what makes the end of sport contests—the victory—meaningful and valuable. Without fair competition, there would be no value in winning. The validity of winning is only possible when players adhere to the rules, but it is not just about obeying the formal rules; the “sense of fair play” implies adherence to the informal rules as well. Failure to abide by the informal and formal rules is an indication that a player is removing the value from winning (Keating, 2003, p. 70).

2.3.2 Fairness & the Uncertainty Outcome

Competition in its best form is fair—and to be fair it must also be blind. Although it may seem counterintuitive, the blind eye of competition is a valuable asset: “It is significant that one of the commonest objections to competition is that it is ‘blind.’ An interesting point is that, to the ancients, one of the attributes of their deity of justice was that he/she was blind” (Hayek, 2007, p. 134). Competition can only bring justice through fairness when its outcomes are uncertain and unpredictable.

The unpredictability of outcome occurs when competition is fair, but also because the distribution of advantage is not always perfect. First, there are accurate sport-specific advantages that are present (Loland, 2002, p. 91) when one player is naturally more skilled or has practiced more than another—which is in fact the variable that is being measured. However, luck and chance play a role in sport outcomes as well. Luck acts as an “inaccurate” sport-specific

advantage (Loland, 2002, p. 91). This type of advantage is also fair in the sense that it does not discriminate and is thus “blind,” although not all luck and chance are really what they seem. Luck is also related to accurate sport-specific advantages; good players are often more “lucky” simply due to the way they deal with uncontrollable variables in the game. For instance, a good player might be able to make the best outcome of the uncontrollable external variables (such as wind and weather), so therefore he may appear to be lucky.

Luck can actually make sports games more interesting to watch, because it increases the uncertainty as to which participant will win. Nevertheless, chance should never be an overly influential determinant of the outcome of sports contests—it should never “exert a significant and systematic influence on performance” (Loland, 2002, p. 94). Rather, it should optimize performance by adding an element of surprise and unpredictability to the game.

2.3.3 Profitability of the Uncertainty Outcome

Every fair game contains a certain amount of accurate as well as inaccurate sport-specific advantage. In fair sports competitions, a mix of luck and merit creates an optimal amount of uncertainty and tension. This experiential “sweet tension of the uncertainty outcome”⁶² is part of what makes sport interesting to spectate and to play (Loland, 2002, p. 149; Higham & Hinch, 2009, p. 110)—and this is a rare occurrence in society today:

Sport events offer a liminal moment between uncertainty and certainty; unlike fictional narrative, they are not predetermined by authorship, nor

⁶² Originally stated by Warren Fraleigh (1984), one of the founding fathers in the study of philosophy of sport (McNamee, 2007, p. 1).

can they be predicted by cultural code or even by specialized knowledge. They offer a rare opportunity to experience genuine uncertainty. (Whannel, 1998, p. 229).

Uncertainty is achieved when players of equal levels compete against one another (Shields & Bredemeier, 2009, p. 46), ensuring that the winner is not easily predicted. In team sports, that might mean using a drafting system, where new players are listed according to their value, and each team is able to pick one player per round. The less successful teams get to pick players first, and the best teams get to pick players last. This is a direct attempt to allow each team in a league to have an equal amount of talent—making it more difficult to predict who will win. The uncertainty of who will win increases the entertainment value in sports competitions—which attracts more spectators (Loland, 2002, p. 136; Késenne, 2007, p. 12). From a purely economic view (based on an external preferences), team owners are mutually incentivized to ensure that teams in the league can compete at an equal level and the winner cannot be predicted.

Furthermore, an increased challenge exists for those players participating in evenly matched competitions (Loland, 2002, p. 135). From the internal preference perspective,⁶³ players who compete against those who are much better performers will lose motivation and become discouraged, while players who compete against competitors who are much worse performers will lose motivation and incentives to perform their best in order to win. Both scenarios lead to a decrease in competition, which makes players less likely to play to the

⁶³ As noted in Chapter 1, most elite level athletes have more external than internal preferences, but there are still internal preferences present in most athletes—hence the importance of mentioning the influence of the uncertainty outcome on both types here.

best of their ability. This makes the ideal of sport as a quest for mutual excellence more difficult to achieve.

2.3.4 Fair Competition as Cooperation

When sports games are fair, there is a better chance for them to become a quest for mutual excellence. This mutual excellence is a form of cooperation, as sports teams or players are simultaneously working with one another while also working against one another, albeit fairly, in order to create the best possible performance on both sides and therefore a justifiable result for each (Shields & Bredemeier, 2009, p. 33).

Fair competition based on rules turns into a form of cooperation. Cooperation is present because players mutually agree to play their best so that the sport contest becomes a credible judge of performance. To this effect, fair competition is a form of cooperation. Additionally, fairness allows for the coordination of self-interests through competition, which is a form of cooperation, but this only works when the rules are followed and respected.

The rules are created in order to turn competition into cooperation, and abiding by the rules ensures the fairness of the competition. As long as the rules are fair and just, then the product is fair competition as a form of cooperation, which allows for the positive sides of competition to surface. An equal and level playing field in sport makes a “fair system of social cooperation” (Rawls, 2001, p. 96) possible—combining competition and cooperation through fairness.

Furthermore, fairness is a prerequisite to justice, which defines the way competing and cooperating free individuals deal with one another in a correct fashion, as per the agreed-upon rules that define the game (Rawls, 1958, p. 178). Justice in sport means that all athletes receive what is due to them, namely, meritocratic measurement of their performance alone.

2.4 Fair Competition for a Mutual Advantage

2.4.1 Results of Fair Competition

In the sports game, players could be led to cheat because they are forced into the prisoner's dilemma. This dilemma has four different potential outcomes,⁶⁴ and those four outcomes can be divided further into fair and unfair scenarios (see Figure 7).

In quadrant III, player *A* cheats and player *B* does not (payout 3,0)—which means player *A* has an unfair advantage. In quadrant II, the opposite is true when player *A* does not cheat and player *B* does (payout 0,3)—so player *B* has an unfair advantage. These two quadrants (II and III) represent an unfair game, or a playing field that is not level.

In quadrant IV, player *A* and player *B* both cheat (payout 1,1)—which means there is a level playing field (fair game) based on cheating. In quadrant I, player *A* and player *B* both do not cheat (payout 2,2)—so again there is a fair game and level playing field, this time based on following the rules.

These scenarios demonstrate that there is more to the game than just playing fairly. Starting out with a level playing field, so no players have an unfair advantage, is a prerequisite for but does not guarantee fair competition for a mutual advantage. Fairness exists in both quadrants I and IV, but the payouts between the two scenarios differ substantially. Quadrant IV represents fair competition for a mutual disadvantage, while quadrant I represents fair competition for a mutual advantage.

⁶⁴ Further information on this topic can be found in Suchanek, 2007, p. 53.

A type of fair competition (as a form of cooperation) for a mutual disadvantage can be found in sports games that are rigged. The famous book, *Freakonomics* (Levitt & Dubner, 2009, p. 39), shows an example of rigging and fixing outcomes in Japan's national sport, sumo wrestling. Levitt & Dubner (2009) explain that wrestlers are known to accept bribes and collude with one another in order to benefit from one-time payouts.

In this case, wrestlers act on the premise that short-term incentives to make more money are more important than the long-term incentives that have the potential to mutually benefit everyone—incentives include building up the sport of sumo wrestling and the potential honor that is associated with it, as well as taking part in real elite level competition. When players cheat, they are unable to satisfy internal preferences in that they are no longer participating in a real sporting competition that motivates them to succeed and perform, and they are unable to satisfy potential external preferences that could mutually benefit them individually as well as the sumo wrestling sport in general.

Cheating in this way is not sustainable in the long run because eventually it, along with corruption, eliminates the uncertainty outcome of sport, since said outcome is predetermined (Higham & Hinch, 2009, p. 109). The spectator appeal could be lost due to the predictability of the match, and this would make matches less lucrative for players as well as other stakeholders, while also reducing internal preferences such as challenge and love for the game. In this sense, fair competition implies that no player has an unfair advantage, but it does not guarantee a mutual advantage for all players. Fair competition keeps players out of quadrants II & III, but the goal should be to end up in quadrant I, where fair competition is pushed further into a place of mutual advantage.

2.4.2 Fair Competition is not Enough

Fairness is an essential aspect of good sporting contests—i.e., those that act as an arena for mutual excellence through challenge and offer a mutual advantage for all players—but fairness is not the only thing that matters in sport. Although fair competition is a fundamental element of mutual advantage for all participants, it is not enough to ensure that mutual advantage for all participants.

It seems to be clear that players would not be participating in the game if it did not benefit them in some way. As can be assumed for most individuals, sport stakeholders are self-interested, and sporting events are voluntary activities—so there must be a reason for players to take part in sports and give their utmost effort to perform. Cooperation through fair competition itself is not the goal of sporting competitions; it is a prerequisite to the ultimate goal of fair competition for a mutual advantage.

The idea of cooperation also includes the idea of each participant's rational advantage, or good. The idea of rational advantage specifies what it is that those engaged in cooperation are seeking to advance from the standpoint of their own good (Rawls, 2001, p. 6).

Taking fair competition, as a form of cooperation, as the end goal of sport would be committing a normative fallacy. There should be a gain from sport interaction, optimally a substantial gain that affects all participants to the fullest. This mutual advantage, however, is not always easy to obtain. Athletes and sport stakeholders often find themselves in dilemmas where, in order to gain from a sports game, they believe they must cheat, ultimately creating a disadvantage for their opponents and/or themselves in the long run.

2.4.3 Mutual Advantage in Sports

As laid out in Chapter 1, the fundamental building block of economic ethics is that morality and self-interest should never be placed in opposition to one another (Suchanek, 2007, p. 79). This highlights the existence of a problem with the way the game in Figure 7 is set up. The dilemma forces players into positions of mutual disadvantage because they must cheat in order to protect their self-interest in the short term. Although players would mutually benefit in the long run if they both chose not to cheat, they still choose to cheat because they fear that their opponents are also cheating. If one player plays fairly while the other cheats, the fair-playing participant could end up in quadrant II or III respectively—which would ultimately lead to the elimination of the “non-cheating” player from the game. There is considerable risk involved in playing fairly in a game based on the prisoner’s dilemma.

When a fair-playing elite level athlete plays against one who cheats to obtain an exclusive advantage, a disadvantage is present that is extremely problematic for the first athlete. Since elite level athletes may be mostly motivated by external preferences, they may miss out on incentives that support their own livelihood. Losing a game to a cheating opponent can mean players lose potential sponsorships, prize money, recognition, future opportunities to move up in a league, and, in the end, the reason for playing the game. Internal preferences are also at stake when one plays against a cheating opponent—the love or enjoyment of the game can quickly dissipate when one player constantly loses despite their superiority in talent and dedication. Having to play against a cheating opponent is disheartening and difficult if not impossible to keep up in

the long run.⁶⁵ Since non-cheating players receive few incentives or advantages by playing against cheating opponents, they can resort to cheating themselves in order to keep up, or they just quit the game in frustration due to their helplessness.

Sport games, however, should leave players better off after the interaction than they were beforehand. Players should at least not be worse off after this form of cooperation than before it took place, in relation to other alternatives (Komesar, 1994, p. 31). Sports games are voluntary activities for stakeholders and participants involved. Because of this, the game must continue to offer incentives that outweigh the relevant alternatives. This may take shape in a number of ways. For athletes, in the absence of sufficient appeal by the game to their self-interest, relevant alternatives to the game might be the pursuit of careers outside of sports. Coaches must be incentivized more in their coaching jobs than they would be in other careers. Sponsors must be incentivized more in a specific sporting arena than they would be by investing in another marketing project. Competition also exists between different types of sports as well as with other industries. If the prisoner's dilemma rules the sporting game, then fair play risks losing valuable investors, athletes, coaches, and other stakeholders. They have the choice of quitting the game or cheating themselves—which are both bad for sport in the long run.

⁶⁵ For instance, when clean athletes continue to compete with doped athletes, they can suffer from what has been called “passive doping,” which has a negative impact on athletes physically and mentally. For a discussion of this within the context of cycling, see Walsh (2007, p. 143).

2.4.4 The New Game

As discussed previously, the “sweet tension of the uncertainty outcome” is a goal of sports games, as it provides the opportunity for athletes to strive for mutual excellence through challenge (Loland, 2002, p. 149). It is advantageous in that it appeals to both the external preferences and internal preferences of athletes and stakeholders. When the outcomes of games are uncertain, they can act as tools for meritocratic measurements for performance. This is how sports games can offer a mutual advantage for all involved. However, when players are in a dilemma, this mutual advantage is unattainable. Since there is no way to force players to work against their self-interest, they are in a dilemma in which they must choose between morality and self-interest, where morality (playing fair) is never the choice option.

The prisoner’s dilemma is based on the premise that players cannot trust one another to play fairly (Lipset & Lakin, 2004, p. 212), so they both cheat in order to protect their own self-interests. This game, based on mutual distrust, makes it very difficult for players to decide what the “right thing to do” actually is. It is clear that there is something “broken” in a game based on distrust, but, due to the dilemma, players seem to be left helpless to change things. What is needed is a *new game*, with different terms of play, dictating the conditions under which the game takes place. It is impossible to manipulate players’ choices (moves) in the game directly (since this would violate their free will), but there are ways to change the game entirely, which make it easier for players to make the “right” moves, ultimately leading to a mutual advantage—lining up self-interest and morality (Homann, 2006b, p. 7).

As noted previously, fair competition offers a number of positive qualities and incentives for players. Competition can only leave room for those positive qualities and, in turn, work as a form of cooperation when it is

operating under the right terms or conditions. The conditions for fair competition as a form of social cooperation producing a mutual advantage are “guided by publicly recognized rules and procedures which those cooperating accept as appropriate to regulate their conduct” (Rawls, 2001, p. 21). Therefore, the first place to start when trying to understand how to move from a place of mutual disadvantage to a place of mutual advantage are the conditions under which the game takes place.

The conditions of the game can be amended in order to create constraints that make it less beneficial for players to cheat than it would be for them to play fairly. The ideal scenario would formulate a situation where it is more in the self-interest of each player to choose to play fairly rather than cheat. These conditions should align with one another in order to ensure a payoff that reinforces fair competition as a form of cooperation leading to a mutual advantage. One way to manipulate the conditions of the game is through making direct changes to the incentives and implementing punishment for cheating (Suchanek, 2007, p. 63). This changes the direct payout for the moves, transforming a game based on the prisoner’s dilemma—where the dominant strategy is to cheat—into a game where the dominant strategy is to play fairly. Punishing the moves of cheating players makes cheating counterproductive, since the payout is lower than when a competitor chooses to play fairly. The new game, with punishments, is depicted in Figure 8.

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

Figure 8: Game based on Punishment

Source: Own Illustration, following Suchanek (2007, p. 63).

However, if it were only as simple as increasing the punishment for cheats, then we might not still have a problem with cheating in sports. A change of incentives is only possible by implementing new rules that are consistent with those incentives and then enforcing them unfailingly (Suchanek & von Broock, 2009, p. 37). Consistently enforcing rules that produce incentives for specific actions is a way to direct individual moves within the game, although, again, it does not guarantee those moves. Individuals still have ultimate responsibility to take actions that are in line with the incentives set up by the rules.

There are other ways to change the conditions of the game in order to create a different game entirely. As will be discussed in detail in the next chapter, there are various layers to the conditions of the game, and a large number of ways to manipulate and use them to create a new game that fosters a mutual advantage. The aforementioned prisoner's dilemma is based on conditions that rely on mutual distrust to create the result. The real issue that separates this game from other types of games that have the potential to yield more positive results is that player A and player B do not credibly communicate with one another, and therefore neither can trust that the other will not cheat.

Changing the game to one that is based on mutual trust⁶⁶ could create a new game with possibilities to escape the dilemma (see Figure 9).

		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 9: Game based on Mutual Trust

Source: Own Illustration

These types of *game-changers* affect the conditions, making it possible to have fair competition as a form of cooperation for a mutual advantage. However, like many advantages that have a high value, investment is required in order to reap the advantageous benefits. In order to change the conditions of the game, investment in the consistency of the moves, rules, and understanding of the game⁶⁷ is key and is in line with the golden rule of economic ethics.⁶⁸

The mutual advantage of excellence through challenge based on meritocratic measurement is only attainable when the terms of fair competition as a form of cooperation are in place. These terms, or conditions, play a key role in creating a new game for players, making it easier for them to do the right

⁶⁶ Mutual trust also decreases transaction costs because it reduces the need for sanctions (as shown in Figure 8).

⁶⁷ More on the sub-conditions of the game is found in Chapter 3.

⁶⁸ The economic ethics golden rule states “invest in the conditions of social cooperation for a mutual advantage” (see Suchanek, 2007 for an extensive discussion of the golden rule).

thing and removing them from the difficult situation that is the result of the prisoner's dilemma.

When it is more advantageous to do things that are not in line with moral ideals, a game-changer would appear to be needed; changing the conditions of the game can produce a new game. Specific conditions are needed in order to sustain fair competition as a form of cooperation in sport and in order to create a new lasting game that can offer a mutual advantage for sport stakeholders. These conditions of *sustainable* cooperation are significant in creating a mutual advantage in sport, and they are covered more fully in the next chapter.

2.5 Concluding Remarks

In this chapter, we set out to determine how cooperation offers a mutual advantage in highly competitive sports games. During this time, these theses were discovered:

- In order to create mutual benefits for players in the long-term, the focus must be on the common interests that players undoubtedly share, while also managing the conflicting interests.
- Fair competition can create an uncertainty outcome, which leads to the fulfillment of incentives that are in the common interests of all players.
- For competition to become a form of cooperation, the right conditions must be present.

- Changing the conditions of the game allows it to transform into a new one based on mutual trust, leading to sustainable cooperation for a mutual advantage.

3 Conditions of Cooperation

The objective of Chapter 3 is to define the type of conditions that are needed for sustainable cooperation in highly competitive sports games. Cooperation that leads to mutual advantage is more likely to endure in environments where specific criteria are met, and these are attainable within a competitive setting such as sports.

3.1 Conditions in the Game

As discussed in Chapter 1, empirical conditions are restrictions that limit choices when individuals must decide between possible actions. Conditions in the game limit freedom of action, sometimes creating dilemmas for individuals who must decide between what is in their own self-interest and what is morally right. Determining the right thing to do within these constraints can be difficult, but it is just this action that creates the opportunity for developing future conditions by making decisions that affect the future in a positive way.

The conditions in the game can be further divided into three main sub-conditions: the *rules* of the game, the *moves* within the game, and the *understanding* of the game (Suchanek & von Broock, 2009, p. 37). Each sub-condition interacts with one another; together they make up the constraints that affect current decision-making and also eventually create future conditions.

3.1.1 Rules

Rules play an extremely important part in the sports game because sports are rule-governed activities (Boxill, 2003a, p. 4). They structure the framework and create the limits for action to take place within sports. They do not just govern the athletic event, they “create the possibility” of sports (Searle, 1969, p. 33). As per Kantian line of thought, there are two types of rules in the sports game: Regulative and Constitutive (Cicovacki, 1997, p. 136; Kant, 1855, p. 135).

Constitutive rules define how and what it means to win the game (McFee, 2004, p. 35). These types of rules are crucial for the existence of sport, as they not only show how to rank competitors according to their moves, but they also provide the framework that limits the moves of the player. For instance, in football, the constitutive rules define the winner as the team that sends the most balls into the net of the other team without using their hands. In basketball, constitutive rules might define the winning team as the one that sends the most balls through the basket while only using their hands. These are the types of rules that differentiate one sport from another (Loland, 2002, p. 2)

Regulative rules are norms that exist outside of the actual process of competing but relate to competing successfully. These types of rules, formulated in addition to the constitutive rules, usually help to facilitate them (Loland, 2002, p. 3). Regulative rules are designed to ensure fair play and decency within the game as well as to place constraints and conditions on actions that are not directly related to winning (Boxill, 2003a, p. 3). For instance, a regulative rule in football could be that only FIFA⁶⁹ regulation-sized balls, with a certain amount of air pressure, can be used.

⁶⁹ Fédération Internationale de Football Association (FIFA).

The view that constitutive rules define sport, and without them sports would cease to exist, is considered *Formalism* (Simon R. , 2010, p. 47). To this effect, when participants deviate from the rules, they are no longer players in the game (Kreider, 2011, p. 55). This idea is called the “logical incompatibility thesis”:

According to formalism, the various derivative notions of a game are to be defined exclusively in terms of its formal rules. What it means to engage in a game, to count as a legitimate instance of a game, to qualify as a bona fide action of the game, and to win a game is to act in accordance with the appropriate rules of the game. All instances and actions that fall outside the rules of the game, therefore, do not count as legitimate instances or actions of a game (Morgan W. , 1995, p. 50).

The rules of the game play a number of very important and distinct roles that are unique to sport-type games. The main task of rules in sports is to create constraints on moves (actions) within the game—acting as empirical conditions that are created intentionally and enforced by administrators of some sort (referees, umpires, judges, etc.). Rules limit the number of alternative moves that players can make in the game and create the framework for determining how games are defined, how a winner is declared, what types of equipment is allowed, and what moves are considered fair.

Conditions have the role of making the game interesting for spectators to watch. Watching games might not be as interesting without the constraints created by the rules, since players would not need to put forth the effort to score points (Bertman, 2007, p. 39). For instance, without the “no-hands” rule in

football, the game would require less skill in foot coordination and ball handling, and thus be a quite different game.

As shown in Figure 10, rules create a framework that makes up of the field of play, limiting the possible moves that each player can make.



Figure 10: Rules of the Game

Source: Own Illustration

In the market economy, scarcity helps to determine market price and demand, and is in itself a condition that steers the moves of players who attempt to obtain a limited incentive. In sports, rules create an artificial scarcity⁷⁰ of possible moves, motivating players to compete (Sprintzen, 2009, p. 134) and making the game interesting for spectators to watch. Rules in sport create scarcity of possible alternatives for actions, thus motivating players to compete to make the right move within the rules, and therefore increase the specific skills needed to perform under those limited conditions.

Here, rules limit the number of alternative moves, allowing players to entertain a certain level of expectation about the behavior of others. These “rules of the road” (Buchanan & Brennan, 1985, p. 10) help to organize players’

⁷⁰ Rules can be viewed as creating scarcity in sports because they create limitations on alternatives for action. In this sense, they can act as an “artificial scarcity creator” that makes sports function.

self-interests into “patterns of outcomes that are tolerable to all participants” (Buchanan & Brennan, 1985, p. 7).⁷¹ By limiting the number of alternative actions or moves, rules create a certain degree of *legitimate expectation*⁷² of the action and of other players’ moves. This predictability is exchanged for limitation of one’s own actions. In limiting one’s own freedom to make moves that otherwise would be outside of the limits of the rules, one gains the asset of legitimate expectation,⁷³ which makes it possible to determine suitable strategies of play. It is more efficient to determine a strategy of play when one knows that one’s opponent can only choose between a certain number of alternative moves. This is demonstrated in the game theory matrix mentioned previously, where there are only a limited number of alternative moves per player. If the rules did not create limitations on the types of moves, there would be an infinite number of choices for players *A* & *B*, which would not only make it difficult to create a strategy to deal with what opponents might choose, but make it impossible to play the game.

Moreover, rules contain implicit information about what players should *not* expect from their opponents. Player *A* can rule out certain possible moves by player *B*. Rules limit player *B*’s actions, so player *A* can further his own interests and keep himself from harm (Buchanan & Brennan, 1985, p. 18). Rules allow for player *B* to benefit because player *A* follows rules, and player *A* can benefit because player *B* follow the rules.

⁷¹ Patterns of outcomes that are reliable are used as a source of information for players. This is addressed in detail in §3.2.3.

⁷² “Legitimate expectation” is defined further in the next section.

⁷³ The rules are meant to limit the freedom of individual players on one hand, allowing for freedom of action within the rules on the other while also taking into account the freedom of other individuals. For a detailed discussion of the role of institutions as “infrastructures of freedom,” please see Suchanek (2005, p. 14) as well as Suchanek & Waldkirch (1999, p. 16).

When working properly, rules are part of “the engine that harnesses human cooperation” (Buchanan & Brennan, 1985, p. 18). They should create “fair terms of cooperation” that imply the “idea of reciprocity, or mutuality: all who do their part as the recognized rules require are to benefit as specified by a public and agreed-upon standard” (Rawls, 2005, p. 6). They can then allow each person’s self-interest to work inside the framework of the game in order to create a coexistence of self-interests and cooperation, which can lead to mutual advantage.

3.1.2 Moves

Rules are established in order to put constraints on the *moves* or actions within the game (Suchanek & von Broock, 2009, p. 12) while keeping the freedom for action intact. The constraints of rules are both limiting and liberating, since both participants have the freedom to choose how they will act and what moves they will make within the rules. The rules allow competitors to more efficiently pursue the end goal of winning by creating incentives for actions (Suchanek & von Broock, 2009, p. 35).

“Incentives are action-determining expectations of advantage” (Homann, 2006b, p. 6). Since sports competitors foremost are human beings, they must make decisions that allow them to follow their own self-interests (Lin-Hi, 2008, p. 4). Incentives are those self-interests actualized. In sport, the rules are there to create incentives for moves that are in line with the individual athlete’s self-interest, while also being consistent with common interests.

While incentives in elite level sports exist inside and outside of the competition itself, it seems that most participants are more concerned with the outside incentives, i.e., the external preferences. Since winning is a means to obtain those extrinsic rewards, athletes are incentivized to win if at all possible,

by any means possible. Sometimes this might involve acting unethically in order to gain in the short-term (Lin-Hi, 2008, p. 6), which may mean cheating or undermining other competitors.

Individual moves are a direct result of incentives that have been created by the rules of the game (Lesorogol, 2010, p. 249); so, again, these rules are of the utmost importance. In order to function properly, rules must create incentives that are compatible with self-interests. Incentives that are not in line with the end goal of winning, and those extrinsic rewards that are tied to winning, have no value in sport. Moves follow incentives created by the rules. For instance, in a sport like track and field, athletes are incentivized to get out on the track each day and train, to eat properly, and to be in the best shape possible for their competitions. They are incentivized to push their bodies to the furthest limits in order to win. They might also be incentivized to take performance-enhancing drugs in order to perform at the best possible level. These are all actions that are determined by incentives. Since there are rules against taking performance-enhancing drugs (and taking those drugs could lead to a suspension if caught), an athlete's incentive to take drugs is then reduced. The athlete's actions are directly tied to the compatibility between the incentives and the rules.

In sports games, it is the athlete who has the ultimate responsibility to make moves in the game. This sub-condition of action is not directly capable of being forced or manipulated directly by any institution or governing body. Governing bodies can indeed create constraints via the rules, but they cannot force athletes to abide by the rules. Rules of the game may be set up in order to incentivize athletes to choose a certain move in the game, but that does not guarantee that they will follow the rules. The moves of the game represent the freedom that each athlete has to decide the right thing to do.

The role of moves as freedom of choice within the rules of play⁷⁴ is illustrated in Figure 11.



Figure 11: Rules and Moves of the Game

Source: Own Illustration

Like many freedoms, the liberty to take action does not come without a cost (Suchanek & Waldkirch, 2002, p. 18). The price of freedom in this instance is responsibility⁷⁵; i.e., athletes are responsible for their own actions or moves within the game. If they choose to act unethically in the game, then they must accept the results of such actions. If they choose to do the right thing in the game, they are also able to reap the any benefits of these moves. The responsibility of individuals in relation to their own moves is a substantial responsibility in the game.

⁷⁴ As noted in §3.1.1, formalism would assume that moves outside of the box (rules) would not be considered part of the game in Figure 11, so those that transgress the rules would no longer be actual players in the game.

⁷⁵ In the words of Viktor E. Frankl, “Freedom is only part of the story and half of the truth. Freedom is but the negative aspect of the whole phenomenon whose positive aspect is responsibility. In fact, freedom is in danger of degenerating into mere arbitrariness unless it is lived in terms of responsibility. That is why I recommend that the Statue of Liberty on the East Coast be supplemented by a Statue of Responsibility on the West Coast” (Frankl, 2006, p. 132).

3.1.3 Understanding

In addition to the objective rules, and action within those rules, subjective thinking plays an important role in the game. The understanding of the game is the element that contains implicit, sometimes explicit, interpretations of the game, rules, and moves, all made through the filters of mental models and cultural norms. Mental models are individual perceptions of reality affected by past experience and social factors such as cultural heritage, personal convictions, and learned assumptions.⁷⁶ Individual mental models vary dramatically, based on a person's own life experiences and social identifications. They may also be used to work collectively to form shared values and vision within a group (Suchanek & von Broock, 2009, p. 23). These shared mental models make up and shape the *common* understanding of the game and how it is played, and create expectations about what is acceptable in a game played between two or more people.

The understanding of the game can be expressed implicitly or explicitly. Implicitly expressed understanding includes unwritten learned cultural norms that inform people whether or not something is acceptable. Explicit understanding is memorialized externally; for instance, it can take the form of a mission statement or written vision statement (Suchanek & von Broock, 2009, p. 45). Such statements optimally should demonstrate the

⁷⁶ Mental model theory was first developed by Kenneth Craik (1943, p. 61). He realized that the individual "carries a 'small-scale model' of external reality and of its own possible actions within its head, it is able to try out various alternatives, conclude which is the best of them to react to future situations before they arise, utilize the knowledge of past events in dealing with the present and future, and in every way to react in a much fuller, safer, and more competent manner to the emergencies which face it." Mental models therefore act as the summation of all experiences into a compact and vital source of information that can be used to determine the best-fitting moves for specific interactions.

underlying or implicit understandings involved if they are to provide information for players in the specific game.

In sports, a common understanding of the game is imperative for athletes to have the opportunity to play at all. When athletes agree to begin a game, they have some common understanding that they will play by the objectively expressed rules as well as the subjectively expressed understanding of the game.

The understanding of the game in sport develops with learned experience and is closely linked to the organizational culture of sport (Hoye, Smith, Nicholson, Stewart, & Westerbeek, 2012, p. 9). As in a corporate setting, sport players learn how to act by experience, based on ways they have dealt with problems in the past. The internal sporting culture is passed on from one member of the team to another. The understanding of the game, therefore, is very fragile in the sense that trying to manipulate it directly can be risky. From an ethical perspective, however, it is one of the most important parts of the game; its complex structure contributes substantially to determining how players make moves and view rules within the objective structure of the game.

The role of the understanding of the game in relation to the other sub-conditions is shown in Figure 12.

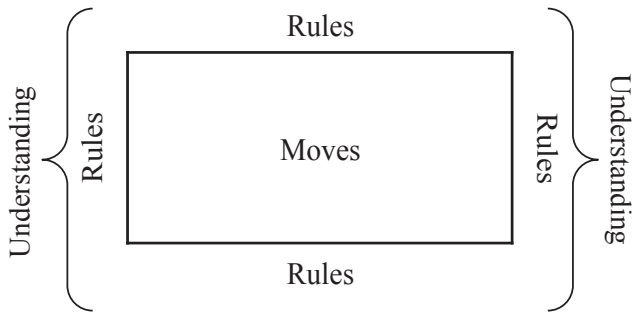


Figure 12: Rules, Moves, and Understanding of the Game

Source: Own Illustration

The understanding of the game is something that is learned and continues to evolve with each interpretation of past moves, rules, and understanding of the game. It is essentially the residue left after each game interaction. Since sports games are repeated, players have the opportunity to develop an ongoing understanding of the game based on other players' previous moves as well as their own. In addition, the rules themselves, and the way the rules are enforced, are remembered and used as a source of information when players determine what moves will be most beneficial in current games.

Therefore, since games do not take place only once, the *residual* understanding of the game has the important role of creating future conditions for future games. The evolution of conditions via learning in the understanding of the game is shown in Figure 13.⁷⁷

⁷⁷ The effect of information on the trust that is developed in the game is discussed further in §3.2.3.

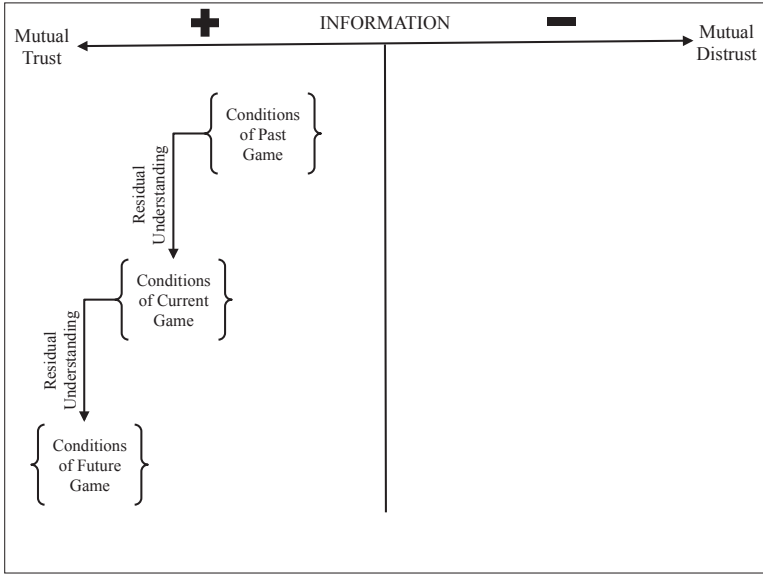


Figure 13: Residual Understanding of the Game over Time

Source: Own Illustration

The current understanding of the game is the result of moves, rules, and the residual understanding of previous games⁷⁸. Moves, rules, and the understanding of the current game create the understanding of future games. For this reason, each level of sub-condition is laden with responsibility for players to do the right thing in the current game. The moves that players make now will affect the possibility for moves in the future (Suchanek, 2007, p. 46). For

⁷⁸ If the actions are consistent over time, then this will increase the information that increases trust (trust can also be translated as expectation building conditions). If actions are consistently one way, then reliable expectations can develop.

example, if a corrupt governing body does not apply the rules evenly for all players, instead making exceptions to those rules, players may learn that the rules cannot be trusted as a source of reliable information, and they could adjust their future moves to reflect this lack of trust. In the same sense, when a player fails to follow the rules but goes unpunished, the understanding of the game is affected because all players learn that the rules do not really limit player behavior, and therefore the future understanding of the game changes to one of distrust of those rules.

This underlines the importance of responsibility regarding moves in the game. It is the responsibility of the athletes to ensure that they affect the future understanding of the game in a positive way, rather than reduce the potential freedom of future players by making unethical moves in the current game. It is the responsibility of governing bodies to ensure that rules are not created and enforced in a way that places negative restrictions on the future freedom of players.⁷⁹ Realizing the shared responsibility for the conditions of future games is critical for developing sustainable cooperation for a mutual advantage.

3.2 Conditions for Sustainable Cooperation

Economists have been using game theory as a model for investigating ways to create conditions for cooperation for many years.⁸⁰ Although the game theory may be “unrealistically simple” (Myerson, 1997, p. 2) in some ways, it has provided much data for what potentially could lead to sustainable cooperation,

⁷⁹ See Suchanek (2007) for further discussion of this topic.

⁸⁰ Modern game theory is said to have originated with Zermelo (1913), Borel (1921), and von Neumann (1928). See Myerson (1991) for a comprehensive account of the history of game theory and its applications.

particularly in sports. Sports environments are distinct in the sense that they have a simplified set of constraints to work with, and game theory seems to mirror this simplification. For this reason, it is a most useful tool in constructing situations that provide sustainable cooperation for sports interactions.

After much research by “an army of game theorists” (North, 1990, p. 12), economists have found that the three main conditions for motivating players to sustain long-term cooperation—which in the current work would lead to a mutual advantage for players in the sports game—are as follows: Players usually find it beneficial to cooperate with one another on a long-term basis when a) there are a small number of players in the game; b) the game is repeated; and c) complete information is available about a player’s past moves (North, 1990, p. 12). The simplicity of these three requirements is essentially what makes them most ingenious,⁸¹ as simplicity is the result of reducing the most complicated theories to the most important and influential aspects.

Sports games do not only meet parts of these criteria, but, under certain conditions, they have the potential to fulfill all three of them. The next sections will address these critical conditions of sustainable cooperation in depth.

3.2.1 Small Number of Players

Cooperation is likelier to happen in small groups because they lend themselves to “face-to-face discussion and the achievement of common understanding” (Ostrom, 2010, p. 113). This is evident in most people’s experiences as well as

⁸¹ As per North (1990). It should also be noted that this work prescribes to the K.I.S.S. method—where matters should be distilled to its lowest terms whenever possible.

in theories that focus on the behavior of groups.⁸² In instances where decisions need to be made quickly, having too many people involved in the decision-making process is clearly a hindrance. For example, this becomes obvious in a large meeting that never seems to end because, even though all the participants would like the meeting to be over, they also want to have their voices heard (Olson, 1971, p. 53). In such cases, coming to a collective agreement seems to be nearly impossible. The effectiveness of decision-making diminishes as groups grow in size, and the effort put forth by individuals to resolve issues seems to decrease as well. This is a general problem with large groups, as they are not as able to provide themselves with collective benefits (also known as mutual benefits) as effectively as their smaller counterparts (Hardin, 1982, p. 12). Empirical studies have also confirmed the idea that smaller groups are much more effective when looking for action that requires cooperation (John, 1951, p. 476).

In elite level sports, groups seem to be kept small due to the inherent nature of their selection. At the very top level in sports, only the best of the best athletes are able to compete with one another. The level of skill, effort, and talent required to be a professional athlete limits the number of athletes to a select few. As mentioned earlier, one of the positive aspects of a high level of competition is that it contributes to establishing smaller groups that compete with one another in top-level sports. If the size of these sports groups were not controlled, then being an “elite” athlete would be a less desirable goal, as it

⁸² Smaller groups facilitate a more unified understanding of the game via social norms that make it clear that certain opportunistic behaviors are off limits for players. This idea of social censure is investigated more fully in Ostrom’s *Governing the Commons: The Evolution of Institutions for Collective Action* (1990, p. 35).

would be less uncommon. Qualification systems are in place to sift through the average and select only the best athletes for top-level competition.

Sports leagues and games are also designed for a finite number of athletes or teams. Sporting events can only provide a means for judging the performance of athletes if there are a limited few on the playing field. The constitutive rules in sports games limit the number of players allowed to play any specific sport at any given time.

It seems that elite level sports and small group dynamics go hand in hand. For instance, cooperation on the football field is likely impossible with hundreds of players attacking the ball. The game would become less of a strategic, orchestrated event intended to measure performance and more of a warlike free-for-all for the ball. Due to the nature of the games themselves, and the selection process needed to separate the average from the best, elite sports games fulfill the first criteria of “small group” as a requirement for sustainable cooperation.

3.2.2 Repeated Games

Most prisoners’ dilemma studies that highlight the problem of sustainable cooperation are also based on the idea that players only get one chance to play the game with no possibility for repetition. These one-shot games, however, do not replicate the type of game structure present in many situations, particularly in sports game interactions.

The repeated prisoner’s dilemma game, known as the iterated prisoner’s dilemma, and contains several variations from its one-shot counterpart. While the dominant strategy in the single opportunity version is to cheat, the most beneficial strategy in the iterated game might be to use “TIT-

FOR-TAT” (Axelrod, 1984, p. 20), to reciprocate or punish cheating moves with equal moves.⁸³

Repeated games offer the opportunity to develop a reputation based on past moves (Kreps, 1990, p. 108). If one player is known to have cheated in the past, it will be assumed that they will cheat in future games. Repeating games gives players an incentive to cooperate in order to invest in their own reputations, which is an investment that is not possible in one-shot games. “Repeated interactions give rise to incentives that differ fundamentally from those of isolated interactions” (Mailath & Samuelson, 2006, p. 2), because players have the chance to reap long-term gains based on their current behavior. Repeated play provides the possibility to think about how future conditions will be changed by the current action. In this regard, repeating the game creates an opportunity to develop a mutual advantage in sport,⁸⁴ since it is the only way that investment in these conditions is possible—investments only make sense when they can be “cashed in.”

In sports, there is a high probability that players will play against one another multiple times in their careers. In individual sports like running, biathlon, or triathlon, athletes might see one another every weekend at different races around the world. Since there are a large number of games or races that take place each year, the chances of competing against another player multiple times are very high. The same holds true for teams sports and leagues. Professional teams play against one another many times, and players can even

⁸³ This is also a way of increasing information that is available to other players, since this consistency in behavior is a way to develop reliability, expectations, and therefore trust.

⁸⁴ Cooperation and trust go together in that they both need repeated interaction in order to grow (Bijlsma-Frankema & Woolthuis, 2006, p. 5).

be traded from one team to another. A player may be a teammate one year, and a competitor the next year—the chances of interacting with and playing against another athlete is very high⁸⁵.

3.2.3 Information

If games are to provide the conditions for sustainable cooperation, they should repeat, involve a small number of players, and also provide an adequate amount of information about players' past moves (North, 1990, p. 12). The idea of sufficient information as a condition for cooperation is intuitively apparent in normal social interactions. Phrased differently, it is certainly difficult to know whether or not someone is to be trusted if one knows nothing about them or their track record. As noted previously, trust is required in order to be able to cooperate over the long term. Trust is based on the idea that one can make connections between past behavior and those of the future, essentially enabling individuals to know what to expect from the trusted person. Information about a player's past moves plays a role in being able to make this connection.

Information about players' past moves can be inferred based on a number of sources. As mentioned, reputation itself is a large source of information for players. Word of mouth recommendations essentially become peer-reviewed endorsements of the trustworthiness of another player.⁸⁶ When one person trusts another person's opinion about a third person, it is possible to infer information based on this reference.

⁸⁵ To reiterate, this dissertation focuses solely on elite level sports. For this reason, there are small numbers of athletes present by definition.

⁸⁶ Reputation acts as a mechanism that increases information and makes inconsistent behavior more costly for agents (Homann & Suchanek, 2000, p. 179).

People can also provide information about themselves strategically in order to *signal* how worthy they are of being trusted—or their *trustworthiness*. An example of this is the auditing system in accounting. A company freely allows external auditors to investigate its finances, offering a type of transparency to its potential clients or investors. This information serves as a signal to future partners that this particular company is worthy of trust. Past moves are not hidden away, but put on display in public records to allow partners to best inform themselves. This strategic move to provide information is a way of showing trustworthiness in the hope that clients and investors will find the company a worthy partner for cooperation in the future.

Unfortunately, making information available about a player's past moves may not always be possible in sports. For instance, some moves are not actually observable in the public realm. In the case of doping, where players have the choice to either take performance enhancing drugs or race cleanly, it may not be apparent which move players have chosen in the past, since not all moves (whether or not the player took drugs) are directly observable or even detectable with drug tests. This lack of transparency creates what is called “asymmetrical information” between the players.⁸⁷ The first player knows whether they are using drugs, while the second one does not have this information. Lack of information in this example may create distrust between the two players, and contributes to their inability to cooperate in the long term.

Games with asymmetrical information in the iterated prisoner's dilemma have been able to function in some instances where extreme policing is applied via threats to players in what economists call the “Hobbesian solution,”

⁸⁷ See Homann & Suchanek (2000, p. 108) for a discussion of information asymmetry and its problems.

but the issue with policing behavior is that the community and altruism are also destroyed as a result of this strict directing of behavior (North, 1990, p. 14; Taylor, 1987, p. 168). This implies that, in sports, strict monitoring and threats could eventually destroy the same elements of cooperation and sportsmanship that are desired—those that create a mutual advantage through challenge for excellence.

Lack of information is a condition in the sports game that is indeed a sizable issue and “problem,” but realizing that this is a problem also creates an opportunity to improve the situation by offering a solution and changing the conditions that create the problem. Since the first two criteria for sustainable cooperation are fulfilled in the sports game scenario, while the third leaves much to be desired, this highlights the opportunity for investment by manipulating this condition to create more information, also known as transparency, in sports.

3.3 Information-Providing Conditions

The conditions of the game provide athletes with information about players and the past behavior of those players, and thus help to contribute to sustainable cooperation that leads to a mutual advantage (Suchanek, 2004, p. 170). The sub-conditions of the game—the rules, the moves and the understanding—all provide information in different ways. Each sub-condition tells a different part of the story, which provides information and is eventually used as a basis of building trust between players.

Rules are information providers because they limit behavior and indicate what players should and should not expect from their competitors (Wispelaere, 2004, p. 8).

Rules provide to each actor predictability about the behavior of others. This predictability takes the form of information or informational boundaries about the actions of those involved in the interaction (Buchanan & Brennan, 1985, p. 10)

Knowing what to expect from other players is informational and therefore a form of trust building mechanism, and trust may be a prerequisite for creating a new game that takes advantage of a mutual advantage. In their optimal form, rules create ultimate expectation⁸⁸—that is, when they are rigorously adhered to, they can be used to create strict correlations between certain behaviors. These connections build up over time when the rules are applied equally to each player. These correlations provide a vast amount of information for players about what past moves of players are (simply because, when the rules were applied consistently over time, the past moves must have been in line with the rules).

Information is also provided through the current moves of players because they are an indication of how players might be expected to act in the future (Greif, 2006, p. 165) and how they may have acted in the past. If players make fair moves in the current game, they can also be expected to make fair moves in future games. This is another correlation of behavior that can be used to develop expectations that build trust. Current moves are an indication of what past moves may have looked like, which helps to build up an understanding of past games by providing information about past moves.

⁸⁸ According to Bentham's line of thought, expectation can act as a source of utility in an interaction (Wispelaere, 2004, p. 8).

The understanding of the game is most critical for providing information about a player's past moves. As noted earlier, the moves, rules, and understanding of past games lead to residual understanding that creates the conditions of current and eventually future games. This constantly evolving information offers feedback that is continually being reconciled with current moves in the game. When the understanding of past games correlates with the behavior of current games, there is a confirmation that this information is correct, and that the trustworthiness of the competing player remains intact. When there is an incongruity between the understanding of past games (residual understanding) and current games, this shows that past information is potentially no longer valid, and that the competing player is no longer worthy of trust. The residual understanding from past games is a most essential information provider in sports games, as without it players would have no way to retrieve information that eventually builds trust, which is an important part of the new, mutually advantageous game.

3.3.1 Consistency

The moves, rules, and understanding of the game all offer information that lead to cooperation for a mutual advantage, but it is also important to note that they must be taken as a whole and not individually. Consistency between all three of these sub-conditions is crucial (Suchanek & von Broock, 2009, p. 37) in order to allow the conditions to act as information providers. In cases where they do not align, they cannot effectively allow players to develop expectations that build trust. Additionally, differences between the rules, the moves, and the understanding of the game can cause a number of issues that make it difficult for participants to “do the right thing” in sports.

When the rules of the game are not in line with the understanding of the game, normative fallacies can develop. For example, there could be problems when the rules of the game indicate that doping in sport is illegal, but in some sports doping is so embedded into the culture and implicit understanding of the game that it is accepted as the only way to win. The rules ask for participants to race cleanly, but the understanding of the game makes this difficult because, if athletes do, they are no longer competitive and are unable to participate in the game. The players have no information as to know what to expect and therefore can be distrustful.

On the other hand, when the incentives for moves are not in line with the rules of the game, empirical fallacies can exist. For instance, if the rules of the game instruct that doping is illegal, but in some sports doping is the only way to win (and obtain extrinsic rewards), then this creates an empirical fallacy. Athletes might say that because they are professionals they must dope in order to continue to play the game and make money.

These types of inconsistencies create unreliable expectations about how the game is played. Participants are not sure if they are going to be held accountable by the rules, by the incentives for moves, or by the understanding of the game. When these three elements are unaligned, this can cause big problems in sport—in the form of mutual distrust.

As noted previously, trust is an important part of sport participation in the new game. Players should be able to trust other players so they can enter the game knowing that fairness will exist, that their performance is the only thing that counts, and that the game is a purely meritocratic contest present to measure that performance. When inconsistencies arise between the moves, rules, and understanding, one cannot rely upon whether or not the game is played by fair rules. Players do not trust rule makers, so they expect the worst behavior.

Athletes do not trust other athletes, so they assume their competitors are cheating. Mutual distrust resulting from inconsistencies in the game contributes to the deterioration of sport as a quest for mutual excellence.

On the other hand, when rules are in line with incentives that motivate moves, those moves are in line with understanding, and understanding is in line with the rules, this allows for a mutual trust between sport stakeholders, making cooperation for a mutual advantage in sport a possibility. Furthermore, consistency between these three conditions creates a very strong indication of what can be expected in the game, which is a most valuable source of information for players. This information helps to build trust that can foster sustainable cooperation for a mutual advantage (Suchanek & von Broock, 2009, p. 46). The importance of consistency as a valuable information provider cannot be underemphasized.

The invalidation of information through inconsistencies in the sub-conditions is shown in Figure 14.

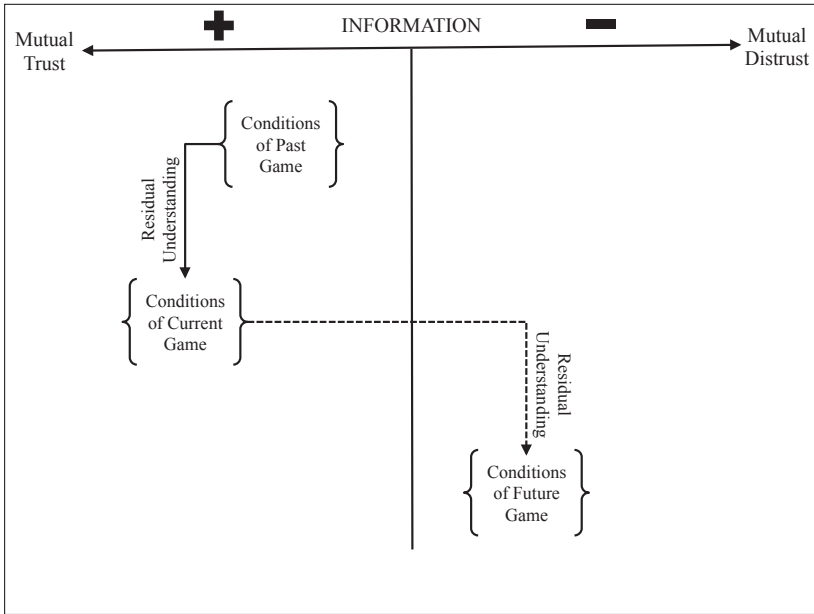


Figure 14: Inconsistencies and Residual Understanding

Source: Own Illustration

The opportunity for mutual trust increases with the availability of reliable relevant information. When the sub-conditions of the game are in line with one another and consistent over time, residual information is carried over from one game to the next, creating reliable expectations. When there is a break in the consistency between the sub-conditions of the game, residual information is lessened because past conditions can no longer act as aids in determining expectations for future behavior. When past behaviors cannot act as a reliable source of information, this increases mutual distrust, possibly creating speculation and suspicion between players, institutions, and various stakeholders.

3.3.2 Justice

Consistently applying the rules creates certainty for players, which in turn creates the possibility for justice. Justice in the game can mean that each player is entitled to “legitimate expectation” (Rawls, 1958, p. 72) that there is a logical and reliable cause and effect of action as well as a reward for moves that are in line with the rules. When rules are in place and being adhered to, players are assured that their opponents are playing fairly, and there will be consequences for moves in the game. However, when the rules are not enforced consistently, this makes it difficult for players to trust one another, as Hobbes has noted:

Though the wicked were fewer in number than the righteous, yet because we cannot distinguish them, there is a necessity of suspecting, heeding, anticipating, subjugating, self-defending, ever incident to the most honest and fair conditions (Hobbes, 1642, p. xvi).

In this regard, rules provide the condition for trust and the ability to give other players the benefit of the doubt when judging their moves. When the rules are being enforced in a consistent way, they convey information about what to expect from other players (Buchanan & Brennan, 1985, p. 111) which should be moves that are within the games outlined framework and limits.

Rules are the first of the three sub-conditions that must properly function, since they set up the framework in the game (and in sport games, they create the possibility for the game). Rules are in the first line of information providers, creating legitimate expectation for players (Buchanan & Brennan, 1985, p. 110). For this reason, those that enforce the rules have a very important duty and heavy responsibility of being purveyors of justice—or distributing

consequences to the players in the game—that eventually builds expectations for future behavior.

A case of manifest injustice is existent when sports players are judged on non-meritocratic terms, or terms that do not relate to their athletic performance. The rules are meant to ensure that the only thing being judged in a sports competition is the performance of the athlete. When other variables have an effect on the outcome (for instance, when a referee lets one athlete's rule-breaking move go and does not enforce the rules, letting the athlete get away with cheating), the game can no longer provide justice for players. It may seem counter-intuitive that allowing an athlete to get away with cheating is actually bad for him in the long run (as it would certainly seem better for his own self-interest, at least in the short term), but, by inconsistently applying the rules, the referee is not fulfilling his duties as a purveyor of justice, thereby giving the athletes no chance to obtain information necessary to sustain cooperation and thus escape the prisoner's dilemma.

In sports, sportsmanship is the manifestation of justice as fairness; and when the best man wins, the players receive the rewards to which they are entitled. The better player wins the game and the player with lesser skill does not, which is the goal of sporting competitions (Loland, 2002, p. 10). Using sport games as a way to provide meritocratic measurement for performance is only possible when games are just and work under fair terms—meaning the best player wins. In the end, without justice, sports competitions have no purpose as games of performance measurement. The value that these competitions offer players and spectators alike is only achieved through the terms of justice, which

ultimately means that players must agree to be “good sports”⁸⁹ by abiding by the terms of the just game. When rules are enforced consistently and fairly, and when athletes follow the rules consistently, justice is able to flourish.

3.3.3 Consent

The rules essentially act as promises⁹⁰ to and from athletes that they, along with their competitors, will be held to the level of behavior on which the rules insist. It is not only the job of the institutions to ensure that these rules are enforced consistently, but it is the responsibility of the individual players to abide by the rules consistently. However, before this can happen, the rules must be legitimately able to act as a promise (Rawls, 1971, p. 304). In this sense, however, not all rules are created equal. There are a few requirements to make rules *legitimate* and allow them to create expectations for players, which in effect means they are able to *justify* the rules (making them mechanisms for justice). Rules must be freely agreed upon, with the consent of the players who are governed by them (Suchanek, 2004, p. 169). If players are forced to play by rules to which they do not agree, or if they are coerced into playing under rules of which they may or may not be aware, the rules cannot create fair terms for cooperation. In games where there is a chance for justice to prevail, first it must

⁸⁹ Sportsmanship may also take compliance with the rules one step further—not only are athletes abiding by the rules, but they are *accepting* the rules. Sportsmanship is not a requirement for a game to exist, but it does contribute to the end goal of excellence through challenge. Sportsmanship may take the next step, as noted by Hooker, to “encourage others to comply with [rules], dispositions to form favourable attitudes towards others who comply with [rules], dispositions to feel guilt or shame when one breaks [rules] and to condemn and resent others’ breaking them, all of which dispositions and attitudes being supported by a belief that they are justified” (Hooker 2000, p. 76)—meaning sportsmanship requires enforcing a fair understanding of the game.

⁹⁰ When athletes voluntarily consent to participate in a game they are also promising to play by the rules.

be certain that “those who are affected by a collective decision or who shall adhere to a legal, social, or moral norm should be able to accept it out of their own free will” (Suchanek, 2004, p. 170).

Since sport games are voluntary practices, they possess the characteristic of ‘implicit consent.’⁹¹ When players enter into a sporting game, they are also agreeing to the to follow the rules, because “voluntary participation amounts to agreement to the rules” (Buchanan & Brennan, 1985, p. 116). This also holds true for the “administrators” of the game as well—the sporting rule enforcers such as referees, umpires, and judges. When these players and rule-enforcers agree to play a game, they are also promising to follow and/or enforce the rules of the game consistently.

When implicit consent is present in sport, rules can act as a means of obtaining justice. “Prevailing rules, simply by virtue of their existence, project an aura of justice” (Buchanan & Brennan, 1985, p. 116). However, an “aura” of justice is only the first step and is not always enough in and of itself. Committing to keep a promise is important—as is demonstrated in the rules—but there is a certain amount of “follow through” that is needed in order to truly allow for justice to manifest itself. The next step, keeping the promises⁹² that one makes, is essential for the rules to transform into an instrument of justice.

⁹¹ Also known as tacit consent—see Locke (1689, p. 2.120) for a detailed explanation.

⁹² Promises are not always expected to be kept and rules are not always expected to be followed 100% all the time, because it is simply not always *possible* to adhere to them in every single situation. Therefore, some inconsistencies in rule following may not be relevant in that they may not endanger the trust relationship between cooperation partners (Suchanek, 2012, p. 6). To this effect, any reference to inconsistencies in the current work refers to those that are deemed *relevant inconsistencies*, or falsifications of trust.

Justice demands that promises not only are kept, but also are kept consistently. If rules are only sporadically adhered to or enforced, they cannot become a proper instrument of justice, as they cannot provide the players with consistent information that is reliable; on the contrary, they have no informational value whatsoever. If police officers do not enforce the rules of the road consistently and with consequence, drivers have no idea whether or not their fellow drivers are going to navigate the road by the mutually agreed-upon terms, and drivers cannot decide how they can effectively get from point A to point B (Buchanan & Brennan, 1985, p. 10).

Since sports games possess the qualities required to provide consent, it is possible for them to deliver legitimate expectations for players. It is not necessarily a matter of the actual rules that are enforced, but how they are enforced and whether or not there are inconsistencies in their enforcement. “Considerations of justice argue not so much for a wholesale reconstruction and reformation of rules as for a proper understanding of which rules actually prevail and for a reconciliation of conflicts, inconsistencies, and ambiguities among those prevailing rules” (Buchanan & Brennan, 1985, p. 109).

3.3.4 Reputation & Expectation

In elite level sports games, it is likely that competing players will interact with one another more than once in their lifetimes or careers. From an ethical standpoint, this repetition of interactions gives the game more complexity and greater impact. Players “learn” what to anticipate from other players, and they continuously adjust their own behavior based on what they expect their competitors to do, or what they expect the competitors’ moves to be. In sports, expectations are based on previous encounters with other players in and outside of the game. Sources of this learning can come in direct ways, i.e., from

previous moves the players have made in the game, or in indirect ways, as in information players have obtained about others via outlets such as the media, internet newspapers, social media platforms, or hearsay. Repeating games and learning information about competitors makes it possible to make judgments about the likelihood of a player to make a certain move. The knowledge one player has about another is often based on their *reputation*⁹³—or their indirect learning about how trustworthy a player might be.

Reputation has a two-part consequence for the way the game is played. Firstly it establishes “links between past behavior and expectations of future behavior” (Mailath & Samuelson, 2006, p. 459). Reputation is the result of past learning relating to past behavior, which creates anticipations about what move a player will make in the game. Secondly, it increases the amount of information available for decision making in the game, which, as discussed previously, may change the game drastically. Prior knowledge that is obtained via the reputation of players makes it easier to make an informed decision that eventually will lead to a positive outcome that is in a player’s long-term self-interest.

Through reputation, the prospect of repeated interaction enables players to have an effect on the information that will be available to cooperation partners in future games. This ties long-term effects to the actions that take place in the current game, where reputation serves to become part of the residual understanding that is passed on to create the conditions of future games. When a

⁹³ Reputation has been defined as “a set of attributes ascribed to a firm, inferred from a firm’s past actions” (Weigelt & Camerer, 1988, p. 443), can act as a signal that links previous actions with current ones (Shapiro, 1983, p. 660), and can be used to predict possible future actions (Milgrom & Roberts, 1982, p. 283).

game is repeated a number of times,⁹⁴ players must take their actions in each single game into account and think about long-term effects on fragile concepts, such as trust and reputation, that are hard-earned over time through consistent behavior.

Reputation is also affected by whether or not the players have a short-term mindset (i.e., perceive the horizon of the game as finite, or they anticipate that it will be played only a limited number of times) or if they have a long-term mindset (perceive the horizon of the game as infinite, or they anticipate that the game will be played an unlimited number of times). When players have a long-term orientation reputation can build expectations. According to Klewes & Wreschnoik (2009, p. 3), reputation is fundamentally the “the sum of expectations that the public place on the future behavior of an agent or institution⁹⁵—based on the public’s direct or indirect experiences.” When these expectations are fulfilled, for instance, when players do things that are in line with (or consistent with) those expectations, these actions can provide information about the players, contributing to sustainable cooperation. When this chain is repeated a number of times, this information becomes more and more reliable (Steinbock, 2013, p. 96). The repetition of expectation and fulfillment of expectation creates a correlation between past and future behavior that becomes a reliable source of information, valuable criteria for sustainable cooperation.

⁹⁴ In game theory, this is called a stage game.

⁹⁵ It is possible to trust an individual just as well as institutions, because trust can be deducted down to the risk that one is willing to take in order to potentially benefit from a cooperation exchange (see §4.1 for further elaborations on this idea).

Expectations are thus only valuable sources of information when they are confirmed to be trustworthy (Suchanek, 2012, p. 2), emphasizing the importance of “promise keeping” in the game. As noted previously, the rules can act as a promise to which each player agrees (or consents) when he or she enters the game (Arnold, 1997, p. 30). When players abide by the rules, they are confirming that this expectation that promises are kept is indeed authentic. Over time, the player will develop a reputation as a rule-follower.

For example, Player *A* and Player *B* both agree to take part in the track and field event, the 400-meter race. By deciding to take part in the competition, both players also consent to the constitutive and regulative rules of the game. Since neither athlete is forced to participate in the race, it is a voluntary practice; this legitimizes the rules and allows them to act as a promise. In this case, since Player *A* and Player *B* are professional athletes who race one another on a regular basis, they each have the chance to get to know how the other normally races (whether it be fair or not); because Player *A* has a track record of playing by the rules (and keeping her promise), Player *B* can expect that she will do so each time they race one another. This expectation that Player *B* has about Player *A*'s behavior serves as a source of information for Player *B*, and she believes this information to be reliable. Based on the residual understanding that Player *B* has developed about Player *A*'s moves, the way the rules have been enforced in the past, and the general understanding that Player *B* has about the races in the past, she can develop expectations that, when confirmed over time, can develop into a long-standing reputation.

Long-standing reputation is fundamentally the residual understanding of many games that have been played and that have consistently provided the

same information over and over again.⁹⁶ Each sub-condition has been present in the same way and has not faltered, creating expectations for future games that become increasingly more reliable.

3.3.5 Trust

Reputation serves as a signal and source of information for future potential cooperation partners about the trustworthiness of a particular player. Trustworthiness is how players are subjectively viewed and measured in terms of how worthy they are of trust.⁹⁷

When we say we trust someone or that someone is trustworthy we implicitly mean that the probability that he will perform an action that is beneficial or at least not detrimental to us is high enough for us to conspire engaging in some form of cooperation with him (Gambetta, 1988, p. 217).

In the example of the track and field athletes, Player *A* and Player *B*—Player *A* has a very individual and biased view of how trustworthy Player *B* is, and this is based on her residual understanding of each game that she has played with Player *B*. Residual understanding of the game gains validity with each repeated game, so if Player *A* and Player *B* play the game many times, and Player *A*'s expectations are fulfilled (Player *B* plays by the rules) each time the game is played, this will support a specific judgment of trustworthiness that Player *A*

⁹⁶ In this sense, a player's reputation can also act as a source of information for potential cooperation partners, even when the chance to interact with that player repeatedly has not yet occurred directly (Winston, 1988, p. 44). Information can be transferred from third parties as a secondary source.

⁹⁷ For an extensive discussion regarding the various ways that trust is defined, please see Das and Teng (2004) and Hosmer (1995).

will bestow upon Player *B*. Player *C* may have a completely different view of Player *B* based on his own interactions with that player. Being a player that is deserving of trust is important if one desires to benefit from the mutual advantages that can emerge as a result of playing the game under the conditions of sustainable cooperation. When expectations are fulfilled consistently, they have the potential to not only create a long-standing reputation, but they can transform into the “transitory asset of trust” (Klewes & Wreschnoik, 2009, p. 3) allowing past actions to provide information about how one can expect things to be in the future (Greif, 2006, p. 165).

In the end, conditions of sustainable cooperation also translate to an environment of trust.⁹⁸ Sustainable cooperation can only develop when adequate information is available about a player’s past moves, when the pool of potential players and potential cooperation partners is relatively small, and when games are repeated (North, 1990, p. 12).

In sports, games are repeated over and over, creating the possibility for players to build up longitudinal information that can shape expectations for future behavior. The stakes are increased when the chances of meeting another player increase as well, since there is a relatively small number of players present in each pool of athletes that could possibly become a competitor in the game. Sports games can, however, increase the possibilities for sustainable cooperation if they provide a larger amount of information to players about the past moves of competitors.

⁹⁸ For a comprehensive discussion of trust and its cooperation-building capabilities within economic, political and social contexts, please see the Russell Sage Foundation’s Series on Trust (Russell Sage Foundation, 2012).

As noted in Chapter 1, the role of economic ethics is to find opportunities to manipulate the conditions of the game in order to align self-interest and moral ideals (Suchanek, 2007, p. 30), to make doing the “right thing” easier for players and, in the case of sports, for athletes. In the sports game, this translates into an opportunity to change the conditions of the game by fulfilling the criteria that create the possibility for sustainable cooperation for a mutual advantage, by increasing the amount of information available to players about competitors past moves.

The intrinsic value of trust is intuitively apparent in theory as well as practice for both managers of sports teams and large corporations. Even without the theoretical backing, many have agreed that trust is a worthwhile investment:

You can't have success without trust. The word trust embodies almost everything you can strive for that will help you to succeed. You tell me any human relationship that works without trust, whether it is a marriage or a friendship or a social interaction; in the long run, the same thing is true about business, especially businesses that deal with the public. (Jim Burke, Former Chairman and CEO, Johnson & Johnson, as cited in Covey, 2006, p. 6).

Trust is the universal asset that makes human interaction possible, and this is true across all types of relationships. Trust is the thread that ties together human collaboration. In the end, it is rare that a person wants to work with, compete against, or interact with someone they do not trust (Suchanek, 2012, p. 1). Trust is a powerful asset, then, since it offers potential cooperation partners the chance to work with one another to form mutually advantageous partnerships in order

to obtain common interests and goals. In sports, this is the mutual advantage of excellence through challenge.

Trust has been called the “one thing that changes everything” (Covey, 2006, p. 1), and in sports this fact is no different. Trust has the capability of changing a game into one of sustainable cooperation for a mutual advantage. To take the conditions of a win-lose game and change them to conditions that enable a mutual advantage through challenge, trust must be something that is of very high value. Therefore, trust is something that should be invested in accordingly in order to reap the long-term mutual benefits. The possibilities of how to invest in this asset are elaborated on in the next chapter.

3.4 Concluding Remarks

Chapter 3 focused on defining the conditions of sustainable cooperation that are needed in highly competitive sports games.

- Small groups, repeated interaction, and information are criteria for sustainable cooperation.
- Consistency between rules, moves, and understanding of the game over time is a large source of information for players.
- Increasing information may build trust—a prerequisite and basis for a new game that provides a mutual advantage.

4 Invest in the Conditions

The aim of Chapter 4 is to highlight the ways in which sport stakeholders can invest in the conditions that provide sustainable cooperation, which leads to a mutual advantage that is also viable in the long term.

As responsibility and opportunity go hand in hand,⁹⁹ sport stakeholders have the responsibility as well as the opportunity to invest in the conditions of cooperation for a mutual advantage by creating signals of trustworthiness that are the most difficult to falsify. These critical investments¹⁰⁰ are necessary in order to lead to a game of mutual trust, as well as to avoid cases where athletes are forced into deciding between doing the right thing and surviving in the sport in which they love to compete.

4.1 Trust as Social Capital

As with most economic investments, there are strategic ways to reinforce trust and build a basis for cooperation for a mutual advantage in sports. Deciding to

⁹⁹ In this sense, responsibility follows when someone (or some entity) has the “ability to act” in any given situation (Suchanek & von Broock, 2009, p. 20). When actors have the opportunity to take action, there is a trade-off in responsibility. In addition, “economic value is created by people who voluntarily come together and cooperate to improve everyone’s circumstance” (Wicks, Freeman, & Parmar, 2004, p. 364). Sport stakeholders gain value and benefit from cooperation while also possessing the “ability to act” and affect the conditions of the game, so therefore they also bear responsibility to do the right thing.

¹⁰⁰ Trust is a type of social capital, which allows for a mutual advantage; “social capital refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit” (Putnam, 1993, p. 35).

invest in consistent behavior at the stakeholder level is the first step in this process. Each action that a stakeholder makes within and outside of the game must be in line with the values of fair play. This is the responsibility of the individual stakeholder.¹⁰¹

However, in cases where trust has been damaged and has little to no chance of being restored, there are strategic actions that stakeholders can take in order to signal their own trustworthiness and eventually help to facilitate a move towards cooperation for a mutual advantage.

Specific investments in the conditions (via the three sub-conditions) are the shared responsibility of governing bodies, athletes, and other stakeholders in sports. Through consistency in behavior over time on those three levels, all stakeholders can create conditions that provide the information needed to build trust and create a new game based on cooperation. Investments in these conditions can take various forms, but above all they must increase the information available to players in order to reinforce the correlation between past, current, and future behavior. This correlation creates information that is ultimately used to develop expectations that build trust.

¹⁰¹ Stakeholder theory relates closely to that of Corporate Social Responsibility (CSR) in that the value that is created by the cooperative endeavor between stakeholders also leaves actors responsible for those stakeholders. CSR can also be interpreted as “Corporate Stakeholder Responsibility” as a way to allow actors to have a more direct understanding of the impact of the decisions of individual stakeholders. A detailed explanation of this argument can be found in (Elms, Johnson-Cramer, & Berman, 2011, p. 12). Also see Suchanek & Waldkirch (2002) for an account of the economic business ethics understanding of stakeholder theory, which the current work follows.

Trust is a key condition for reaching a state of sustainable cooperation for a mutual advantage in sport.¹⁰² There is an intuitive understanding of the definition of trust that is evident in many human interactions; “a society that is essentially a high trust society is capable of levels of cooperation and organization that people in low-trust societies find unimaginable” (Hardin, 2009, p. 79). Understanding the real meaning of trust within the framework of economics is necessary in understanding how to deconstruct it and replicate it in different situations in sports. Trust is known as the “willingness to take some risk in relation to other individuals on the expectation that the other will reciprocate” (Ostrom & Walker, 2003, p. 382). In economics, trust is an essential understanding that is required for economic and mutually beneficial exchanges to take place.

Because trust is based on an estimation of how much one is willing to risk in order to obtain some kind of benefit, the ability to judge the behavior of others is important. Knowing what one can expect from another person (the trustee) and how much one can rely on that person to reciprocate behavior is an essential skill for the person who is taking the risk to trust (the trust-giver).¹⁰³ The evaluation of whether or not the trust-giver should trust the trustee is based on two basic sources: information about the trustee’s past behavior and/or access to institutions that can protect them if the trustee proves to be untrustworthy (Eckel & Wilson, 2009, p. 249).

¹⁰² It is generally agreed that “successful cooperation indicates some degree of trust” although this correlation does not necessarily mean that trust causes cooperation. Please see Hardin’s *Gaming Trust* (2009, p. 80).

¹⁰³ Please see Suchanek (2012) for a detailed account of the relationship between the trustee (trust-taker) and the trust-giver.

Clear rules that are enforced consistently not only act as a protection mechanism for trust-givers who must take risks if they are to trust, but also provide information to players so they are able to make the best decision about whether or not the other person is worthy of their trust (i.e., if the risk will likely bring returns of reciprocity). Institutions take on the task of punishing rule-breakers, which itself provides information to players about the likelihood of the trustee's reciprocation. Information about a person's past behavior helps the potential trust-giver to develop expectations, which are almost synonymous with trust:

In virtually all theories and accounts of trust, there is an element of expectations. Indeed, some accounts seemingly reduce trust to nothing more than expectations, as in such claims as "I trust it will rain today," although the "it" that I trust has none of the features of a person whom I might trust (Hardin, 2009, p. 81).

Although institutions play a large role in creating an environment of trust, because they contribute to expectation-building conditions, rules alone are not enough to ensure that players are going to have enough information to be willing to trust one another. Because rules are not completely effective in warding off cheats, other sources of information are essential (Ostrom, 1990, p. 34). Rules have the constraints of not being fully enforceable. In sports, athletes cannot be monitored at all times to make sure they do not break the rules and there are no perfectly accurate tests for performance-enhancing drugs, because some substances are undetectable. Even when rules exist, there seems always be someone who is willing to break them in order to receive a short-term gain. The international arena of sports also complicates matters, since constant and

simultaneous monitoring of every country's athletes is not possible. This underlines the idea that, although rules are a key component to creating an environment of trust (and often they are the first step in creating such an atmosphere), a top-down approach to rule enforcement alone is not enough to ensure the creation of trust:

Trust is built step by step, commitment by commitment, on every level. Peace between Israelis and Palestinians, or between the Catholic and Protestant Irish, will not be solidified by top-level agreements, no matter how persuasive or well enforced. Peace comes with trust, which will grow from continuing efforts toward mutual understanding (...) (Solomon & Flores, 2001, p. 49).

4.1.1 Trustworthiness & Reciprocity

If trust is the risk that someone is willing to take in order to benefit from an exchange, then trustworthiness is the indication of whether or not that risk will provide adequate returns.¹⁰⁴ Because humans are “conditional cooperators, basing their decision to cooperate on initial expectations about their counterparts” (Eckel & Wilson, 2009, p. 245), they only trust others because they know they will benefit from doing so. In the words of David Hume, “the first obligation to keep a promise is interest (Hume 1978 [1939-40], 523)” (as cited in Hardin, 2009, p. 87). Being trustworthy sends a signal to potential cooperation partners that their risks will provide returns and that promises will be kept. Being a credible and trustworthy cooperation partner is an asset,

¹⁰⁴ The “determinants of trustworthiness” are discussed in Suchanek (2012, p. 3).

because it means that partners will be willing to take a risk to cooperate with you, so you can both benefit from the exchange. Being untrustworthy makes it difficult to have successful mutually beneficial exchanges because it prevents a potential trust-giver from wanting to take a risk by relying on a trustee's promise. Credibility that builds trust is required for cooperation to take place:

Without credibility, one loses the possibility of making promises. Why should anyone want the power to make promises? All I really want in my own interest is the power to receive promises. And there's the rub, because promises are generally part of a reciprocal exchange. The real penalty here is not that others will no longer rely on me but that they will not let me rely on them. As is commonly true also of trust relationships, promising typically involves intentions on the parts of two (or more) people (Hardin, 2009, p. 87).

Since being a credible reciprocator is such a valuable asset in gaining self-interested benefits, there is also an incentive for trustees to falsify their credibility. "It would be convenient if intention could be simply signaled and credibly read. However, strategic actors are capable of sending false signals" (Eckel & Wilson, 2009, p. 249). If trustworthiness is the currency of cooperation for a mutual advantage, then there is a chance that counterfeit signals of trustworthiness could put potential trust-givers in a vulnerable position. Because of this, the signals that are most difficult to fake are those that have the most value for providing information needed to evaluate the trustworthiness of potential cooperation partners (Suchanek, 2012, p. 5).

Investments in information providers that are most difficult to falsify are those that contribute the most to acting as a means of communicating

trustworthiness. Those investments have an impact on the willingness of trust-givers to cooperate with trustees.¹⁰⁵

The relationship between information and the possibility to interact in a direct way (which is negatively correlated to the size of the group) on the development of trust is shown in Figure 15.



Figure 15: Information, Trust, and Mutual Advantage

Source: Adapted from (Ostrom, 2009, p. 57).

The context of the environment and conditions are a way of providing information for players which “influences trust and reciprocity, and ultimately the level and sustainability of cooperation” (Walker & Ostrom, 2009, p. 92). Therefore, investing in these conditions makes the possibility of achieving a mutual advantage more likely. In particular, investing in signals of trustworthiness that are difficult to falsify have a heavier weight as information providers, so they are the investments that pay the highest dividends. Trust is “affected by the information [players] glean about the reputations of other players and their estimate of the risk of extending trust, given the structure of

¹⁰⁵ Additionally, social trust as a form of social capital increases with civic engagement (Putnam, 1995, p. 73). The more people associate with one another, the more information they have about each other through direct social interaction, and the more trusting they become.

the particular situation” (Ostrom, 2009, p. 49) and is used to bring forth cooperation for a mutual advantage.

Signaling Trustworthiness

Showing signs of trustworthiness is delicate, however, since a pure signal (in the form of an announcement, values statement, or marketing campaign) can often indicate the exact opposite of what they are trying to show. When projected values are misaligned with the reality of the situation, this can raise a red flag of inconsistency, leading to more distrust, as falsely backed signals posing as signals of trustworthiness eventually differentiate themselves from true signals.

Signals of trustworthiness are sometimes difficult to communicate. The underlying intentions of the potential trustee are unknown to the potential trust-giver and therefore put the latter in a vulnerable position of risk without guarantee of benefit. When deciding whether or not to trust another person, the question is: How can sports players communicate their own authentic trustworthiness? To be able to answer this question, potential trust-givers need to be able to read the real intentions of potential trustees. “For a signal of intention to be credible, it must be easily interpretable and difficult to fake, and the recipient must be able to imagine the mental state of the signaler” (Eckel & Wilson, 2009, p. 250).

4.1.2 Communicating Credible Intentions

Reliable cues, such as facial¹⁰⁶ expressions, can be used to signal trustworthiness because it is difficult to falsify them. Because sporting games involve a small number of players, and these players have face-to-face interaction on the court or playing field, there is a chance that these face-to-face interactions can be used to gauge the intentions of the opposing players.

This highlights the idea that game theory models cannot always show all of the variables that lend themselves to sustainable cooperation. The prisoner's dilemma implies that players do not communicate with one another; in reality, however, verbal as well as non-verbal communication does take place between players, and this information helps opposing players to decide which moves to make. When one is able to read another player's face (even within different contexts), it helps to infer whether or not the opposing player may have a moral commitment or would likely practice reciprocity (Hardin, 2009, p. 85). Somehow, letting the first player know what the second player is thinking and whether or not they are willing to make moves that are in line with fair play, is a valuable condition for building sustainable cooperation for a mutual advantage.

Game theory has provided a successful model for the social sciences. In many settings it fares very well as a predictive model—particularly where there are many actors, their interactions are anonymous, and the underlying institutional mechanisms are disciplining (...). However, in face-to-face bargaining, where the actors are not anonymous, and under relatively weak

¹⁰⁶ This concept is not reserved to human interaction, as animals are also able to detect emotions and identify friends and foes through facial cues (DeMello, 2012, p. 111).

institutional mechanisms, standard game theory is much less successful in predicting behavior (Eckel & Wilson, 2009, p. 246).

This weakness of the theoretical model is an advantage for players in reality. Players need not be constrained to defend themselves for fear that opposing players will cheat. There is a “way out” of the prisoner’s dilemma that overreaches the predictions of the game theoretical model, and this offers hope in situations that might seem hopeless according to the model.

Studies on facial expressions as a form of communication about underlying intentions of players seem to be counter-intuitive to what the game theoretical model would assume. Some might say that facial cues are not a credible source of information because assumedly they can be faked, but this is not the case. “There is nothing to bind a smile, for example, to the promise of trustworthy action. Smiles can be as empty as promises—especially from strangers. However, this is not what we find” (Eckel & Wilson, 2009, p. 267). For this reason,¹⁰⁷ sports games would be more likely to achieve a state of sustainable cooperation through the norm of fair play if players had more interaction with one another outside of competition. If players did indeed have authentically positive intentions, this could be communicated in an indirect way through facial expressions and non-verbal cues. The non-verbal cues that are difficult to fake can provide communication about what the intentions of the players truly are; if they are genuinely in the favor of fair play, then this could increase the mutual advantage for everyone in the game.

¹⁰⁷ Additionally, face-to-face interactions between people of the same social group lead to a more rapid rate of information exchange due to reputational credibility and association (Haas Svendsen & Svendsen, 2010, p. 40). This leads to a general trust that is grounded in a shared “understanding of the game.”

This idea of showing intentions (and trustworthiness) through facial expressions and non-verbal cues does not only hold true with face-to-face contact. With the evolution of the Internet, players have yet another platform to use to display their trustworthiness to opposing players and stakeholders.

Media has changed substantially in recent years due to the increase in popularity of “new media” via the Internet. There is pressure for people to be more transparent (Klein P. , 2013, p. 1), as sources are no longer purely secondary. Athletes post their ideas and opinions via social media sites like Twitter, YouTube, and Facebook, and fans respond to these ideas. Athletes have their individual blogs and websites, where they publish their own accounts of situations in sport and race reports. This news is a primary source for anyone who wants to read or watch it. It is also permanent, on the web to be read for all time, and delivered, as fast as the action happens, to mobile phones and laptops. The web offers an increasingly high level of available information that is even beginning to replace human memory (Brogan & Smith, J., 2010, p. 10). When some bit of information is needed, it can quickly be found online. The web, as an information source, can provide the transparency that players need in order to obtain information¹⁰⁸ about the previous and potential moves of opposing players.

Traditional media is in a different position now because its practitioners are competing with their own audiences (Brogan & Smith, J., 2010, p. 19). New

¹⁰⁸ Online trust has been found to be correlated with the extent of disclosure of personal information and has been shown to transfer to trust at both the individual and the institutional levels (Mesch, 2012, p. 1471). This implies that in these complex times, in order to be viewed as trustworthy, athletes and sport stakeholders are under increasingly higher demands to reveal information about themselves online. A lack of disclosure may be viewed negatively by potential cooperation partners because it could imply that there is something to hide. See Brogan & Smith (2010) for further discussion on this topic.

media has become a transparent account of reality and consequently can serve as a trust-signaling mechanism.¹⁰⁹ This method of conveying trust provides an opportunity to create an online presence that is consistent with reality:

Those who are most familiar with the digital space...have become accustomed to a new level of transparency. They operate under the assumption that everything they do will eventually be known online. Realizing they are unable to hide anything, they choose not to try. Instead, they leverage the way the Web connects us and ties our information together to help turn transparency into an asset for doing business (Brogan & Smith, J., 2010, p. 9).

In addition, not only do facial cues act as signs of trustworthiness in face-to-face encounters, they also convey this signal via photographs (Eckel & Wilson, 2009, p. 260). This underlines the importance for athletes and stakeholders to be sure their Facebook pictures are ones that are in line with their trustworthiness.¹¹⁰ Behavior in the online realm must be consistent with behavior in the physical world if a consistent message of trustworthiness can be conveyed to act as a trust-building mechanism,¹¹¹ creating the conditions for cooperation for a mutual advantage.

¹⁰⁹ New media also offers a way for individuals to enforce their own commitment to trust because they open themselves up to scrutiny by the masses. This vulnerability signals that individuals have much to lose if they do something that is not in line with their values (Ariely, 2009, p. 267).

¹¹⁰ As of February 2012, 66% of all online adults use social networking platforms. Of those platforms, Facebook has been shown to provide the most social trust (Pew Research Center, 2012a).

¹¹¹ It should also be noted that the Internet can act as a platform for civic participation, and therefore it has a positive effect on social capital in networks that are primarily online or both online and offline (Mukherjee, 2006, p. vi).

4.1.3 Focal Points: Keys to Signal Intentions of Cooperation

In games, players look for signs of the intentions of other players so they will know whether or not they are worthy of trust. In situations where players may not have a direct interaction with one another because perhaps they have never met face-to-face or generally lack the information needed to build trust, the conditions of the game itself can provide cues that can help to coordinate behavior to tip the scales in the direction of fair play. If there is an understanding of the game that is shared between players, there is also a chance for players to coordinate their behavior via certain clues that are embedded within this understanding of the game. These clues are called “focal points,”¹¹² and are essentially keys to determining the expectations of other players, based on what one player anticipates that the other player would expect them to expect:

People can often concert their intentions or expectations with others if each knows the other is trying to do the same. Most situations—perhaps every situation for people who are practiced at this kind of game—provide some clue for coordinating behavior, some *focal point* [emphasis added] for each person’s expectation of what the other expects him to expect to be expected to do (Schelling, 1980, p. 57).

In sports games, coordinating behavior via focal points requires the understanding of the game to be shared between players. As shown in Chapter 3, this shared understanding is based on past moves, understanding, and rules of

¹¹² Also known as “Schelling Points” after the Nobel Prize winning economist, Thomas Schelling (see Schelling, 1980).

the game, and is carried over via the residual understanding of the game, which creates the background for all current moves in the game. Within the understanding of the game, there are certain past moves that stick out as defining moments in sport; these provide strong signals as to how the understanding of the game is functioning and has functioned in the past. These outstanding memories stick in players' minds as those important moments that reinforce the understanding of the game or change the way the game is understood. These defining moments can act as focal points or keys that serve to build expectations. Players define focal points based on many variables that are more or less intuitively understood:

Finding the key, or rather finding a key—any key that is mutually recognized as the key becomes the key—may depend on imagination more than on logic; it may depend on analogy, precedent, accidental arrangement, symmetry, aesthetic or geometric configuration, casuistic reasoning, and who the parties are and what they know about each other (Schelling, 1980, p. 57).

The main characteristic of focal points is that they are sufficiently noticeable to be clearly understood to be prominent by the individual players (Schelling, 1980, p. 58). Those people who are not players in the game are outside of the scope of the players' understanding of the game, and therefore they would have different ideas about what might constitute a focal point for that particular game. For example, baseball players have a different understanding of sports games than football players, and therefore they have different points of orientation that define moments that create their expectations.

A great moment in sports history might be seen nostalgically by players (as a focal point), and therefore it may have strong expectation-building qualities. In some sports, if the understanding of the game is one that is based on doping, it might be due to a large scale and high profile doping scandal that sticks out in the players' minds as a defining moment in their sport. As discussed in Chapter 1, scandals in themselves are very dangerous in this regard, because they are often over-publicized and turned into monumental, continually reinforced stories that are played and replayed in the media—not to mention that they become more memorable due to their extremely negative characteristics (Fiske, 1980, p. 889). These scandals then become focal points for stakeholders because they are viewed on such a large scale that they become defining moments in sport history. Therefore, they are points that prominently define the understanding of the game and, in effect, also reflect the expectations of the players participating in the game.

Focal points do not solely act as ways to build negative expectations, however; they can also serve as building blocks for a mutual understanding of trust. In most sports, there are certain athletes that are elevated to legend status because of their amazing performance, talent, or personality. In many cases, legend status is achieved because the athlete did something positive that stood out prominently and helped define the sport. These legends serve as focal points as to how the understanding of the game functioned at that time, and they also act as inspiration for current players to perform better and live by certain values.

In addition, extremely positive sportsmanlike behavior or moves in the game have also been remembered as some of the greatest moments in sporting history, which are commemorated in the memories and museums of sports fans and players around the world. These memories act as beacons for a fair understanding of the game, reminding spectators and players alike that fairness

is something that is valued and expected in sports. The importance of these types of acts of sportsmanship cannot be undervalued. They evoke emotion from fans and sports lovers that remind them what sport is about. These focal points of fair play are fundamental expressions of the underlying understanding of the game, and are a way of broadcasting this fair understanding of the game to the world. It is important that these moments are captured, honored, and shared appropriately. Although it is clear that these focal points of action cannot contradict the current understanding of the game—since this would reinforce an idea of inconsistency—they can serve to amplify the positive aspects of the understanding of the game if they are present (see Figure 16).

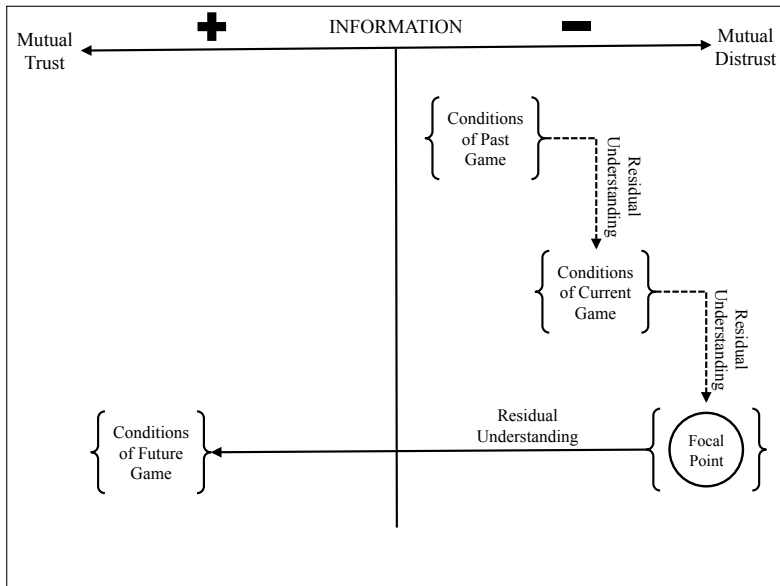


Figure 16: Focal Points and the Understanding of the Game

Source: Own Illustration

Inconsistencies in the game make it difficult for the residual understanding of the game to act as a source of information (demonstrated by the dotted lines in Figure 16). This lack of information creates more and more distrust. When presented with a focal point that acts as a “key,” the residual understanding that is left after the focal point takes place is then able to act as a source of information for future games, which can foster the conditions that build trust. Positive focal points that reinforce sportsmanlike behavior throughout sports history can be a strong way to give athletes a key for developing expectations based on fair play. Reinforcing the positive focal points that are present in sports is an investment in the conditions of cooperation for a mutual advantage.

4.1.4 Communicating Authentic Trustworthiness: Consistency

Of course, the web or face-to-face communication, or focal points of cooperation, can only convey signals of trustworthiness when underlying intentions are consistent with these signals. If there are inconsistencies between reality and the information which has been signaled, those signals lose meaning, emphasizing the importance for all sport stakeholders to follow the norm of fair play in all areas of their lives, on and offline, over time. The Internet offers increased opportunity to be transparent with potential cooperation partners, but in turn players are required to live to a higher level of fairness. The web makes it easy for anyone to find the past mistakes of players, watch a video of unfair behavior in action, or read an interview that puts a player in a bad light. The web increases opportunity for communication, but it also calls athletes and stakeholders to an increasing standard of ethical conduct, setting a higher benchmark for consistent behavior.

Athletes and all stakeholders must recognize that they should be consistently trustworthy¹¹³ in all aspects of life if they are to benefit from the positive sides of competition as a form of cooperation for a mutual advantage. Living by high personal values and fair play norms does not end on the court or field; it carries over to all aspects of life.

4.2 Responsibility to Invest

Since sport stakeholders have the ability to act and impact the conditions of the game (and therefore bear responsibility), they also have the opportunity to make a lasting impact on how the game is played. Responsibility can be turned into opportunity when it is viewed in a positive light (Grayson & Hodges, 2004, p. 21), and making investments in the conditions of the game that create the chance for cooperation is a way to positively impact the game.

Each type of stakeholder has specific areas of responsibility,¹¹⁴ since each is only “able to act” on and impact certain areas of the game. Athletes have the exclusive ability to make moves in the game, while the governing bodies have the exclusive ability to enforce the rules in the game. All stakeholders have

¹¹³ Relevant inconsistencies are also “relative” to the person who is asked to judge whether or not it is relevant. It is very much tied to that person’s individual mental model and understanding of the game. It may not be possible to compartmentalize actions that happen inside and outside of the game. For instance, on one hand Lance Armstrong was convicted and admitted to doping throughout his career, but on the other hand he was a large advocate for cancer research. These two aspects of his life may be irrelevant to one another, but they still might have an influence on whether or not he is viewed as trustworthy to the public. Some might ask if it is possible to trust him to handle millions of dollars through his foundation despite his history of cheating in cycling. Although it may seem logical that these inconsistencies are irrelevant, it is not always that straight forward. Trust is fragile and many different sources of information are used to gauge whether or not someone is worthy of trust.

¹¹⁴ Stakeholders have been defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Thompson, 1967 as cited in Freeman, 1984, p. 49), and sport stakeholders have the ability to both *affect* as well as be *affected* by sports games through the conditions of the game.

the ability to impact the understanding of the game. The various responsibilities of stakeholders are shown in Figure 17.

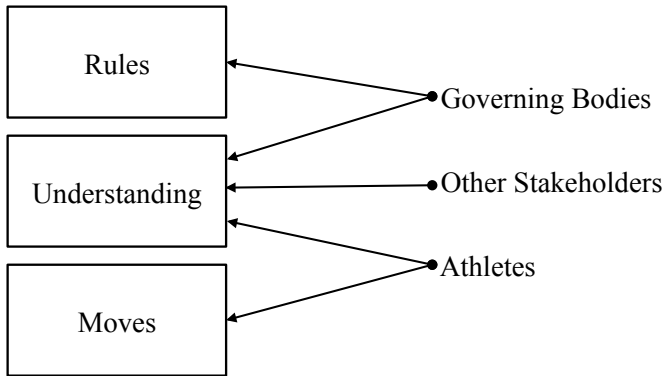


Figure 17: Stakeholder Responsibility and Sub-Conditions

Source: Own Illustration

4.2.1 Institutional Responsibility: Governing Bodies

With the opportunity to invest in the conditions for cooperation for a mutual advantage comes the responsibility to go forward with making that investment. For the stakeholders in sport, there is a linear order to the responsibility and

possibility for making investments. In this regard, governing bodies¹¹⁵ in sports have the large responsibility of creating conditions in the game that give athletes a chance to make their own investments in those conditions. Governing bodies have the task of formulating and enforcing the rules of the game in a consistent way, over time. This initial step is key for laying the groundwork for conditions that permit a mutual advantage to develop in the next stage of the game—where the athlete makes an investment by following those rules.

Governing bodies are on the front line of responsibility in sports. They have the duty of investing in and creating conditions that coordinate all of the self-interested behavior of athletes. The responsibility of governing bodies is to create conditions that promote social cooperation for a mutual advantage through direct investment in these conditions (Suchanek & Waldkirch, 2002, p. 19).

When viewing these responsibilities within the sub-conditional framework noted in Chapter 3, the governing bodies in sports must do everything possible to contribute to consistency between the moves, rules, and understanding of the game. Additionally, governing bodies are solely responsible for enforcing the rules. Since they create and enforce institutional arrangements that make sport possible, they are responsible for the game's existence, and thus they deliver incentives that fulfill the participating athletes' common interests. By enforcing rules fairly and consistently and not making exceptions to those rules, they are making investments in the current game as well the future conditions of the game. This consistency provides athletes an

¹¹⁵ Sports governing bodies are considered institutions (see MacIntyre, 2007), and therefore have the responsibility to do what is in the best interest of the game (Butcher & Schneider, 2007, p. 133).

opportunity to play the game and make their own investments via the moves in the game.

Governing bodies also have an influence on the understanding of the game, both directly through the rules of the current game (which, when enforced fairly, are carried on via the residual understanding of the game), but also through direct investments in the consistency between the current understanding of the game and the future understanding of the game. This is why it is important for all communications to the public and athletes to also reflect a consistency of fairness in the understanding of the game.

For example, in 2011, FIFA, the governing body in international football, became involved in a worldwide corruption scandal when it was shown to have taken bribes from potential World Cup host countries trying to further their bids to hold the World Cup in 2022 (CNN Cable News Network, 2011). This scandal was a communication to the world about the understanding of the game in football—one based on corruption. So, even though FIFA may implement the rules fairly during individual games, its obligations to enforce the rules fairly and consistently over time is not the limit of its responsibility; it is also in charge of communicating the understanding of the game in a way that is consistent with fairness. In the case of the FIFA kickback scandal, policing athletes during the game was not enough to save football from trust-damaging inconsistencies because of their influence on the understanding of the current game. This communication, which reinforced a corrupt understanding of the game, was then passed down in the residual understanding of the game, creating conditions that set athletes up for distrust in future games.

Governing bodies in sport have the responsibility of being purveyors of justice, that is, ensuring that each player gets what he deserves, according to the rules of the game (Hoehn, 2006, p. 227). When they take this responsibility

seriously, they must align all of their communications and behaviors with fair values. This consistency is important because it makes their judgments credible and reinforces their role as justice providers, ensuring that sports games are methods of measuring performance based on merit alone. This means that there can be no exceptions to rules or any favoritism present in the way athletes are treated. This is a serious responsibility that must take precedence in the way governing bodies operate. In the words of Rawls, “the position of judges, umpires, and referees are designed to include conditions that encourage the exercise of the judicial virtues, among them impartially and judiciousness, so that their verdicts can be seen as approximating considered judgments, so far as the case allows” (Rawls, 2001, p. 30).

Because governing bodies are responsible for bringing justice and reliability to results of sporting games, they must first possess a high capacity for “both theoretical and practical” reason (Rawls, 1958, p. 29) as well as a sense of what is just and what is unjust. According to Rawls, this is an acquired skill that can only develop through exercising it regularly. Furthermore, the more often this skill is practiced with a consistent outcome, the more reliable the judgments become, and the more athletes will have the ability to trust them.

Governing bodies have the responsibility of enforcing rules in a manner that results in justice. The intrinsic value of rules as information providers can only present itself when the rule-enforcers administer them in a just way.

Suppose (...) that rules have value because they provide information to each actor about the behavior of others and because they thereby allow each actor to pursue his goals in the light of reasonable expectations about what others will do. On this basis, if rules are administered unjustly...then rules no longer provide this information. Rules cease to accomplish that

function for which they are valued. This argument provides instrumental defense of justice (Buchanan & Brennan, 1985, p. 111).

Hence, governing bodies must enforce the rules in a just and fair way if the rules are to provide players with information; when governing bodies take their responsibilities seriously, they deliver justice to players in the game through consistently behaving according to rules. This also reinforces an understanding of the game that is in accordance with the rules. They also have an opportunity to become an asset to players in the game, in the form of *institutional capital*. Institutional capital refers to the idea that, through self-binding behavior through rules, actors can gain liberty (Suchanek, 2007, p. 69). Although this concept may seem counterintuitive, rules and those that enforce them actually give players freedom to act without fear that their competitors will not be held to the same level of behavior. When applied consistently, then, the rules of sporting games (both constitutive and regulative) can act as an asset for players in the game; therefore the governing bodies of sporting events, as enforcers of those rules, have a chance to invest in the asset, e.g., the institutional capital. This direct investment in the enforcement of the rules as conditions for social cooperation for a mutual advantage is the responsibility of the governing bodies in sports.

In the end, no game can function without rules (Suchanek, 2007, p. 81)—and investment in institutional capital is not only an investment in an asset that creates a game that functions, but it serves to deliver dividends to its players in the form of mutual advantages.

4.2.2 Individual Responsibility: Athletes

Though governing bodies have the initial responsibility to set up the mutually advantageous game, allowing the rules to deliver information to players, the ultimate responsibility to do the right thing always lies in the court of the athlete. Athletes are the players of the game, and they are the only stakeholders who are able to make moves in the game¹¹⁶. Those moves allow the new game to develop into fruition as one based on trust. Making moves consistent with the rules and fairness norms is an individual responsibility that must also be taken seriously by athletes.

Although governing bodies can set up the rules as conditions of the game, allowing for fairness and providing information to athletes, these rules do no good for building trust if they are not obeyed and respected. Consistently fair moves reinforce the idea that the rules are worth abiding by and therefore merit investment.

The responsibility to make fair moves means that there is opportunity for each athlete to invest in the game and change the game for the better. This also means that athletes must take responsibility for their actions when they do not follow the rules. When an athlete makes a move that is unfair, he has to accept the ramifications of those actions in accordance with the judgments by his governing body. Since athletes voluntarily agree to and promise to abide by the rules, they must be subject to penalties when they do not play by those rules (Gert, 2005, p. 201).

¹¹⁶ That's not to say that other stakeholders do not *indirectly* influence the moves of the game. Referees do have an influence on the moves of the game because they are in direct contact with the players and help to shape their understanding of the game. Spectators also co-create the game because they cheer their favorite players on, motivating them to make certain moves.

Moves within the framework of the rules send a clear signal to opposing players. When moves are in line and consistent with the rules, they show that players find investments in the conditions for mutual advantage a worthwhile cause. When moves are not in line with the rules, they send a message of inconsistency, making players unsure of how their competitors will act in the future. Players have no information by which to build expectations for future behavior, and therefore find it difficult to cooperate. By either acting according to or against the rules, a signal is sent that then becomes part of the understanding of the game; by making moves that are consistent with the rules, players have the opportunity to invest in the conditions of future games via the residual understanding of the game.

Athletes not only have the opportunity and responsibility to invest in conditions through these direct moves, but they are also responsible for acting and communicating in accordance with a fair understanding of the game. This means that they are called to behave fairly both during and outside of sports events. They must conduct themselves in a way that is respectable and “sportsmanlike.” Sportsmanship is defined as “conduct (as fairness, respect for one’s opponent, and graciousness in winning or losing) becoming to one participating in a sport” (Merriam-Webster, 2004, p. 1207). That is, sportsmanship is not just playing by the minimal rules of the game—making sure that one’s moves are in line with the rules—but sportsmanship requires behavior to be consistent with fairness. This consistency in behavior is a direct investment in the future understanding of the game, through the residual understanding of the game that is passed on through the conditions. Even Pope Pius XII has confirmed the notion of sportsmanship as a fair play norm:

From the birthplace of sport came also the proverbial phrase “fair play”; that knightly and courteous emulation which raises the spirit above meanness and deceit and dark subterfuges of vanity and vindictiveness and preserves it from the excesses of a closed and intransigent nationalism. Sport is the school of loyalty, of courage, of fortitude, of resolution and universal brotherhood (1960, p. 25).

There is something to be said about athletics and its deep heritage of sportsmanship. Again, since sports is a voluntary event meant to be pleasurable as well as challenging (fulfilling a mix of incentives made up of both internal and external preferences), it has an “all embracing moral category” (Keating, 2003, p. 144) of sportsmanship that holds its athletes and sports stakeholders to a higher level of behavior than the rules limit. There is an unwritten understanding in sports that the fairness norm should be held up in all areas of life, on and off the field.

When you pass out from the playing fields to the task of life, you will have the same responsibility resting upon you, in a greater degree, of fighting in the same spirit for the cause you represent. You will meet bitter and sometimes unfair opposition (...). You will meet defeat (but) you must not forget that the great victory of which you can never be robbed will be the ability to say, when the race is over and the struggle ended . . . you never lost that contempt for a breach of sportsmanship which will prevent your stooping to it anywhere, anyhow, anytime (Kennedy, 1931, p. 58).

Thus, sportsmanship becomes a required type of behavior from athletes—and not an optional one—if the game is indeed to function as a means of mutual advantage for players. The investment in sportsmanship is required if the

message of fairness is going to be sufficiently consistent to provide information about potential behavior of athletes in the future.

When there are inconsistencies between the way athletes behave on the field and in their own public or even private lives, this can create suspicions about their authenticity. That is, ambiguity can arise when it is unclear whether or not an athlete is honest and truly behaving in a straightforward fashion, or if he is actually hiding an ulterior motive and looking to exploit another player's trust when (or if) the opportunity appears. Lack of authenticity makes competitors suspect that a player's behavior may be opportunistic in future games, while authenticity and consistency between behavior on and off the field creates a strong correlation that can be used as information in order to build trust. If a player is consistent in all of the aspects of his life, he is making investments in future games—investments that benefit him in a direct way in the form of trust from other players. This also benefits all stakeholders in the game in the form of the future conditions for cooperation for a mutual advantage.

As discussed previously, an example of such a case hit the headlines in late 2009, when Tiger Woods' involvement in multiple sex scandals and stints of infidelity was revealed. He had previously been viewed as "golf's golden boy" (Helling, 2010, p. 213), due to his clean image on and off the course and his strict adherence to the rules in golf. He was a likeable athlete, admired by the public and highly sought-after by sponsors, which showed in his multi-billion-dollar income. The exposure of these scandals created such a disparity between his assumed sportsmanlike behavior and the lies he was hiding in his personal life that the public was completely disappointed in him. By his bad manners off the course, Woods was sending a clear signal that he was not to be trusted. The inconsistencies between his personal and sporting lives made it difficult for sport stakeholders to know what might come next. Woods' lack of

fairness and integrity in his personal life was a disinvestment in the understanding of the game that supports fairness, and the understanding of the game in golf took a hard hit after this infamous scandal. These inconsistencies contradicted the way he had been viewed in the past; additionally, because of his high-profile status, these inconsistencies were marketed and reinforced by the media, giving them greater impact because they served as focal points that defined the sport. Woods' actions continued to be accentuated by the media, reinforcing the inconsistencies in the understanding of the game in golf as a consequence.

Just as investments can serve to build trust, disinvestments can serve to destroy the basis for trust. As a result, athletes have the responsibility to ensure that their actions are consistent with the moral ideal of sportsmanship. For the understanding of the game to be able to serve as a form of information for players, it must be consistent with fairness across the board for all athletes.

This means that the responsibility of fair play in sports is not limited to the actions and behaviors of athletes within the game itself, but also extends to their behavior in everyday life. In a world where social media and the Internet ensure that athletes' personal lives are no longer private, they are held to an even higher level of moral behavior that must be in line with sportsmanship at all times. Any actions that deviate from this norm can serve as a signal to stakeholders in the game that expectations are not attainable, and that the game is not worthy of investments in cooperation for a mutual advantage.

4.2.3 General Responsibility: Sport Stakeholders

There are many stakeholders that are impacted by the game and how it functions, benefiting from the positive payouts in the game and feeling the effects of the conditions that make cooperation for mutual advantage possible.

Those sport stakeholders do not only include athletes and governing bodies, although they are indeed the only two parties who can enforce rules and make direct moves in the game, but sport stakeholders include anyone and everyone who may be involved and benefit from sports games.

This can be at the spectator level, through entertainment value that sporting games provide. Spectators are the bystanders that create atmosphere in sports and also “consume” the entertainment of sports through live games. In the media, sports games provide a subject that engages audiences, increasing viewership and ratings as well as offering a genuine uncertainty that viewers so badly want to witness. At the sponsorship level, sports games offer a means to have their products and services marketed to the masses by being associated with the greatly honored winning teams. With all of these positive benefits reaped by sport stakeholders, there also comes the responsibility to invest in the conditions of cooperation for a mutual advantage. This is achieved through the understanding of the game.

Sport stakeholders are not only passive bystanders who are simply affected by the game, but they also play a role in contributing to the future conditions of the game through the residual understanding that is passed on over time. Sport stakeholders have the responsibility to ensure that their actions provide the conditions for cooperation for a mutual advantage, which means that they have the opportunity to change the way the game functions.

The ability to impact the understanding of the game is an opportunity in that stakeholders can influence the game that they love so much by contributing to its capacity for delivering a mutual advantage for them as well as the athletes, the governing bodies, and other stakeholders. With this opportunity comes the responsibility to actually follow through on action that is congruent with the conditions that foster cooperation. It is easy for stakeholders to use athletes as

scapegoats when something goes wrong—for instance, when an athlete demonstrates opportunistic behavior and cheats. However, with the opportunity to affect the conditions in a positive way comes the responsibility to realize that each stakeholder contributes to the conditions. Therefore, when an athlete cheats because the conditions of the game are inconsistent over time, then all stakeholders are responsible as well. As noted in Chapter 1, failure to recognize the effect of the conditions of the game on the normative outcome of the game is a normative fallacy. Therefore, the first step is to realize that every sport stakeholder can indeed change the conditions, and when inconsistent conditions are created it is very difficult for athletes to do the right thing unless they go against their own self-interest.

Spectators

Spectators are the consumers of the product of sport. They consume the entertainment that sports games bring, benefiting from the excitement that sports offer. Those games that keep spectators on the edges of their seats also entertain them the most (Loland, 2002, p. 136); there is an intrinsic value to witnessing a good or well-played game. In this sense, fair games that allow athletes to give everything they have on the field are to the spectators' benefit. Spectators pay substantial amounts of money for tickets that get them front row seats to the world's most exciting games, those that are played fairly and measure exactly what they are supposed to measure—i.e., performance. When the best man wins, justice is served on the court, and spectators walk away from the game with a sense of satisfaction that they have witnessed something extraordinary.

Spectators are also “co-creators” of the atmosphere in sport that gives it the excitement that is craved so highly (Morgan & Wright, 2009, p. 201). When

a football stadium is full of crazed fans with painted faces and dressed in patriotic costumes supporting their home teams, this makes the sporting event all the more exciting for fellow spectators as well as for the media and athletes participating in the game. Spectators are not only consumers of entertainment, they help to create this entertainment and have an influence on the context in which the game takes place.

Furthermore, spectators vote with their money for the teams that they like best. The count of tickets sold to events is not unlike that of Hollywood movies, where blockbusters are declared winners or losers based on the number of tickets they sell. Those games that are more interesting and entertaining sell the most tickets, thereby incentivizing race and event organizers (Downward, Dawson, & Dejonghe, 2009, p. 1.4.1). Ultimately, spectators are the stakeholders who influence what the market supplies. If spectators respond to violence on the field and negative spectacles on the court, then sponsors and managers will ultimately encourage this type of behavior. Therefore, spectators are not the innocent bystanders that they may seem, since they contribute to the conditions of game itself.

Spectators have the opportunity to affect the conditions of the game in a positive or a negative way by means of the understanding of the game. When they respond to behavior that is consistent with fair play (by buying tickets to games that are played in a manner in accordance with the rules) then they are voting in favor of fair play. They are behaving in a way that is consistent with the conditions for cooperation for a mutual advantage, and are therefore contributing to those conditions. They are creating an understanding of the game that is congruent with fair rules and moves over time, and which provides consistency and legitimate expectations for players, giving them the trust that they so badly need in order to create a mutually advantageous game.

In cases where fans behave badly, for instance, by heckling the opposing team's fans, or acting violently, this sends a clear message that the understanding of the game is one based on violence. That is, sportsmanlike behavior is not only limited to athletes, but also spreads to the spectators of sporting events. It is the responsibility of spectators to live by and exhibit the moral values associated with sportsmanship in order to be consistent with those of the athletes they support. Athletes can also encourage this type of behavior by acting as examples to spectators by condemning negative behavior. Since fans usually emulate the types of behavior they witness from players (Bender, 2008, p. 138), this mixed responsibility of sportsmanship is a big one that helps to act as an investment in the conditions.

Sometimes sports fans get wrapped up in the moment and lose track of the moral ideals, creating an empirical fallacy. In cases where spectators act in violent ways, losing track of their moral values and getting lost in the empirical conditions of the game, this sends a clear signal that moral ideals have no place in sports. In addition, empirical fallacies influence the understanding of the game in a negative way, essentially acting as disinvestments in the conditions.

Through co-creation of the game of sports during the current game, by acting in ways that are consistent with the rules and moves of cooperation for a mutual advantage, spectators have the chance to influence the game in a positive way. This positive investment pays off in the dividend of exciting and entertaining sports games that are based on fairness, offering genuine uncertainty which benefits the spectator as well as the athletes, governing bodies, and general stakeholders in sports.

Media

The media plays a major role in exposing the important moments in sports that are worth watching. They act as a go-between or mediator between the game and the way the game is viewed by the public. In other words, the media are the sport stakeholders that are responsible for publicizing the understanding of the game to the world, creating a version of the understanding of the game that should be line with reality.

Again, since the media literally provide information to the world about sports games, they have a responsibility to ensure that this information is consistent with the way the game is actually taking place. When the media provides information that is consistent with the moves and rules in the game itself, they are taking this responsibility seriously. This consistency is an investment in information as a condition for cooperation for a mutual advantage.

Problems can occur when the media skews the truth in order to create a story that is not congruent with reality. The media is required to go the extra step and not just rely on what PR firms give them, the glossed-over version of the truth (Brogan & Smith, J., 2010, p. 8). Reporters are required to dig deep, despite their deadlines, in order to uncover the truth, and avoid “lazy reporting” that makes the information they provide undependable (Cunningham, 2003, p. 5). This type of behavior not only is a disinvestment in the conditions of cooperation, but also is damaging to the media’s credibility and ability to deliver transparent information. Lack of proper transparency in reporting increases opportunity for corrupt behavior (Montinola, 2004, p. 300).¹¹⁷

¹¹⁷ For instance, when the media is perceived as being influenced by external sources, it is difficult for the public and athletes to trust it as a credible source of information because there is a conflict of interest present, which represents an inconsistency that can lead to lack of credibility. The credibility

In cases where the media may even exploit athletes as the means to acquire a good story, these inconsistencies can be particularly damaging. This not only sends mixed messages about what information can be trusted (damaging the understanding of the game) but it uses athletes as a means to an end,¹¹⁸ which is against basic human rights.

The media can easily damage trust that has developed between athletes in the game by thriving on violent behavior and glorifying it as a form of entertainment. The role of journalists is a tricky one; they must avoid both telling falsehoods (or making subjective assumptions) and telling too much of the truth to exploit an athlete's private life. The media must act as communicators of the truth to the best of their ability, without using opportunistic behavior as a means to obtain that truth. This is not always easy, but it is possible:

A reporter's job is simply to report accurately and fairly—accurately in the sense that what he writes must be true, and fairly in the sense that what he writes must be relevant and told in the proper perspective. If that's not good enough for the people he's writing for, that's too bad. If it offends the reader, that also is too bad (Jim Cohen as cited in Telander, 1984, p. 11).

of the media as a believable source of information has decreased dramatically over the past decade because of this reason (Pew Research Center, 2011; Pew Research Center, 2012b).

¹¹⁸ This idea has been discussed in §2.1.1. Kant (1997, p. 38) declares it a principle of humanity to “act that you use humanity, whether in your own person or in the person of any other, always at the same time as an end, never *merely* [emphasis added] as a means,” where it might be necessary to use others as a means to an end, but not *solely* as a means to an end. More on this topic is found in Chapter 5.

This consequential behavior reinforces the idea that fairness is a result of being consistent over time, in each individual case. It is not enough to be fair *some* of the time; as consistency demands that the media be consistently fair in every story they write and every move they document.

The key word here is “fairly”. The days when sports writers were “housemen”—bought-off flunkies for the owners—are long gone (...). They must remember that athletes are real people living in the real world with families, friends, and acquaintances, and that what goes into print about the athlete affects all these people (...). A writer always has to be thinking, always examining his motives. He must not take cheap shots for laughs or deal meanness out of vengeance (Telander, 1984, p. 11).

The responsibility to remain objective in cases where it might be tempting to do otherwise provides journalists and other media the opportunity to invest in trust-building conditions via the understanding of the game. When the media projects an understanding of the game that is consistent with the way the game is in actuality, this allows the media’s message to develop credibility that benefits them as well as other stakeholders. When the media consistently publishes stories that are both fair and accurate, viewers know that they are getting an objective view of the game, which allows them to develop their own ideas about that truth. Athletes benefit from this consistent behavior because they obtain information about other players’ past moves from the objective story the media presents, fostering sustainable cooperation in the game and holding athletes accountable for their behavior.

Contrariwise, if the media “protects” athletes by not showing the whole truth in a story (even if it might put them in a bad light), this hurts athletes in the

long term because they are not held accountable for their actions. It also serves to reduce the media's role as an information provider, thus diminishing the opportunity for athletes to develop needed expectations for cooperation for a mutual advantage.

The media can also make statements of sportsmanship, taking a stance in cases where they do not agree with the moral behavior of certain athletes. In some cases in particular, the media has gone so far as to boycott specific sports that committed crimes against fairness, sending a clear signal that they do not support unfair behavior. One such case took place in Germany in 2007, when the national TV stations ARD and ZDF refused to broadcast the Tour de France after a doping scandal was uncovered in the German team Deutsche Telekom AG's T-Mobile (Duff & Comfort, 2007, p. 1). This act served as a signal to the world that the media would not support moves that were not in line with the rules of the game—which was an investment in creating an understanding of the game that was consistent with the rules. The German media's strong stance was a tough signal to athletes that doping, since it was inconsistent with the rules of the game, was a move that did not belong in a game based on fairness. This statement by the press allowed it to serve as a credible information source for cycling fans around the world.

The media's opportunity to influence the trust-building capabilities of the understanding of the game also increases its role as a stakeholder in its responsibility to influence the game in a positive way, namely, through objectivity¹¹⁹ and accurate reporting that is consistent with the reality of the game. In cases where athletes' moves are clearly not in line with the rules of the

¹¹⁹ Objectivity has been called the goal of good reporting and what good journalists "have to strive for" (Mindich, 1998, p. 10).

game, the media has a responsibility to let the public hold athletes accountable for those actions by revealing them. This transparency is an investment in information that leads to an expectation-building basis for trust.

Sponsors

Sponsors are stakeholders in sports through the monetary investments they make; therefore, they are not only stakeholders but also shareholders, who hope that their monetary investments will pay off with financial gain. Because of the up-front investments that sponsors make in sports, they have something to lose if the game does not function properly and athletes must cheat in order to gain any benefit. Sponsors are in a most vulnerable position, since their name and brand could be at stake if the team or athlete they sponsor is involved in cheating or in a scandal (Crupi, 2012, p. 6; Miller & Laczniak, 2011, p. 499).

One example of such an incident has remained one of the most renowned doping scandals in sports to date. The first of many, but the largest of its kind, the famous 1998 drug bust dubbed the “Festina Affair,” was named for the sponsor of the cycling team that was caught transporting hundreds of illegal performance-enhancing drugs, ranging from erythropoietin to anabolic steroids, from Belgium to France (Voet, 2001, p. 7). These drugs were planned for use in the 1998 Tour de France, and their seizure led to the arrest and subsequent investigation of the team soigneur, Willy Voet.¹²⁰ This was the first doping scandal that truly uncovered the extent of the doping problem in cycling,

¹²⁰ Willy Voet’s book (2001) shows an interesting first-hand account of the scandal and the previous attempts to hide the underlying understanding of the game that was based on doping. The book itself played a role in breaking the “omerta” and thus had an effect on the understanding of the game in cycling from that point onwards.

breaking cycling's "omerta," the silence about doping that had been present in the understanding of the game. This high profile drug bust eventually led to the development of WADA. This organization was established in order to create a unification of anti-doping rules and regulation—through the WADA code.

Cycling's historically largest debacle will always be associated with the Festina watch company. Festina's association with a cheating team was a risk for its branding and image that turned out for the worst. Festina's reaction to the scandal was to create the *Fondation d'Entreprise Festina*, an organization focused on fighting doping in cycling. The question remains, however, if it was too late to save the brand from the negative impact on its image.¹²¹

This is just one of many examples of how sponsor brands can be impacted in a negative way when athletes cheat. Sponsors use athletes to promote their brands in a positive light; in a game that is based on distrust, however, there is risk associated with investing in athletes. As sponsors have become aware of this, it has become increasingly difficult for those sports that have been involved in scandals to find new sponsors each year (Solberg, Hanstad, & Thøring, 2010, p. 185). It is therefore important for conditions in the game to create the basis for trust. The mutual advantage spreads from the sponsors to the athletes, who see the dividends in their endorsement deals.

Sponsors also have a role in creating the conditions for trust; since they are stakeholders in the game, they have an impact on the understanding of the game. As with the stakeholders, sponsors must be sure that their actions are in

¹²¹ Negative publicity can be damaging to a brand because publicity is a credible source of information (Ahluwalia, Burnkrant, & Unnava, 2000, p. 203), and negative information that is more extreme is more memorable than positive or moderate information (Fiske, 1980, p. 889); therefore, the association with the negative instance (i.e., doping) stands out as causing a strong negative association with the brand's image and serving as a focal point.

line with the rules and moves of a fair game. In addition, they must be extremely careful about where they invest their money. When teams have a negative image for cheating and not following the rules of fair play, sponsors should take care that they do not support that behavior. Being involved with teams that cheat, while turning a blind eye to this behavior, is a form of empirical fallacy and as such must be avoided if the game is to function on ethical grounds.

Sponsors must also practice CSR outside of the sporting realm. Since sponsors are stakeholders in sports, they take on the duty to ensure that their actions are in line with those of the fair sporting game. A company's behavior and image must reinforce the idea that it runs its business by the terms of fair play and the values that take fairness seriously. In cases where business behavior has drastically differed from fair play values, the results have been damaging for both the sponsors and the athletes who are supported by those sponsors.

For instance, in the 1990's, Nike may have been involved with supporting fair values in sports through its athletes, but it sourced its labor from children to make shoes that those athletes used (Klein N. , 2002, p. 368). This inconsistency not only damaged Nike's image in the sporting goods market, but also had an effect on the images of the athletes who were associated with the brand. This created a very clear inconsistency that could have negatively affected the understanding of the game in sports where Nike sponsored events and athletes. Athletes and organizations took steps to boycott or address Nike directly, asking the company to cease these practices (Locke R. , 2002, p. 14). This implied that stakeholders realized that Nike's negative actions were not only damaging to Nike's own brand, but also potentially damaging to the

athletes that endorsed it, so they took action as needed in order to save their reputation.

Managers, Coaches, and Trainers

Those people that work behind the scenes in sports are often the most influential. The coaches and team managers are leaders and role models for the athletes, who rely on them for advice in training, in competition, and in life. The relationship between coach or manager and athlete is one based on trust, and it is extremely tight-knit and firmly bound (Weinberg & Gould, 2011, p. 240). The athlete must fully rely on his coach, following his advice in order to achieve the best results. The coach creates the training plan and the playbook. The coach makes the decisions that have such a great impact on the athlete in developing to his potential. Trainers take on the roles of advisor, parent, and friend. They must be tough with the athlete when he or she needs it, and support the athlete when things do not go as planned. The team managers and coaches fall when the athlete is down and rise when the athlete is on top. It is a complicated role that very few can master on the elite level.

Because of the immense trust that is present between coach and athlete, athletes can be left in a vulnerable position. Especially in the cases where young athletes are in the development phases of their careers, the coach takes on more of a mentor and parenting role instead of that of friend and advisor. Young athletes are often impressionable and easily swayed by the opinions and instructions of their trainers. It is important that coaches refrain from exploiting the vulnerability of these young (and even older) athletes, and that they live their lives by the values of fair play at all times. Coaches must “walk the talk” and be sure that their actions are consistent with those that enable cooperation

for a mutual advantage. The trust that athletes bestow upon them is tied to a responsibility for them to honor that trust and to preserve it.

Coaches are also vulnerable in many ways because of their close connection with athletes. Athlete behavior has a direct impact on the success of the career of a top-level coach. When teams are doing well, the leader is exalted. When teams are doing poorly, the leader is shunned. Coaches frequently take the fall when athletes do poorly, and they are often the first people to be blamed for underperformance by athletes.¹²² This means that the trust that is needed between athletes and coaches is a mutual one. Athletes must also respect all of the hard work that trainers put into their success and honor them by not breaking that trust, as well as by giving their best efforts on the field.

4.2.4 Concluding Remarks

Chapter 4 set out to explain how stakeholders can invest in the conditions that deliver sustainable cooperation, and the following key points were established:

- Focal points can serve as sources of information for players, helping to communicate the understanding of the game.
- Consistency in behavior over time is key for allowing the conditions of the game to provide the basis for expectations that build trust.

¹²² See Dubner (2011) for a discussion of this topic in American football, where coaches are said to have a larger influence than in other sports, and are often unjustifiably blamed for their team's underperformance.

- Sport stakeholders are responsible for their behavior on and off the playing field, ensuring that it is consistent with fairness.

5 Implications

In Chapter 1, the research question and basis for the current work was identified:

- How can players invest in the conditions of sustainable cooperation for a mutual advantage, despite a highly competitive sport environment?

The goal of the current work was to apply the golden rule of economic ethics: “Invest in the conditions of cooperation for a mutual advantage!” (Suchanek, 2007, p. 7), to competitive sports games. It was found that players are able to gain a mutual competitive advantage when they act in such a way that creates the information that helps to build trust, a condition for sustainable cooperation.

In addition, the following guiding principles have been established:

1. In order to create mutual benefits for players in the long-term, the focus must be on the common interests that players undoubtedly share, while also managing the conflicting interests.
2. Fair competition can create an uncertainty outcome, which leads to the fulfillment of incentives that are in the common interests of all players.

3. For competition to become a form of cooperation, the right conditions must be present.
4. Changing the conditions of the game allows it to transform into a new one based on mutual trust, leading to sustainable cooperation for a mutual advantage.
5. Small groups, repeated interaction, and information are criteria for sustainable cooperation.
6. Consistency between rules, moves, and understanding of the game over time is a large source of information for players.
7. Increasing information may build trust—a prerequisite and basis for a new game that provides a mutual advantage.
8. Focal points can serve as sources of information for players, helping to communicate the understanding of the game.
9. Consistency in behavior over time is key for allowing the conditions of the game to provide the basis for expectations that build trust.
10. Sport stakeholders are responsible for their behavior on and off the playing field, ensuring that it is consistent with fairness.

5.1 Long-Term Investments

Sports games can remain highly competitive arenas while also creating the conditions for sustainable cooperation for a mutual advantage for players. However, in order to create those conditions that make sustainable cooperation for a mutual advantage possible, investments are required.

All stakeholders have a responsibility to invest in the conditions that build trust, increasing information through consistently fair behavior. By continuing to behave ethically and act according to the rules of the game, stakeholders are able to change the game into one that is based on mutual trust. Governing bodies have the ability to affect the rules of the game; athletes have the ability to affect the moves of the game; and all stakeholders have the ability to impact the understanding of the game. Through these three sub-conditions, each stakeholder is “able to act,” and therefore is called to take responsibility for the way the game is played today, while also making appropriate actions that make positive investments into the way the game will be played in the future (Suchanek, 2007, p. 72). Each stakeholder has the unique responsibility and opportunity to change sports games for the better.

Changing the game in a positive way requires stakeholders to have a long-term investment horizon. The rewards of investments into the conditions of today’s games can only be reaped in future games; therefore, a *consistent* investment is needed. As with most valuable investments that have a worthwhile payoff, the mutual competitive advantage that is promised by the golden rule requires value up front from stakeholders, as well as the necessary patience to see the investment reach its maturity in the form of the increase in internal and external preferences that players so badly crave: an increase in challenge and striving for mutual excellence, an increase in entertainment value and the

uncertainty outcome, and a decrease in costs and increase in profits for stakeholders.

Having a long-term investment perspective also means that the short-term gains that come from winning at all costs are not worth the damage they cause to the conditions of upcoming games. Winning at all costs requires behavior that is a disinvestment in the conditions of future games, creating a disadvantage for players and a missed opportunity for the future. When viewing these short-term payoffs in comparison to the potential payoffs that come from the wisdom of the golden rule, it is evident that *winning is not everything*¹²³—winning is only worthwhile when it is in line with the values of fair competition for a mutual advantage.

5.2 Reflections on the Golden Rule in Sports

When players are faced with dilemmas, they have to address the issue of integrating a sought-after ideal with what is actually possible in the conditions of the real world. The same holds true when attempting to apply theoretical ideals to empirical situations; there may be divides between the ideal world of theory and the actual world of application. The current work serves as mere theory unless it is integrated and taken seriously by real people. “The ultimate goal must be to go from the pretense to the substance of knowledge” (Ghoshal, 2005), which means that, without a serious effort to invest, there is no way to gain the advantages that the golden rule promises.

¹²³ Having a “win at all cost” mentality can lead to using any method necessary to win a game. This can result in using fellow stakeholders as a means to gain incentives, which disregards their human dignity (Kant, 1997, p. 38). The golden rule allows players to gain valuable incentives while still keeping respect for human dignity intact.

The theory comprised in the current work is meant to act as what Fritz Jules Roethlisberger called “a useful walking stick to help on the way” (Roethlisberger, 1977, p. 68). Sport stakeholders are called to be people of action as well as thought, and the ethical theory contained within these pages is meant to help steer them in the direction they would like to go, toward a place of mutual competitive advantage where their own moral ideals are not compromised.

The current work is normative in nature, and therefore has natural empirical limitations. The limits of the current work underline the fact that we are only able to operate “within the scope the world allows” (Rawls, 2005, p. 88), and therefore the remainder of this chapter is dedicated to defining those limits.

Firstly, although there has always been an attempt to integrate both the (1) idealistic and (2) applied perspectives, the current normative analysis nevertheless does not involve the collection of quantitative or qualitative concrete data, and is therefore limited in its ability to provide direct correlational evidence. It has been empirically demonstrated that companies who focus on sustainability through transparency are more profitable in the long-term¹²⁴ (Eccles, Ioannou, & Serafeim, 2012, p. 1). In the field of sports, it would be beneficial to see *exactly* what practical results follow the application of the golden rule. Concrete evidence that specific investments in information providing conditions can lead to cooperation for a mutual advantage would be useful in aiding to persuade stakeholders that these investments are worthwhile.

¹²⁴ “High Sustainability firms generate significantly higher stock returns, suggesting that developing a corporate culture of sustainability may be a source of competitive advantage for a company in the long-run” (Eccles, Ioannou, & Serafeim, 2012, p. 27).

This type of verifiable signal would essentially act as information in itself, which could be used to make a well-informed decision to invest in cooperation for a mutual advantage.

Secondly, although humans are rational, they don't always make rational choices. This means that, even if a convincing argument could be made that stakeholders should invest for their own long-term good, they will not always choose to do so. Since *forcing* players to invest against their own will is also not in line with the preservation of human dignity,¹²⁵ because it limits the ability to act autonomously, the free choice that players have about whether or not they would like to invest is solely theirs. As explained throughout this study, athletes are the only stakeholders who are able to make moves in the game; therefore, they must make the final choice whether or not they are going to play fairly or cheat. Even if their long-term incentives sway them in the direction of cooperation, this again does not imply that they will act in accordance with these incentives.

Thirdly, individual circumstances may prevent players from investing. However, as noted previously, responsibility is only present when players are "able to act" (Suchanek & von Broock, 2009, p. 20), which implies the inability to act relieves stakeholders from their responsibility. Since all stakeholders are *able* to influence future games through the understanding of the game, they are often capable of impacting the game on an indirect basis. It should be noted that investment opportunities will remain unrealized until responsibility is taken through action; this is as much the responsibility of the governing bodies as it is of the athletes, spectators, sponsors, and general sport stakeholders (including

¹²⁵ See Kant (1997).

sports ethicists as well as practitioners). It is important to ensure that one remains sensitive to the individual dilemmas that players face and take into account their own limitations, while also recognizing that the accountability for the game's existing conditions spreads much further than the individual athletes.

Lastly, the current work is a product of the author's personal *understanding* of the game. "You can see everything differently" (Suchanek, 2007, p. 11), and thus the author's view reflects a specific mental model that includes the economic ethics tradition of thought that consequently may be biased in the direction of these considerations. However, in order to create the conditions for mutual advantage in the long-term, the focus must be on the *common* interests that each type of practitioner and theorist shares, while also managing conflicting interests that are inherently present. Focusing on the shared beliefs while remaining open to new and diverse ones is important in creating potential investment opportunities that can lead to mutually advantageous conditions, creating a "cooperative learning process" (Beckmann, 2012, p. 10) and a platform for change.

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