

**The
Economist**

American college sports Justice for jocks

America's exploitative college sports system can be mended, not ended

Aug 16th 2014 | From the print edition

IT MAY have invented trust-busting, but for decades America has tolerated an insidious cartel. Unlike most price-fixers, who seek to inflate their products' value, this one acts as a monopsony—using market power to obtain cheaper inputs—to squeeze its vulnerable employees.



The name of this syndicate is the National Collegiate Athletic Association (NCAA), the governing body for American college sports. Uniquely among major team sports, the top leagues in basketball (the NBA) and American football (the NFL) do not recruit from lower professional circuits. Instead, they delegate training to universities: the NFL requires new players to finish three seasons in college, and the NBA's minimum age is 19. This has helped turn the schools into entertainment juggernauts. At \$10.5 billion a year, college sports revenues—mainly from TV, attendance and merchandise—exceed those of any single pro league. Even this understates the profitability of college sports, because the NCAA maintains an amateurism policy that caps athletes' compensation at the cost of their education.

Trading labour for a degree sounds fair. But the income elite players produce far exceeds the price of their scholarships—which colleges are free not to renew in case of injury or violations of the NCAA's stringent rules on gifts. Many of the excess profits, or “rents”, are captured by administrators. In 39 of the 50 states, the highest-paid public official is a college coach.

Moreover, the value of the education athletes receive is dubious. They are recruited with little regard for grades, spend too much time on sports to attend class, and often depend on school-sponsored academic fraud to retain eligibility to compete. Just 44% of male basketball players at leading programmes graduate within six years. And sports are dangerous: the brutal collisions in American football have been shown to cause brain damage. After three years in college, many of these unpaid gladiators are too debilitated to reach the NFL. Such exploitation would be

unacceptable in any context. But the fact that it is broadcast on national TV, and that the victims are mostly black and often poor, makes it particularly galling.

Recently criticism of the NCAA has grown far more strident, and numerous players have challenged the cartel in the courts. A turning point may have been reached last week, when a federal judge ruled that the NCAA's ban on paying athletes for the use of their name or image violated antitrust law (see [article](http://www.economist.com/news/united-states/21612160-pressure-grows-let-student-athletes-share-fruits-their-own-labours-players-o) (<http://www.economist.com/news/united-states/21612160-pressure-grows-let-student-athletes-share-fruits-their-own-labours-players-o>)). If upheld on appeal, the decision should pave the way for players to get a piece of the pie they create at last.

Unfortunately, retro-fitting a commercial payment scheme onto an amateur system will not be easy. Would all players earn the same amount, or would compensation vary by sport, skill or university revenue? The former would still be unfair, while the latter could run afoul of colleges' legal obligation to devote similar resources to men's and women's sports. Moreover, as self-serving as the NCAA's lofty rhetoric about amateurism is, the main distinction between college and pro sports is the myth that student-athletes are normal kids playing for the love of the game. If the NCAA's commercialism were made transparent, it might lose some of its appeal.

The ultimate culprits

Rather than turning college sports into professional minor leagues, a better approach would be to go after the cartel's silent partners: the NBA and NFL. At present, young athletes have no choice but to take a raw deal from colleges, because pro teams refuse to sign them. If players could go pro straight from high school, those with truly valuable talent could earn a fair market wage. For the rest, attending university for free would be reasonable compensation—so long as the NCAA instituted reforms to make the “student-athlete” slogan a reality. Those could include increasing financial aid to cover the full cost of attendance, guaranteeing scholarships for as long as players need to graduate, paying for all sports-related medical expenses and letting athletes sign their own marketing deals.

The power to implement this solution lies with the professional players' unions, who collectively bargain league-entry rules. So far, they have been all too willing to sell future members down the river in exchange for concessions that benefit current ones. That can change. Activists could aim their public-relations campaign at the unions as well as the NCAA, and amateur players could try to sue them for undermining their interests. Professional players are already rich. It is high time for their representatives to demand that younger athletes win the same right to be paid for their labour as every other worker.

From the print edition: Leaders