The Institutional and Behavioral Economics of Professional Sports Leagues

Dissertation

for the Faculty of Economics, Business Administration and Information Technology $\qquad \qquad \text{of the University of Zurich}$

to achieve the title of Doctor of Economics

presented by Stephan Klaus Werner from Germany

approved at the reguest of Prof. Dr. Helmut M. Dietl Prof. Dr. Egon Franck The Faculty of Economics, Business Administration and Information Technol-

ogy of the University of Zurich hereby authorizes the printing of this Doctoral

Thesis, without thereby giving any opinion on the views contained therein.

Zurich, October 22, 2008

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Berichte aus der Sportökonomie

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Preface and Acknowledgements

OMNE PRINCIPIUM DIFFICILE¹ - this doctoral thesis is the result of three years of research. At the beginning the interest for mathematical applications motivated me to start this thesis. But to doctorate (in tradition of Alexander Humboldt) means also to bother with the 'septem artes liberales'. Depending on the historical view, this also means to deal with philosophy and religion, and (not surprising) I got in touch with Augustine and his doctrine.

'The good Christian should beware of mathematicians and all those who make empty prophecies. The danger already exists that mathematicians have made a covenant with the devil to darken the spirit and confine man in the bonds of Hell.',

he noted.² Are mathematicians and statisticians therefore in league with the devil? And much more interesting, what is mathematics? Are mathematicians natural scientists, philosophers, theologians or philologist speaking with numbers? Mathematics seems on a first glance to be a natural science. But is mathematics not also a language?³ Perhaps, yes. And are not mathematicians creators of the so-called 'number theory' and therefore try to explain the existence of 'numbers' like a philosopher proves the existence (or non-existence) of being? Again, perhaps yes. This ambiguity in the demarcation of 'mathematics' is also reflected in Augustine's quotation. He originally meant that there was *no difference between mathematicians and astrologists*. Astrologists told the future, which was considered diabolic. In line with Augustine, we then have to deny the claim that mathematics is a science if we assume that astrology is not a science. Or we have to ask about (general) characteristics of science (if we accept astrology as a science).

This short discussion highlights the counterproductive discussion about exact and humanistic sciences, since a clear and general definition about 'exact' or 'humanistic' science is not obvious, and an 'exact' definition will give itself the leeway for further discussions. I was very lucky to enjoy not only an education in the humboldtian tradition, but also

Anonymous.

De Genesi ad Litteram, Book II, XVIII, 37. Translation by H. Taylor in Ancient Christian Writers, Newman Press (1982), vol. 41.

Some will say it is the clearest language in the world.

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to have outstanding mentors. Therefore I first want to thank my supervisors Helmut Dietl and Egon Franck. Helmut Dietl has given me not only the opportunity to write my doctoral thesis at his chair, he also gave me the opportunity to work independently and in my major field of interests, namely in the field of applied statistics and investment theory. With his constant interest, his permanent availability and 'open door policy' laid the fundament to finish this dissertation project. Especially his patience, generosity, and loyalty supported my work. The same is true for my co-supervisor Egon Franck. His advice and support influenced this project. I want to thank both for their kindness and encouragements over the whole time.

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