Athens Journal of Sports - Volume 13, Issue 3, September 2026 – Pages 191-198

Paradoxes in the System: Public Service Sport Broadcasting between Mandate and Market

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The allocation of sports broadcasting rights has become a central field of media law, competition law, and democratic theory in Europe. This article argues that public service broadcasters occupy a structurally paradoxical position within the sports rights market: they simultaneously function as competitive market actors and as constitutionally mandated providers of public value. This dual role generates persistent tensions between market rationality and democratic communication requirements. The article develops a legal-economic analysis of this paradox, focusing on welfare-economic justification, distortions in rights markets, and the fragmentation of public communication through global digital platforms. It concludes that the central challenge in Europe is not the elimination of this paradox but its governance under conditions of intensified marketisation and platform capitalism. It will be shown, that in future there will be a lot of pressure for public service broadcasters in Europe in the allocation of sports broadcasting rights and in fulfilling their key function.

Keywords: *public service broadcasting; sports rights; public value, EU media law; competition law; platform capitalism; audiovisual regulation*

Introduction: Sports Rights as a Legal-Political Battleground

The allocation and commercialization of sports broadcasting rights has become one of the most contested domains of contemporary media law and policy. What appears at first glance as a purely economic market for audiovisual content is in fact a densely regulated field at the intersection of constitutional law, European Union competition law, media regulation, and democratic theory (Bertling, 2025a; Billing & Harding, 2014; Miller et al., 2001).

Sports broadcasting rights are no longer merely commercial commodities. They function simultaneously as cultural goods, instruments of political identity formation, and mechanisms of social integration. EU media law explicitly recognises this dual nature by allowing Member States to secure public access to events of major societal importance (cf. Bertling, 2025b; Hutchins & Rowe, 2013; Doyle, 2013).

Within this framework, public service broadcasters occupy a structurally contradictory position. They compete for scarce and expensive premium sports rights while simultaneously being bound by constitutional and statutory mandates requiring pluralism, diversity, and democratic communication. This duality raises fundamental questions regarding legitimacy, proportionality, and institutional design.

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https://doi.org/10.30958/ajspo.13-3-3 doi=10.30958/ajspo.13-3-3

The study is guided by three research questions:

RQ1: How can Public Value be conceptualized in public service sports broadcasting?
RQ2: Which structural tensions emerge between commercial sports rights markets and public service obligations?
RQ3: How do these tensions affect diversity, inclusion, and democratic accessibility?

State of Research

The role of public service media in Europe has a long-standing tradition within communication and media studies and is predominantly discussed from a normative perspective. Public service media are regarded as key institutions of democratic public spheres whose functions extend beyond purely market-driven logic. In addition to their informational and educational functions, they are also attributed an integrative role: they are expected to reflect social diversity, represent minorities, and promote social cohesion (cf. Moore, 1995; Habermas, 1962).

Comparative analyses of media systems demonstrate that public service broadcasters fulfill a stabilizing role, particularly within democratic-corporatist systems. Their legitimacy is derived not primarily from audience ratings or advertising revenues, but from the societal value they generate. Media economic and media policy research likewise emphasizes that the legitimacy of public service broadcasting is increasingly defined through its societal contributions rather than through audience reach alone (cf. Luenich et al., 2021; van den Bulck, 2019; Williamson, 1991; Williamson, 1975).

With regard to sports coverage and the associated rights market, media economic and sports communication research points out that rights costs, market logics, and audience orientation constitute central determinants of sports journalistic attention and strongly shape public service broadcasting. The concentration on a small number of highly commercialized competitions thus follows an economic rationale, yet potentially conflicts with public service mandates of diversity and integration cf. Bertling 2026; Luenich et al. 2021).

At the same time, sports coverage fulfills important societal functions: it creates identity, generates collective experiences, and can foster social integration (cf. Luenich et al. 2021; Hutchins & Rowe, 2012).

To date, however, research has not sufficiently addressed the highly complex interplay between public service obligations, economic and legal conditions, and the media logics associated with them. In order to analyze these interdependencies, Public Value theory offers a promising theoretical foundation.

Theoretical Framework: Public Value

The Public Value approach originally emerged from public administration research, particularly through the work of Moore (cf. Moore, 1995), who conceptualized public organizations not merely as bureaucratic administrative bodies but as institutions actively generating value for society. In his work Moore advances the central argument that public institutions derive their legitimacy not solely from formal mandates or historical tradition, but from their ability to create societal value ("public value"). Public organizations must therefore continuously justify the normative, social, and democratic benefits they provide to society.

Moore's strategic triangle—comprising societal legitimacy and political support, operational capacity, and a clearly defined public value proposition—illustrates that public value emerges within the tension between different and often competing logics of expectation (cf. Moore, 1995; Moe, 2008; Donders, 2012; Parkinson, 2018).

Within media studies, the approach has been applied particularly to public service broadcasting organizations, where it serves as a normative framework for assessing the societal performance of programs and services. Unlike purely economic evaluation models, which focus primarily on audience ratings, market share, or advertising revenue, the Public Value approach also incorporates qualitative and normative dimensions. These include in particular:

- the provision of reliable information and the facilitation of public discourse in support of a democratic public sphere;
- the inclusion of diverse perspectives and social actors to foster pluralism of opinion;
- the representation of different social and cultural milieus in order to promote cultural diversity;
- contributions to social cohesion and integration;
- the provision of journalistic quality, transparency, accountability, and institutional credibility to strengthen trust in public communication (cf. Moore, 1995; Moe, 2011; Moe, 2008; Donders, 2012; Parkinson, 2018).

Public service media are therefore confronted with a dual—or more precisely, triple—responsibility. First, they must manage public resources efficiently and responsibly (economic dimension). Second, they are obligated to represent societal diversity and safeguard democratic discourse (socio-political dimension). Third, they carry a moral and ethical responsibility to ensure journalistic integrity, expose misconduct, and foster trust in public communication. Public Value functions here as an integrative guiding concept that systematically combines these different expectations.

Conceptually, the Public Value approach is rooted in welfare economics. Welfare economics examines the conditions under which societal welfare can be maximized and takes into account collective goods, external effects, and distributive questions. Unlike individualistic utility models that rely exclusively on willingness to pay or individual preferences, welfare economics also considers goods whose societal benefits extend beyond private demand (cf. Hutchins & Rowe, 2013; Doyle, 2013).

Media offerings—particularly informational and cultural programming—display characteristics of public or merit goods. They generate positive externalities, for example in the form of an informed citizenry, social integration, or democratic stability (cf. Albarran, 2024).

In this context, sports broadcasting can likewise be interpreted as a merit good: its societal benefits—such as collective identity formation, cultural participation, or social cohesion—may exceed the individual willingness to pay of audiences.

Public service broadcasters are expected to fulfill a compensatory role in this regard. They secure broad access to sports, including commercially less attractive disciplines, and counteract potential market failure. In doing so, they contribute to correcting unequal access conditions and safeguarding societal participation.

For the present study, two analytically distinct yet interrelated dimensions of Public Value in sports coverage can be identified:

(1) Socio-Political Dimension: This dimension encompasses the representation of societal diversity, the promotion of social integration, and the visibility of marginalized or underrepresented groups. This includes, for example, adequate coverage of women's sports, Paralympic disciplines, or non-commercialized sports. Public service sports journalism can thus perform a corrective function by compensating for structural selectivities produced by the market.

(2) Economic Dimension: This dimension concerns the efficient use of public resources and the justification of expensive broadcasting rights acquisitions. Particularly in the context of high-cost sports broadcasting rights, the question arises to what extent the resources invested are proportionate to the societal value generated. Public Value serves here as an evaluative benchmark that extends beyond audience ratings and asks what contribution a given offering makes to societal welfare.

The interplay between these two dimensions creates paradoxes that appear increasingly difficult for public service broadcasters in Europe to resolve, leading to an ever-deepening dilemma—as the following section demonstrates.

The Systemic Paradox of Public Service Sport Broadcasting as Public Value

Sport broadcasting does not merely represent sporting activity; it actively constructs its social and economic value. Visibility generates attention, attention produces relevance, and relevance determines the economic value of media rights.

In liberalised markets, allocation is driven by audience demand and advertising or subscription revenues. This mechanism is economically efficient but structurally biased towards already dominant sports. Grassroots sport, women's sport, para sport, and niche disciplines remain systematically underrepresented (cf. Cooky et al., 2018; Billings & Hardin, 2014).

From a welfare-economic perspective, this reflects a market failure in the provision of merit goods, where social value is not fully captured by private willingness to pay (Albarran 2024). This provides the normative foundation for public service broadcasting in European media systems (cf. Jakubowicz, 2010; Jakubowicz, 2007).

Public service broadcasting is therefore not oriented towards market maximisation but towards ensuring pluralism, integration, and democratic accessibility, as reflected in EU law and constitutional jurisprudence.

The central paradox lies in the fact that public service broadcasters must operate within precisely those markets that appear to contradict their non-commercial mandate.

Premium sports rights—such as the FIFA World Cup, Olympic Games, UEFA Champions League, and national top leagues—generate mass attention essential for maintaining communicative relevance. Without access to such events, public service broadcasters risk losing visibility and, consequently, the ability to disseminate less commercially attractive content.

This creates structural dependency: democratic communication functions rely on participation in commercial markets.

At the same time, public service broadcasters influence market dynamics by incorporating communicative and societal considerations into bidding strategies. This may intensify competition and contribute to rising rights fees (cf. Hutchins & Rowe, 2013; Jakubowicz, 2010; Jakubowicz, 2007).

A recurring normative critique follows: why should licence fee payers finance participation in auctions that contribute to price escalation? The justification lies in the communicative function of premium sport, which generates collective attention structures necessary for public value creation.

A frequent argument suggests that public service broadcasters should withdraw from premium sports rights markets and focus on niche content and investigative journalism. However, this neglects the structural importance of visibility.

Pluralism requires reach. Without mass-audience events, public service broadcasters lose communicative centrality, undermining their capacity to make marginalised content visible.

Investigative sports journalism—covering corruption, doping, and governance failures—illustrates this dependency. While commercially unviable, it performs a crucial democratic oversight function that is indirectly sustained by mass sport attention structures.

Public service broadcasting is embedded in Article 106(2) TFEU, which allows exemptions from competition rules for services of general economic interest. The European Court of Justice recognises public service broadcasting as such a service.

However, sports rights markets raise complex State aid issues. One main criteria require that compensation for public service obligations does not exceed necessary costs. Yet in competitive auction markets, "necessity" is difficult to define because prices are externally determined.

This creates a circular structure: market prices define public costs, while public participation influences those same prices.

As a result, classical State aid doctrine only partially captures the dynamics of sports broadcasting markets. The UK employs a "listed events" system under the Broadcasting Act 1996, ensuring that major sporting events remain accessible on free-to-air television. Germany relies on constitutional jurisprudence of the Federal Constitutional Court and selective listing under the *Medienstaatsvertrag*, reflecting a hybrid model of market reliance and public intervention. France adopts a more interventionist approach grounded in the cultural exception doctrine, ensuring broader free-to-air access to major sporting events (see Council of Europe 1994).

Global platforms such as Amazon and Netflix have fundamentally reshaped sports rights markets. Unlike traditional broadcasters, they treat sports rights as ecosystem assets within broader digital architectures.

Value creation is based on:

- subscription retention
- data extraction
- algorithmic personalisation
- ecosystem integration

Sports rights thus become strategic instruments rather than standalone media products (cf. Billings & Hardin, 2014; Hutchins & Rowe, 2013).

Platformisation produces increasing fragmentation of audiences. Historically, major sporting events created synchronised collective experiences. This shared simultaneity is now replaced by segmented micro-publics distributed across platforms.

From a constitutional perspective, this weakens the integrative function of mass media and erodes shared cultural reference points essential for democratic discourse.

Platform competition produces a structural double bind:

1. Rising global demand increases rights prices
2. Fragmentation reduces communicative value of acquired rights

Public service broadcasters therefore face increasing costs and declining marginal public value.

This constitutes a constitutional as well as economic inefficiency.

Conclusion

Public service sport broadcasting is structurally embedded in a paradox that cannot be resolved within existing legal and economic frameworks.

Public service broadcasters must compete in highly commercialized markets in order to fulfil non-commercial democratic functions. At the same time, their participation contributes to the market dynamics that increase costs and fragment public communication.

EU competition law, State aid doctrine, and media regulation provide partial governance tools but do not eliminate this structural tension.

The central challenge is therefore not the resolution of the paradox but its governance under conditions of platform capitalism. The future of public service broadcasting will depend on whether legal frameworks can preserve democratic communication while limiting the distortive effects of globalized sports rights markets.

Discussion

Three governance models emerge: (1) Mandate restriction. Withdrawal from premium sports markets would reduce costs but undermine visibility. (2) Conditional acquisition.

Premium rights could be linked to measurable public value outputs (e.g. diversity promotion, grassroots reinvestment). (3) Coordinated licensing frameworks. Joint procurement or regulatory coordination could mitigate bidding escalation and preserve access. Each model reflects trade-offs between efficiency, pluralism, and democratic access. For the future, it seems important that there is a model decision that will make public broadcasting and its sports coverage sustainable in the future.

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