CORRUPTION AND CONTESTS: Cross-country evidence from sensitive football matches

Professional football teams struggling against relegation are much more likely to get the result they need on the last day of the season in countries with higher levels of corruption. For example, between 2001 and 2013, teams that struggled against relegation in Switzerland achieved the desired result in well under half of matches; in Russia, the desired result was achieved in more than three quarters of matches.

These are among the findings of research by Guy Elaad, Jeffrey Kantor and Alex Krumer, to be presented at the annual congress of the European Economic Association in Geneva in August 2016. Their study also reveals that the more corrupt a country, the higher the probability that a team that achieved the desired result will reciprocate by losing in the later stages of the following season to the same team.

The researcher explore the relationship between corruption in a country – as measured by the Corruption Perceptions Index (CPI) – and the probability of determining the outcome of a contest in a real competitive setting, in which people in different countries are faced with exactly the same task under fixed and known rules. They analyse 827 end-of-season matches where the results were critical to one team in immediate danger of relegation to a lower division (usually a weaker team), while the other team was relatively indifferent about the result (usually a stronger team).

More...

The researchers explain their findings:

*What did you find out?*

Our study looks at the relationship between corruption – as measured by the Corruption Perceptions Index (CPI) – and the probability of determining the outcome of a contest in a real competitive setting, in which people in different countries are faced with exactly the same task under fixed and known rules.

To that end, we used data from sensitive football matches between a team in immediate danger of being relegated to a lower division and a team not affected by the results in the respective match.

Based on an analysis of this situation that occurred on the last day of a season in 75 different countries during the period between 2001 and 2013, we find that the odds of achieving a desired result in order to avoid relegation are significantly higher when the country is more corrupt according to the CPI.

*How does your analysis work?*

We considered sensitive matches the results of which were critical to one team in immediate danger of relegation to a lower division (usually a weaker team), while the other team was relatively indifferent regarding the result (usually a stronger team). We found 827 such matches in 75 different countries during the period 2001-2013.
In our analysis, we took into account many different characteristics, such as home advantage, difference in teams’ rankings, overall competitive balance of a league, countries’ characteristics (GDP, regime, etc.). In all the cases we find a significant relationship between the CPI and the odds of achieving the desired result to avoid relegation to the lower division.

Why did you look for a relationship between the CPI and results of sensitive football matches?

Corrupt behaviour has many faces. To fight corruption, first we have to understand the mechanism that may drive it. Usually, government activities may be a trigger that results in a corrupt environment. But very little is known about the existence of corruption in non-government activities.

Football provides us with a unique opportunity to observe the same real-life situation with a clear outcome in many different countries. The situation, with no visible government involvement, is driven by a contest design, which may provoke a corrupt type of behaviour, since the incentives to win differ between teams. But this difference in incentives is very similar in different countries, so our aim was to investigate whether the results in different countries will be associated with the corruption index.

For example, we find that teams that struggled against relegation in Switzerland achieved the desired result in only 44% of the cases. But in Russia this result was achieved in 77% of the cases.

Our findings provide some evidence that the virus of corruption, as measured by the CPI, may affect social activities that are not necessarily directly linked to government activities.

How do you explain your results?

Our results can be attributed to several possible explanations. It may be due to the intervention of a third party that is interested in match fixing. It can also be because players of indifferent team have no incentive to ‘work hard’.

Although, we can’t eliminate these possible reasons, we also find strong evidence of a significant association between the CPI and the quid pro quo behaviour. More specifically, we find that the more corrupt the country according to the CPI, the higher the probability that a team that achieved the desired result will reciprocate by losing in the later stages of the following year to the same indifferent team.

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‘Corruption and Contests: Cross-Country Evidence from Sensitive Soccer Matches’
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