

Changing the way that referees are paid would be an important step towards preventing match fixing in European football.

Blog Admin

Earlier this month Europol announced some preliminary results from a major investigation into match fixing in world football. In total, 380 matches played in Europe have been identified as suspicious, with 425 individuals suspected of involvement. **Tito Boeri** and **Battista Severgnini** write on recent experiences with match fixing in Italy. Their research indicates that most referees involved in illegal gambling are motivated by career concerns, and that a flat-rate of pay would eliminate some of the incentives to cut corners in a bid to be promoted to more lucrative matches.



Almost every week there are [media reports](#) on international police inquiries related to match-fixing in professional football. Indeed, hundreds of matches in Europe are currently under investigation. The range of events involved goes all the way from Uefa Champions League matches, to domestic lower league competitions.



The relationship between sport and corruption has deep historical roots. Organised corruption has been frequent in sports as far back as the Olympic Games in Ancient Greece. Cheating in cycling and baseball predates match fixing in football. As early as 1896, cyclists were accused of doping in the [Bordeaux-Paris](#) race, while there is evidence that in 1919 gamblers bribed the baseball players of the Chicago White Sox to intentionally lose games in baseball's World Series (the so called '[Black Sox scandal](#)').

Ongoing judicial investigations are not only the byproduct of stricter police co-ordination under the active involvement of Interpol and Europol, but also point to an escalation of the phenomenon. Football is no longer dealing with isolated episodes of corruption, but with a web of deceit in a globalised and interconnected structure of criminality. These events risk alienating supporters, discouraging stadium attendance and reducing the revenues of football teams: which may in turn induce further match fixing in order to pay the wage bill. According to Interpol Secretary General [Ronald Noble](#), the illegal betting system can be valued at hundreds of billions of euros per year: with large bookmakers estimated to generate revenues as large as Coca-Cola. Moreover there are suggestions that blackmail may play a role in match fixing, with management threatening to withhold wages unless players co-operate.



San Siro, Milan, Credit: Kyle Simourd (CC BY 2.0)

Needless to say, the nature and determinants of match fixing are difficult to characterise. Following Vito Tanzi's [apt comparison](#), it might be said that corruption is like an elephant: difficult to describe in isolation, but not difficult to recognise. Observing and understanding corruption in football is an extremely difficult task as the actors and forces which drive it are not easily observable. However, the

scandals unveiled by police investigations, together with economic theory, gives us the opportunity to understand relevant features of match fixing and possibly find ways to reduce the likelihood of it taking place again in the future.

A case study of match fixing in Italy

Police investigations, judicial records and media reports suggest that there are two main reasons for altering a match. On the one hand, match fixing can be aimed at helping a team from a sporting perspective (e.g. to win a tournament, or qualify for a major competition such as the Champions League). On the other hand, gamblers can illegally bribe players in order to make a financial return from fixed matches.

In our work, we concentrate on the first type of match fixing, drawing on records from the [Calciopoli scandal](#), which took place in the 2004-5 Italian football season. A number of matches were rigged by exerting pressure on referees, who represent the lowest paid component of the football industry. It was not the first episode of this kind, but most likely the first time that pressure on referees was exerted in a systematic fashion, as shown by tapped phone conversations between general team managers, referees, and journalists. The Italian police was able to uncover a hidden system created to rig games by choosing referees favourable to the Turin-based team Juventus (the winner of the Italian league title) and other teams, such as A.C. Milan, Fiorentina, S.S. Lazio, and Reggina. Sanctions were imposed by the Italian football authorities on these teams, with Juventus being relegated to the Second Division and the other teams receiving a range of financial and sporting penalties, but there is still doubt as to whether the problem has been solved permanently.

[Our study](#) addressed two main questions. First, we assessed the main determinants of match fixing. Second, we attempted to determine which actors are most likely to be involved in the phenomenon. Our findings indicate that pressure on referees is exerted by drawing on their career concerns, which can be a very strong substitute for financial bribes. The promotion of referees to higher levels, and to international standing, involves very large jumps in earning potential. According to the data that we collected, the increase in lifetime earnings can be as large as 1.7 billion euros. It was precisely those referees who were at the stage of their career where this promotion could be awarded who were selected for the matches to be rigged.

Our results suggest that reducing match fixing may involve changing the career profiles and pay incentives of referees. In addition, better monitoring of the decisions made to allocate games to specific referees, the evaluation process which occurs after each match, and the decisions to promote referees to higher levels, would be beneficial. More importantly, the adoption of compensation schemes with significant flat-rate salary components could prevent referees from becoming dependent on the selection decisions made by the committees who assign referees to various matches. In this respect it is encouraging that several football federations are moving in this direction, following the example of football associations in the UK.

[Please read our comments policy before commenting.](#)

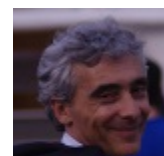
Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

Shortened URL for this post: <http://bit.ly/YVSAvo>

About the authors

Tito Boeri – *Bocconi University*

Tito Boeri is Professor of Economics at Bocconi University, Milan. He is also a Research Fellow at the Centre for Economic Policy Research. His field of research is primarily labour economics, redistributive policies and political economics.



-



Battista Severgnini – *Copenhagen Business School*

Battista Severgnini is Associate Professor in the Department of Economics at Copenhagen Business School. His primary areas of interest are economic development, productivity, labour economics, sport economics and economic history.



Related posts:

1. [Book Review: Fixing Drugs: The Politics of Drug Prohibition \(8.3\)](#)
2. [Preventing racism at Euro 2012 is not just the responsibility of Poland and the Ukraine. UEFA must take a harder line. \(12.3\)](#)
3. [Book Review: The European Union and the Baltic States: Changing forms of governance \(6.7\)](#)