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INTRODUCTION

Corruption in sport is understood as any illegal, immoral or unethical activity that attempts to deliberately distort the outcome of a sporting contest for the personal material gain of one or more parties involved in that activity (Gorse and Chadwick, 2013). From an economic standpoint, corruption in sport was initially meant to refer to any action that aims at and succeeds in earning money with distorting the outcome of sport contests by means of bribing/throwing a game for money or nonmonetary compensation. Nowadays, corrupt sport has extended to other unethical behavior such as distorting the allocation of mega-sporting events, biasing decisions made by sport governing bodies and fixing matches. Corrupt sport dates back to the earliest centuries when sporting events emerged. Maennig (2006) reports documented cases of bribing competitors at the Olympic Games in 388, 332 and 12 BC. Corruption scandals increased in modern sports, namely in boxing, US college basketball, South Korean, Swedish and Turkish basketball, English, Indian, Kenyan and South African cricket, French handball, Australian and English rugby, African, Asian, European and Latin American football, Japanese sumo wrestling, Austrian, Russian and Serbian tennis, South Korean volleyball, and Chinese and English snooker. With growing money inflows attracted into sport and the globalization of the sports economy (Andreff, 2008; 2012a), nowadays corruption can plague, up to some point, anyone and all the facets of sports business. Corrupt sport has become such a significant criminal economic activity that it deserves a deeper focus on the most global opportunity for corruption – sport betting scandals related to **match-fixing**. With the emergence of on-line betting, the latter is the spearhead of borderline economic behaviour and, in many occurrences, of naked criminality, which is out of reach for both national governmental regulation and sanctions designed by national and international sport governing bodies.

A TYPOLOGY OF SPORT CORRUPTION

A typology of corrupt sport is featured below that may be useful for understanding and preventing corruption. It starts with cases currently considered as petty corruption

between sport insiders. In some cases, corruption operates without significant amounts of money that is coined barter corruption. Corruption may also affect the highest sport governing bodies, with some well-known cases illustrated. With increased inflows of money into sport, new forms of corruption emerged through first sport betting scandals. With economic and sport globalization, global criminal networks entered the sport gambling business; now they organize match-fixing on a wide scale related to global on-line fraudulent sport bets. In the face of huge international betting scandals related to match-fixing, the enforcement of a global taxation levied on sport bets is recommended.

PETTY CORRUPTION: ON-THE-SPOT CORRUPTION BETWEEN SPORT INSIDERS

The most ancient type of corrupt sport is the one spontaneously emerging during the course of a sporting contest between two competitors or two teams. Competitor A bribes competitor B to let him/her win. Or perhaps competitor A would bribe opponent B to accept helping him/her to win in the face of a third opponent. Such on-the-spot corruption is not planned in advance and occurs when an opportunity of securing a win randomly appears in the progress of a sport contest. It is a sort of petty (as distinct from heavily criminal) corruption that distorts a sporting outcome without endangering anyone's life or creating a huge societal issue. For instance, in long-distance cycling races like the Tour de France, in some circumstances winning a stage happens to be bargained between two riders who finish ahead of the peloton, eventually with one rider bribing the other (Andreff, 2014). Caruso (2008) evidenced spontaneous cooperation between rivals in sport contests. In a football match, players from the two teams speak to each other – just like two cycling riders at the end of a stage – or simply signal to the opponents, by kicking the ball aimlessly and lazily, their willingness to exert fewer efforts and fix the result. Such corruption usually involves monetary payments. Winning a Tour de France stage is bargained in the range of €100,000 with a variance depending on race circumstances and the type of (mountain or not) stage. This kind of corruption emerges between sport insiders (athletes/ players, coaches, referees, umpires, and sport managers from the club level up to international sport governing bodies), and not one of the corrupt or the corruptors will operate from outside the sports industry.

BARTER CORRUPTION: BUYING A SPORT WIN WITHOUT CASH

Another type of petty corruption between sport insiders works without money. In such barter corruption, an athlete or team A on the brink of being relegated downward in the sporting hierarchy, and thus in absolute need of a win, offers an athlete or team B a bribe to win; this bribe is not paid in cash but later on with some planned losses accepted by A in further matches against B. Barter corruption is difficult to detect since there is no money flow or material indices. A fascinating methodology consists in the creative use of existing data sources (Duggan & Levitt, 2002) to detect corruption in Japanese professional sumo wrestling. The incentive structure of promotion in sumo wrestling leads to gains from trading between wrestlers on the margins for achieving a winning record against their opponents. The authors show that wrestlers win a disproportionate share of the matches when they are on the margins. Increased effort cannot explain the findings. Match rigging disappears in times of increased media scrutiny. Wrestlers who are victorious when on the bubble lose more frequently than would be expected the next time they meet that opponent, suggesting that part of the payment for throwing a match is a future payment-in-kind. Reciprocity agreements between stables of wrestlers appear to exist, suggesting that collusive behaviour is not carried out solely by individual actors.

CORRUPTION AT THE LEVEL OF SPORT GOVERNING BODIES

Corrupt sports insiders may belong to governing bodies. A major case in point happens to emerge when allocating mega-sporting events such as the Olympics and FIFA World Cup or appointing someone to an honorary VIP position in sport governing bodies (Maennig, 2005). Widespread rumours about such corruption are numerous but difficult to verify empirically. Sticking to evidence unearthed after a report written by a FIFA general secretary, a complaint introduced to the court in 2002 accused the FIFA president of corruption and embezzlement as regards diverting funds toward some FIFA members, namely the incumbent presidents of CONMEBOL (the Latin American football confederation) and CAF (African football).¹ In the same vein, bribery was well documented when allocating the 2000 Games to Sydney. A peak of corruption was reached in the allocation of the 2002 Winter Games to Salt Lake City, to such an extent that it triggered a widespread reform of the IOC and the exclusion of IOC executive committee members in 1999. In 2010, FIFA suspended two executive members suspected to have sold their votes for allocating the 2022 World Cup to Qatar, and the Qatari president of Asia's football confederation (AFC) under the presumption of fraud. Executive members of sport governing bodies and government' ministers were also

revealed to have participated in betting scandals in Taiwanese baseball (Lee, 2008)

BETTING SCANDALS AND POINT-SHAVING: THE ADVENT OF MAJOR FRAUDS

Before sport economic globalization and on-line betting, a major opportunity for corrupt sport to emerge was already present in sports gambling which provided an opportunity for fraud since it created an incentive to lose a sport contest through match-fixing in hopes of making money against the likelihood of a sport performance. The 1964 betting scandal in British football is a case in point. The Italian black market for football bets – Totonero – developed alongside the official and controlled Totocalcio; some matches were usually rigged in relation to Totonero betting. More recently, AS Roma was found to corrupt referees in 1999. The Calciopoli case in the 2000s revealed significant referee corruption. In 2006 some of Juventus Turin’s managers were convicted of rigging 18 matches by corrupting referees, and the club was then relegated for this (see Case Study 4.3 below). In 2011, the justice system revealed that 47 individuals in the Calciocomese case, including some criminals from outside football, had developed an entire system of illicit bets related to match-fixing in the Serie B (second division) and Lega Pro (third division). In Spanish and Portuguese football in 2004, and in Brazilian football in 2005, several club managers and referees were arrested and sued for organizing fix-related bets. The Japanese yakuza which control the baseball betting system *is* also known to fix matches. Even in the German Bundesliga, a referee, Robert Hoyzer received a jail sentence for having rigged matches in 2004 whereby he himself was betting on the results along with Croatian punters and criminals. All of this created a base for global betting networks connected to match-fixing that then emerged subsequently. In North America, point-shaving is a specific kind of corrupt sport in which an athlete is promised money in exchange for an assurance that the team will not cover the point spread. The corruptor then bets on that team’s opponent and pays the corrupt player with proceeds from a winning wager. Few cases of point-shaving have been documented. However, the practice has been found to be widespread in National Collegiate Athletic Association basketball by comparing bet and game outcomes with those in professional sports (Wolfers, 2006). In examining 44,120 men’s college basketball games played between 1989 and 2005, Wolfers offers evidence that point-shaving occurs far more frequently than previously believed and estimates that at least 1% of games involve gambling corruption. Borghesi’s (2008) results suggest that unusual patterns previously suspected to be indicators of point-shaving are ubiquitous throughout sports and unlikely to be

caused only by corruption. Line shading by sports bookmakers may explain the anomalies in a game and bet outcome distribution as well. Legal and illegal gambling markets are thus intertwined because illicit bookmakers often balance their positions by placing bets at legitimate sports bookmakers. By the 1960s, with a growing interest in football and an increased demand for bets, a second form of betting was introduced with football pools or Toto-betting: all bets placed were pooled and the winners shared the money between them less charges. Thus the fixtures and results were utilized by a growing number of independent betting providers and the football property rights were moderately attenuated. In the twenty-first century, with football globalization and the invention of the Internet, a third type of betting emerged with betting platforms: anyone can offer a bet on any game in the world and punters can take up the bet and bet against it by choosing from the various products mentioned above in the sport betting market. National betting regulation can be easily circumvented through global on-line betting possibilities. Today the fixtures and results are used by so many providers that football property rights are completely attenuated (Dietl&Weingärtner, 2012). Then there is the over-use of those public goods which consist of football fixtures and results, and as for any public good the variable cost of offering a single new bet is negligible, i.e. close to nil. Coupled with new sport-betting products, this has resulted in explosive market growth, with the situation becoming uncontrollable for football. This extensive usage of a public good by the gambling industry, and the possibility of betting high sums, increase the likelihood of match-fixing. The direct cost of prevention and investigation against match-fixing grows and by the same token the indirect cost of more frequent betting scandals rises. This new analysis ends with examining various solutions for football getting rid of these external costs for fix-related betting.

CONCLUSION

Beyond the aforementioned steps to cleanse sports from match-fixing corruption, a more general worldwide anti-corruption program should be further elaborated on. Obviously, athletes, sportsmen and women, coaches, sport managers and governing bodies must be involved in and receive good incentives for such involvement. However these are probably not enough. As recently stated on the 'Play the Game' network, corrupt sports organizations cannot be trustworthy partners in the fight against match-fixing and corruption. On the whole, sport needs better governance to deal effectively with global challenges, such as creating more transparent and sustainable mega-events, recruiting more people for physical activity, protecting children against abuse and providing equal rights for women. And even sport organizations and governing bodies must admit that, to

some extent, government interference may help in combatting sport corruption, for example the international taxation on sport betting mentioned above.

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