The problems and causes of match-fixing: are legal sports betting regimes to blame?

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Abstract

Purpose – Sport match-fixing has emerged as a complex global problem. The purpose of this paper is twofold. First, it critically reviews how match-fixing is typified as a policy problem. Second, it advances an analysis of the legal framework and regulatory system for sports betting as a causal source for “routinized” match-fixing.

Design/methodology/approach – This study extracts and synthesize (cross-national) materials from policies, media releases and scholarly works on the subject of match-fixing and sports betting. The analysis is framed by the contrasts between rational choice and sociological institutionalist approaches.

Findings – Match-fixing is typically attributed to: criminal organisations and illegal sports betting; vulnerable individuals; and failure of governance on the part of sports organisations. Each cause holds assumptions of utility-maximising actors and it is argued that due consideration be given to the fundamental risks inherent in legal sports betting regimes.

Research limitations/implications – Match-fixing in sport is a recurrent social problem, transcending national boundaries and involving a wide range of actors and, sporting disciplines and levels of competition. Within such an environment, it may matter little how strong the incentive structures and education programmes are, when betting on human beings is both normatively and cognitively advanced as a value and institutionally permitted as a practice.

Originality/value – This paper argues that legal betting regimes paradoxically contribute to routinized match-fixing because: for betting customers there is no qualitative, ethical difference between legal and illegal operators; and legalisation serves to normalise and legitimate the view of athletes as objects for betting (like cards or dice).

Keywords Match-fixing, Betting, Legal gambling framework, Legal sports betting, Regulatory system for sports betting, Routinised match-fixing

Paper type Research paper

Introduction

You can bet on it: Where there’s sports, there’s gambling. And where there is gambling, frequently there is cheating (Sumner, 2013).

You can’t ban betting. Betting is a huge part of our culture […] We needed Toto and football to raise money for the sport – Sepp Blatter, the former President of FIFA (FIFA, 2005).

Over the last decade, betting-related match-fixing in sports has become a recurrent social problem, transcending national boundaries, sporting disciplines, levels of competition and involving a wide range of actors such as athletes, coaches, referees and officials (Carpenter, 2012; Gokhale, 2009; Hill, 2010; Villeneuve and Aquilina, 2016)[1]. Match-fixing is considered to be a threat to the very basis of sport because it artificially removes the fundamental property of sports competition – the uncertainty of process and outcome (Boniface et al., 2012; Hosmer-Henner, 2010; McNamee, 2013; Syzmanski, 2001). Since sport, as both a cultural institution and an entertainment commodity, is premised on the genuine commitment to pursue victory within the context of uncertainty, fixing a match betrays a public who have given their allegiance and support (Forrest, 2012a). Furthermore, the occurrence of match-fixing can undermine the symbolic values, norms and ideals that sports are supposed to represent in
society, especially when idolised athletes are involved (Forrest, 2012a; Heron and Jiang, 2010). This can even result in the collapse of an entire sport league as well as all of its related partners and industries (Chappelet, 2015; Huggins, 2017).

The analytical challenge is that the contexts where match-fixing arises are so complex and multi-layered that it is impossible to single out potential causes and assess how each contributes to the problem. For that reason, the most feasible approach is to discover as many potential causes as possible and address them. Such causes would include: deregulated forms of betting, illegal and criminal entities, corruptible sporting culture and governance, and ethically and/or financially vulnerable individuals (e.g. Forrest, 2012a, b; Hill, 2010; Nowy and Breuer, 2017). Identifying these causes has contributed to our understanding of the issue, while match-fixing countermeasures developed to address the causes have helped to some degree by offering relevant actors “carrots, sticks and sermons” (Bermelms-Videc et al., 1998).

However, given the complexity of the issue, defining match-fixing as a policy problem is not a neutral, value-free scientific assessment. For problem-definition as a discourse “does not merely describe things, it does things” (Hardy et al., 2000, p. 1231, emphasis in original). It unavoidably highlights some causes and culprits while neglecting others. Thus, the definition of match-fixing is not a benign description of the issue, it is rather a political space in which contentious social questions can be portrayed simply as technical challenges, and where blame, culpability and responsibility can be allocated (cf. Baumgartner and Jones, 1991; Stone, 2012). In light of this, the purpose of this paper is twofold. First, it aims to critically review how match-fixing is typified as a problem in the literature. And, second, the paper advances an analysis of the legal framework and regulatory system for sports betting, as a causal source for “routinised match-fixing”.

To this end, this paper begins by providing a brief overview of what match-fixing is and how match-fixing is related to sports betting. Particular attention is paid to how sports betting creates a market that disrupts/distorts the way modern sports operate. The third section outlines the laissez-faire, global betting market environment within which match-fixing has become routinised. The fourth section reviews how the problem and its causes have been defined in the literature, pointing to the scant attention directed towards the structure that legitimates the conjoining of sports with betting. The final section discusses why the legal sports betting regimes themselves may be responsible for match-fixing that occurs in relation to illegal operators and criminal entities. The paper concludes by suggesting that match-fixing is not easily remedied, but will rather need to be tolerated and managed, as long as sports are under the influence of betting.

What is match-fixing and how is it related to betting?

Sports match-fixing assumes varied forms according to who is involved and for what reasons. But as sports betting has become an overriding motive for match-fixing, nowadays the first criterion for categorisation seems to be whether or not it is related to gambling (Hill, 2015; Spapens and Offers, 2015).

Non-gambling-related match-fixing usually occurs, for example, when there is a need to: secure a certain place in league standings or to remain in an upper league (Hill, 2008a); gain future competitive advantage by trying to rank last at the end of the season thereby ensuring the first pick of the top new players in a draft system (Balsdon et al., 2007); or compete against a weaker team for the next round in a round-robin competition system (Yang and Liu, 2013). These outcomes are typically achieved by buying off the opponent and/or match officials, and/or by deliberately losing or at least working less hard to win. Although the sporting ethos of the pursuit of victory and performing one’s best is clearly breached in those cases, these examples are still about achieving success, albeit delayed success or “cheating to win” (Boniface et al., 2012, p. 5; Soebbing et al., 2013). Insofar as sporting success is sought, underperformance can be managed by sports organisations making adjustments in the design of competitions.

More serious is gambling-related match-fixing, where sports organisations lack the regulatory capacity to control outside influences. Match-fixing in this context is organised by those who bet on the final results and/or specific events within a match (spot-fixing) through legal and/or illegal betting firms, while bribing players to engineer the desired results (Hill, 2008a). This type of fixing is...
more problematic because in this case the intention is not to pursue success, but rather to exploit the match as a means of generating profits in the betting market (Hill, 2015). Here, whether or not deliberate underperformance is to make money does not matter because non-betting-related match-fixing also takes place for monetary reasons. What matters is the fact that the motive for influencing what unfolds on the field (or court) becomes institutionally created and permitted, by legalising, commercially promoting, and thus expanding the act of placing money on what happens on sport matches – that is, sports betting.

This is because the combination of the respective markets of sports and betting creates a third market which operates in an entirely different way. Let us briefly explain. Within betting contexts, long odds are offered on the underdog while short odds are placed on the player or team favoured to win (Smith, 1992; Woodland and Woodland, 2001). This means that a jackpot is hit when the underdog defeats the favourite. In sport, on the other hand, it is much easier to make a mistake and deliberately lose a match than to play a perfect game and win. At the intersection of these two logics (an easy deliberate loss can win a jackpot), a motive to manipulate a match for easy money is created. Moreover, unlike other types of gambling where inanimate objects (e.g. poker cards or dice) are used, sports are played by autonomous human beings who are aware that their matches are a part of the gambling market; and there is potential value attached to every action they perform in the game (Tak, 2017). As a consequence, there appears to be a growing trend of buying athletes to exploit sports for gambling purposes by influencing the competition itself.

Although more monetary and honorary compensation is given to winners in sport, what if the profits generated by unexpected sporting upsets within a betting market are significantly greater than sports’ own compensation? Unless human beings are completely cut off from the influence of betting, there will be a potential market where monetary value is created not by victory, superiority and effort, but by intentional mistakes and dramatic, unexpected (albeit rigged) outcomes. Arguably then, the incentive structure that was developed to ensure athletes’ sporting motivation to win is permanently at risk under the influence of sports betting. Based on current trends, the degree and probability of risk is likely to increase when betting markets are globally expanded, highly competitive and under-regulated.

The ungovernable global betting market and routinised match-fixing

Today, we are witnessing the global explosion of sports betting, which owes much to the evolution of technologies (Boniface et al., 2012; Griffiths, 2003; Kalb, 2011). In particular, the emergence of online betting, since it requires no physical presence, has made national boundaries virtually redundant (Griffiths and Barnes, 2008). As a result, people have easier access to betting through a wider variety of channels. Bettors are now highly informed about tips, best odds, deposit bonuses and predictions through online information sites (Gainsbury, 2012). Also, the real-time updates of internet-based match information make more sporting events available in betting markets (Gainsbury, 2012). The global nature of contemporary betting is insightfully encapsulated in an example presented by Sorbonne-ICSS (2014a) below:

A bettor in one country can access an online betting platform located in another country to bet on the results of sporting events taking place in a third country in real time. For example, a Japan-based bettor can bet through a sports betting website based in Malta (which is considered illegal in Japan), on the number of corners in a Brazilian championship football match (p. 9).

“This hyper-globalisation” of the betting market has brought about several mutually facilitating changes, making it more conducive to match-fixing (Sorbonne-ICSS, 2014a, p. 10). First, as market competition becomes fiercer, betting providers are forced to reduce their margins (Kalb, 2011). Sports betting companies inevitably offer competitive odds to retain their customers because punters are now able to “shop around for best odds” on sale (Boniface et al., 2012). This has resulted in an increased rate of return to punters. According to the Sorbonne-ICSS report (2014a), a leading European bookmaker in the 1980s (Totocalcio) paid out about 50 per cent of wagered money, while nowadays the payout rates of online bookmakers amount to over 90 per cent or up to 99 per cent in extreme cases.
Second, to make up for reduced margins, sports betting firms (whether legal or illegal) have been forced to release new and more attractive types of betting such as “single bets” (straight bets on the outcome of an event) (Forrest, 2012a). The problem, however, is that the more appealing betting products are, the easier it is to predict their results, and the more likely the products can be exploited for fixing (Sorbonne-ICSS, 2014b). For instance, bookmakers had long preferred multiple bets (across several events) to single bets not only because it is so easy to predict the outcome of a single match that bookmakers themselves risk going bankrupt, but also because multiple bets, as Forrest (2012b) points out, make “investment in arranging to fix either costly or uncertain” (p. 19). These days, however, most bookmakers have no choice but to offer single betting products in order to attract and retain their customers (Forrest, 2012b).

Third, such an intense competition has ultimately increased the volume of money flowing into sports betting. According to Forrest (2012b), an increase in the volume of betting money is “the greatest friend of the fixer” (p. 19) because:

High liquidity permits criminals to place large bets without attracting undue attention and without driving prices against themselves. This makes large-scale fraud more feasible and the erosion of bookmaker margins makes it more profitable (Forrest, 2012a, p. 108).

In practice, the scale of sports betting has expanded all over the world (Boniface et al., 2012; Kalb, 2011). For instance, Kalb (2011) shows that between 2000 and 2010, there was a threefold increase in world net sales (or Gross Gaming Revenue)[2] from €6.5 billion to €19 billion. Likewise, the sales of online sports betting reportedly swelled from €16.4 billion in 2004 to €50.7 billion in 2012 (Boniface et al., 2012). In Australia, the figures similarly increased from AUS$ 0.88 billion to AUS$ 3.3 billion between 2000 and 2012 (Lastra et al., 2016, p. 63). Though estimates vary considerably, total annual sales including both online and offline betting ranged between €200 billion (Boniface et al., 2012, p. 5) and €1,000 billion (Interpol, as cited in Sorbonne-ICSS, 2014a, p. 9)[3].

A key change is that the globalisation of the sports betting market has made it harder for governing entities to regulate illegal conduct occurring beyond their national boundaries (Forrest, 2012a; Griffiths and Barnes, 2008). From the perspective of governments, it is difficult to track and sanction illegal bookmakers that are based overseas, provide services online, and frequently change internet addresses (FATF, 2009). Sports governing bodies have no control over, and thus, no idea of, whether their matches are used for betting (Sorbonne-ICSS, 2014a). Hill (2008b) provides an illustration of amateur matches that are unknowingly utilised as a betting medium on the other side of the world:

There are matches played by Scottish teenagers watched by about 20 people and three dogs. But in the crowd will be one or two Chinese – like Zing and Xi – who relay information back to the vast illegal gambling markets of Beijing, Bangkok or Batam.

Betting’s quantitative expansion and growing influence over sports have resulted in more institutionalised occurrences of match-fixing. Moreover, recent attempts at match-fixing seem to have penetrated the soft underbelly of sports. For example, the lower divisions and grassroots level sports that we would not expect to be involved in match-fixing are now subjected to sports gambling and bear the risk of fixing. Nowy and Breuer (2017) cite a study conducted in Germany (Pitsch et al., 2015) revealing that one third of amateur football players surveyed had witnessed match-fixing during their career and 15 per cent confessed their involvement. This tendency is also mentioned in FATF’s (2009) report:

As the media and the public eye focus on fixtures in top competitions and top leagues, irregular betting activities can frequently be observed in less important fixtures (including lower divisions of domestic championships), where the environment can be manipulated more easily (p. 24).

The involvement of referees is another issue that cannot be overlooked. One example of this is the case of Robert Hoyzer, a referee of the German Bundesliga. Abetted by a Croatian betting syndicate, he influenced the outcome of several second division Bundesliga and German Cup games in 2014 (Huggins, 2017). According to Forrest (2012a), his pronounced manipulation techniques such as awarding controversial penalties and issuing dubious red cards caused an immediate investigation. Another case is Tim Donaghy, a referee in the National Basketball Association. He pleaded guilty to selling inside information to bookmakers in return for
US$30,000 during the 2006-2007 season, which earned him a 15-month imprisonment (ESPN, 2008; Yaniv, 2007).

The manipulation of some parts of a game for bets on such things as the “first yellow card” or “goal difference” through spot-betting or point spreads is considered the most intractable type of match-fixing today (Boniface et al., 2012; Forrest, 2012b). Since such manipulations do not affect the final result of a game, individual players can more easily decide to participate without much compunction (Boniface et al., 2012).

As a result, today’s ungovernable, global sports betting creates a substantial black market around sports competitions. The fundamental reason why the overt running of the sports betting industry in society is dangerous is, quite simply, because the general public and athletes’ continuous exposure to betting odds maintains and expands the black market. Consequently, the number of match-fixing scandals has increased and fixing schemes are penetrating the more vulnerable aspects of sports and betting. However, in such a fairly complicated context where various actors, interests, events and epiphenomena are intertwined and implicated in the recurrence of match-fixing, what can be considered to be influential causes and how to address them remain unclear. The next section looks into how previous literature has defined the issue of match-fixing.

Problems and causes within the literature

How match-fixing is defined as a policy problem is a critical question. This is because it is invariably relevant to the way in which the problem is discussed in society (Hardy et al., 2000) – for example, whether as a personal disorder, criminal offence, financial crime or evil act. In turn, such definitions may also have a bearing on how the matter is addressed and sanctioned: via education, punishment, psychotherapy or exorcism. More importantly, the definitions and the resultant measures to address the problem influence which values are advanced and which are not; whose faults are highlighted and whose are not; and whose interests are protected and whose are not. To date, the literature has diagnosed three main causes of match-fixing originating from: criminal organisations and illegal sports betting; vulnerable individuals; and weak governance of sports organisations.

Criminal organisation and illegal betting

Notably, the gravity of match-fixing is magnified by being linked to criminal organisations and illegal sports betting syndicates (Boniface et al., 2012; Forrest, 2012a; Hill et al., 2014). Various academic studies point to the links between match-fixing and other criminal activities including money-laundering, human trafficking and drug dealing, which has helped place the issue on the political agenda in Europe (Boniface et al., 2012; Serby, 2015). For example, a document authored by a member of the European Parliament defines match-fixing as:

[…] a form of crime with high revenues and excessively low sentences and detection rates, and thus used as a tool by criminal organisations to make and launder money from criminal activities such as human and drug trafficking (Bozkurt, 2012).

It is widely known that unregulated or illegal betting serves as a site through which lawbreaking organisations and betting-specialised syndicates actively work (Boniface et al., 2012; Hill, 2008a; Preston and Szymanski, 2003). Many researchers point out that their “uncontrollable character” promotes match-fixing, because there are no restrictions for the types of bets, no obligation to report suspicious betting patterns, low or no tax, and no pressure on lowering payout rates (Aquilina and Chetcuti, 2014; Sorbonne-ICSS, 2014a, p. 26).

In particular, the Asian betting market is often regarded as a hotbed of match-fixing (Feltes, 2013; Forrest, 2012b; Hill et al., 2014). According to Forrest (2012a), the large volume of cash bets gleaned by local agents from many parts of Southeast Asia are channelled through to the final stage where the money is made legitimate by the giant operators licensed in “jurisdictions with somewhat weak regulatory requirements, such as the special economic zone of Cagayan in the Philippines” (p. 110). Technically, cash betting on such a blurred boundary between legal and illegal prevents tracking and this guaranteed anonymity makes it possible to accommodate large
incognito bets from criminal syndicates. Declan Hill, one of the pioneering researchers on the issue, highlighted its scale this way: “there is a company based in Manila, the Philippines, that has a gross gambling revenue four times larger than the Adidas sports company” (Hill et al., 2014, p. 13).

In this context, the Asian market provides “an ideal marriage” in which “the Asian criminals get access to the teams and players; [and] the European criminals get access to the lucrative Asian gambling market” (Hill, 2012, p. 13). It is thus a convincing explanation of match-fixing that criminal organisations and illegal betting are responsible for their occurrence. In 2013, Interpol’s four operations to counter the illicit football gambling of organised crime in Asia (known as SOGA, Soccer gambling) included 2,360 raids, eliciting over 7,000 arrests, the shutdown of US$2 billion worth of gambling nests and the confiscation of almost US$270 million in cash (Feltes, 2013; Serby, 2015).

Since sports organisations cannot police these criminal entities, they have supported moves to make match-fixing a criminal offence, cooperating with domestic and international law enforcement agencies to crack down on the illicit business (Blackshaw, 2013). However, match-fixing can and does arise also in relation to legal sports betting regimes. For example, in the 2011 South Korean K-League football match-fixing scandal (where more than 50 players received lifetime bans), most of the wagers associated with fixing schemes were placed with the legal provider, even though South Korea has relatively firm control over its monopolistic betting enterprise through a quasi-government organisation (Tak et al., 2017). Thus, against the porous attributes of this global-local apparatus, attributing match-fixing to “illegal”, “criminal” culprits suggest that they can be eliminated or “slain” (in Interpol’s language), thus diverting attention away from any problems related to the combination of sports and betting per se.

Vulnerable individuals

Another causal explanation for match-fixing focuses on individuals. This strand of discourse deals generally with: athletes’ personality traits; individuals’ economic and moral vulnerability; and their responsibility as athletes. In the first explanation, athletes are said to have some inherent personality traits that develop from the particularities of the sporting context. For example, Kamis et al. (2016) suggest that “not unlike a Hollywood superstar”, some players elevate their ego to an abnormal degree:

[…] to the point where the athlete may no longer regulate actions by the standardized social norms, but feels that they are on a level above those around them, and that they are permitted to “break the rules” (Kamis et al., 2016, p. 553).

In this view, athletes’ misdeeds are reinforced by their recognition, corroborated by experience, that if successful, they will be rewarded instead of punished (Kamis et al., 2016). Hill (2015) refers to the “sex, drugs and rock n’ roll ruining the lives of young men” argument (p. 221), reflected in a quote from one of his interviewees:

Most players are dropouts. Country boys. They would probably be working in the fields or rubber estates, if it were not for football. They are completely lost when they become big football players. They visit discos. It is all new surroundings. Lots of girls. There is a lot of naiveté. They are not hard criminals (Hill, 2015, p. 221).

Hill (2015) ultimately refutes this “theory of individual anomy” on the grounds of the age distribution of football players convicted of match-fixing (under 25: 18.2 per cent; 25-28: 31.8 per cent; and over 29: 51 per cent) and the mean age at which they engage in match-fixing (26.8, 7.39 years of career). He suggests that match-fixing is committed less because of the loose morals of “greedy, young players losing their heads” (Seneviratne, 2000, cited in Hill, 2015, p. 222), and is more down to seasoned players’ “fear of falling” and their rational decision to maximise their profit before retiring (Hill, 2015, p. 226).

Another individualised discourse is the financially vulnerable position of athletes. This strand of argument contends that those who are poorly paid, under financial pressure and/or have no further career prospects are more prone to take part in match-fixing schemes (Forrest, 2012a; Hill, 2015; Huggins, 2017). One example involves the US collegiate basketball players who are
purportedly anxious about the future and paid far less (US$8 per hour) than professionals at the
NBA level (Sumner, 2013). On the surface, this line of discourse may be a critique of an
organisational structure that cannot offer adequate conditions for players. However, the
explanation’s emphasis on material compensation implies that “the consistent, almost-universal,
motivation for match-fixing is money” (Hill, 2015, p. 220). Regardless of whether or not this is
based on “simple greed”, “relative deprivation” or “clothes for children” (Hill, 2015, p. 220),
players who make the decision are bound to be criticised for turning their back on the spirit of
sport because of money.

Such strict, moralistic expectations of individual athletes are strengthened further because
whether the criminal movements and illegal betting are considered a cause or not, individual
players are “the first cog in the wheel of corruption” (Boniface et al., 2012, p. 15). As Boniface
et al. (2012) highlight: “to rig a match, one needs to corrupt players, because it is they who win or
lose on the field” (p. 21). It is thus no wonder the “zero-tolerance” policy that sports organisations
such as FIFA and the IOC have avowed publicly is not about themselves, but about “individual
athletes”. Indeed, Michel Platini, the former President of UEFA, highlighted the responsibility of
players, warning of the unavoidability of strong punishment:

I also appeal to the players, because the players are the protectors of the game. It is they who play
football, and it is they who should eventually inform us if people approach them to try and corrupt them.
There is zero tolerance. The day that they are caught – players, referees, coaches, officials – they will
be out of the game forever (Chaplin, 2011).

In sum, the stereotyped perception of athletes’ personal traits tends to impute the cause of
match-fixing to individual choice. Moreover, despite the vulnerable situation in which they
are located and exploited as the first cog in the “wheel of corruption”, the moral expectations
of athletes are likely highlighted because they are paradoxically the last resort against
match-fixing.

Weak governance of sports organisations

A third causal explanation surrounds the poor governance of sports. For instance, Nowy and
Breuer (2017) pinpoint the “lack of transparency and responsibility” of football organisations as
creating the context where the integrity of football is compromised (p. 28). In the same vein,
Forrest (2012a) states: “a weak system of governance makes football vulnerable to infiltration by
organised crime” (p. 114).

The most commonly discussed issue is the financial fragility of sports governing bodies. Sports’
precarious financial position is inherently problematic but with respect to match-fixing,
organisations in financial difficulty tend to lower and/or delay payments to their athletes, thus
opening up the possibility that the athletes get side-tracked (Hill, 2015). Indeed, one report into
Eastern European football clubs explicitly suggests: “A player who has to wait for his money has a
greater chance of being approached to manipulate a match” (FIFPro, 2012, p. 6). Scholars thus
maintain that problems in the payment of salaries decrease players’ resistance to the
corrupt temptations within this globalised sports betting context (e.g. Boniface et al., 2012;

Another type of governance failure cited is associated with the design or structure of sporting
competitions. In this view, the emergence of betting can pollute the incentive structure that is
supposed to prevent athletes from underperforming, where unexpected losing can create even
more monetary rewards than winning. Therefore, “to close an integrity-attacking loophole”
(Rodenberg et al., 2016, p. 76), carefully designed game structures (such as prize money,
performance bonuses and the order of games) are necessary (Huggins, 2017; Sorbonne-ICSS,
2014a). Delving into tennis match-fixing, Rodenberg et al. (2016) argue that attention needs to be
paid to the asymmetric compensation system adopted by the ITF, WTA, ATP and Grand Slams.
According to them:

[…] issues with ranking policies, prize money distribution rules, and income inequality among players
[…] can nudge players (especially those playing in the minor league circuit) towards match
manipulation for pecuniary gain (Rodenberg et al., 2016, p. 77).
Taken together, views attributing match-fixing to criminal entities, vulnerable individuals and a lack of good governance draw heavily upon rational-choice perspectives (e.g. Forrest, 2012a, b; Forrest et al., 2008; Forrest and Simmons, 2003; Hill, 2010, 2015). Rational-choice models, as the term denotes, are based on the assumption that individual actors calculate costs and benefits to make rational decisions that maximise their interests (Lastra et al., 2016). Forrest (2012b) has proffered the most explicit rational-choice model of match-fixing behaviour. In his model, the benefit is considered monetary gain, while there are three kinds of costs:

First, the expected pecuniary cost, $F$ (for example, loss of prize money through “throwing” a game or loss of future earnings from a suspension from the sport, the latter weighted of course by the probability of being caught). Second, the value the athlete places on any loss of glory and reputation ($R$) associated with the underperformance a fix normally requires. Third, the value to the athlete of the moral unease and shame he or she may experience from betraying the sport ($C$) (p. 17).

Forrest’s (2012b) assumption is simple: “the opportunity to commit the crime will be accepted by any individual for whom the expected benefit ($B$) exceeds the expected cost ($F+R+C$)” (p. 17). This reasoning underpins the three main explanations identified in the literature. Illegal betting and criminal entities are culpable because the former increases the expected benefit ($B$) (potential compensation for participation in match-fixing) and the latter makes this benefit readily available. Individuals are to blame too, because of their insufficient “moral unease and shame” ($C$). Sport governance is also held responsible for failing to provide adequate pecuniary cost ($F$) and for poorly managing the balance of overall costs and benefits.

Accordingly, these assumptions are applied in choosing policy instruments to address the causes (Tak et al., 2017). For example, education programmes are organised to boost athletes’ sense of “moral unease and shame” ($C$) and inform them of the “rational” costs and benefits of their actions. Sport governance is supposed to take a more sophisticated “carrot and stick” approach ($R$ and $F$) to correct the individual action, while also fighting against illegal betting and criminals to reduce the expected benefit ($B$). That is, the literature advances the view that education, well-designed (dis)incentive structures and their strict enforcement can correct the distorted incentive structure influenced by betting, thus decreasing its frequency (Fifpro, 2012; Forrest, 2012a, b; Hill, 2010, 2015; Rodenberg et al., 2016; Sorbonne-ICSS, 2014a). Indeed, the utilitarian perspective works to reduce match-fixing to some degree. As Hill (2010) suggests, “by raising wages one can reasonably expect to reduce their number, so that widescale fixing is more constrained” (p. 228).

However, even accepting Forrest’s (2012b) rational-choice reasoning by way of an example, it seems difficult to keep the expected costs ($F+R+C$) of partaking in match-fixing prevailing over the expected benefits ($B$). This may depend on what we estimate the volume of betting to be, its influence on sports (which can never be accurately estimated) and, the extent to which a sporting league can be resistant to that influence. Some popular sports leagues (e.g. English Premier League and Major League Baseball) can manage this balance, but what about lower-tier sports leagues? Consider, for example, a Belgian second or a Turkish fourth division football league club that may not be affluent enough to properly pay their players, while often attracting €200,000-300,000 and €36,000 worth of bets (Forrest, 2012a). Even if we apply the rational-choice assumption of utility-maximising actors to individual athletes, there appear to be more sporting leagues where individuals are likely to be tempted by the corrupt influence from betting.

More significantly, there are limitations to the rational-choice framework in understanding match-fixing in that it basically assumes a single type of individual preference that responds entirely to a cost/benefit incentive structure. Taking the perspective of sociological institutionalism, for example, institutions, to which social actors respond, are not restricted merely to incentive structures (DiMaggio and Powell, 1991; March and Olsen, 1989). Institutions can include any social constructions that provide regulative, normative and cultural guidelines for behaviour such as the way sports are associated with betting in this case (Scott, 2014). Thus, individual preferences in real life are not given, and by extension, human action is not solely motivated by regulative elements including: immediate education, incentives and punishments (Lowndes and Roberts, 2013). Rather, individual actors are normatively and culturally predisposed through their daily experience within and around institutions (March and Olsen, 2006; Scott, 2014).
This points us to the importance of looking at the relationship between sports and betting today. As Hill (2012) reports, it is not unusual to “see the live odds on some games superimposed onto the screen” (p. 9). Also, we can witness many football clubs in the English Premier League with logos of sports bookmakers on their jerseys. Even sports organisations try to establish a favourable environment for punters. Bernard (2014), for example, suggests that unlike the alleged aim of player protection, the US National Football League’s policy on injury reporting intends to reassure gamblers that “they can bet with full knowledge about who is likely to play and not to play” (p. 284). Within such an environment, it may matter little how strong the incentive structures and education programmes are, when betting on human beings is both normatively and cognitively advanced as a value and institutionally permitted as a practice.

While it would undoubtedly be ideal to cultivate morality as a defence against the influence and temptation from betting, this might be an over-expectation with regard to the nature of individual agency. Individuals are invariably responsible for their actions, but how much may depend on the relative responsibility of institutions. In the age where betting’s influence over sports is so pronounced that the incentive structure of sports cannot help being distorted, the question remains: is it just and reasonable to put all the responsibility onto individual athletes because they are the first cog in the wheel of match-fixing, or should more responsibility be directed towards the institution of sports betting that structurally exposes individuals to the wheel of corruption as the first cog?

In this sense, the three loopholes found in rational-choice reasoning and its over-expectation about the capacity of individual agency may tend to militate against consideration of more fundamental risks that are inherent in the combination of sports and betting, or the legal sports betting regimes per se. In other words, the institutional contexts that have been foundational to the issue of match-fixing merit further attention and critique.

### Are the regulatory regimes free from responsibility?

What has been missing in the academic and policy discussions of match-fixing is the analysis of risks that are built into the institutionalised combination of sports and betting or “the legal sports betting regimes”. This section discusses their risks and responsibilities by briefly reviewing the historical, politico-economic contexts of sports betting.

First, it is important to understand that, historically, sports’ marriage with betting has always offered sports both opportunities and risks at the same time (Villeneuve and Diaconu, 2011). Opportunities relate mostly to popularity and financial gains, while risks come in two major forms: the social ills associated with gambling (e.g. the erosion of work ethic and problem gambling); and constant attempts to bribe athletes to fix competitions (i.e. match-fixing). Due to the risks their combination entails, sports in the early twentieth century tended to distance themselves from gambling (Clapson, 1992; Huggins, 2013). For example, in 1902, the English Football Association (FA) barred players from wagering, and in 1907 restricted betting by club officials, referees and linesmen because fixed-odds betting was widely recognised as a possible motive for players’ misdeeds (Huggins, 2017). Behind football’s efforts to liberate itself from gambling lay the widespread anti-gambling atmosphere not only within the football governing bodies in particular, but also in British society in general (Huggins, 2017).

In North America, similar attempts were made to separate baseball from gambling. According to Adelman (1990), “the damaging influence of gambling and gamblers” on baseball was identified as early as 1865 when three players of the Mutual baseball club in New York threw a game for the benefit of betting (p. 162). Baseball match-fixing scandals in the USA became momentous events for American sports. In 1919, the Pacific Coast League playoff found a match-fixing case. At the same time, the infamous Black Sox scandal erupted in Major League Baseball’s World Series where a total of eight Chicago White Sox players (in)directly conspired with a gambler and a financier to fix the series against the Cincinnati Reds. Perhaps based on the negative experience of the “national pastime”, all major American sports leagues have generally shared a belief that “legalised sports betting would shift the public’s focus from the play on the field to their monetary stake in the game” (Bernard, 2014, p. 275).
However, since the global economic crisis of the 1970s, nation states, under restructuring for capital accumulation, have increasingly legalised, promoted and expanded gambling as a strategy to overcome their own fiscal crisis (Cosgrave and Klassen, 2001; Young, 2010) – thus we have seen the birth of casino states (Cosgrave and Klassen, 2009). Sports betting was legalised in the mid to late twentieth century as one of the types of state-sponsored gambling that now exists in many places across the globe (Smith, 1992; Toomey and Schofield, 2012). At the same time, sports organisations short of legitimate corporate sponsors have also been more open to reuniting with old “uneasy bedfellows” (Blackshaw, 2013, p. 946). While many sports organisations initially objected to their association with betting on grounds of social legitimacy and morality, these ideas have fallen away in contemporary discourse. Former FIFA (2005) President Sepp Blatter said, “we can’t ban betting” not only because it is not viable in reality, but also because “we needed Toto and football to raise money for the sport”. This shift in attitude is clearly echoed in an IOC document:

Betting on sport is not negative in and of itself. Legal betting is one way the public can demonstrate its attachment to sports and athletes and the services offered by national lotteries and private operators are one of the main means of financing sport in many countries. The problem occurs when betting leads to the manipulation of competitions (IOC, 2013).

This may indicate that sports’ general ethics-first policy of the early to mid-twentieth century has been reversed and pointed towards money, thus rekindling two risks. One is related to states’ contradictory roles: as beneficiaries of the money from gambling; and as regulators of the attendant social ills associated with gambling (Cosgrave, 2006; Young, 2010). The other is about the potentially increased threat to the integrity of sports.

The legal regimes appear to be able to cope with the former, while failing to deal with the latter. To illustrate, social ills that emanate from gambling are hardly publicised and when problems are reported, they are categorised in medical terms, such as those related to “problem gambling” or “pathological gambling”, implying that “normal” gambling activities can be a safe, exciting experience (Cosgrave, 2006). Thus, the social practice of gambling is de-stigmatised, while the states’ direct promotion of gambling is legitimated (Hannigan, 1999). By contrast, the development of technologies and the resultant globalised market environment have actually increased the likelihood of match-fixing.

Even though this risk was unavoidably created by the casino states (Cosgrave and Klassen, 2009), the remarriage of sports and betting was an institutional decision that put money before ethical issues. As the proponents of the legalisation of sports betting argue, match-fixing would have thrived through illegal betting whether or not there was legal betting, hence the latter was needed for better regulation. But at the same time, state-sponsored sports betting reduced any public compunction towards sports gambling. From a bettor’s perspective, legal betting ironically renders the social action of wagering on sports and athletes itself legitimate. Moreover, legal betting may unwittingly reduce the moral pressure of conducting “an illicit behaviour” one would otherwise feel, towards conducting “a legitimate behaviour” but with “unlicensed” operators. This conflation may contribute to the expansion of the illegitimate market.

Furthermore, the boundaries between the legal and illegal bookmakers are not as clear as we think. In reality, some licensed operators in one jurisdiction that are in partnership with a legal regulatory regime can also be unlicensed, illegal operators that are exploited for match-fixing in other jurisdictions. Even in one jurisdiction, a betting operator that is legal and licensed this year can become unlicensed and illegal next year. In today’s globalised online betting market, bettors, in the knowledge that betting on sports itself is legal, tend to “shop around for the best odds” to bet with seemingly legitimate bookmakers without scrutinising whether or not the bookies are licensed in their countries (Boniface et al., 2012). That is, the promotion of legal betting and its operators invariably accompanies the expansion of illegal ones because there is no qualitative, ethical difference for betting customers.

From the perspective of athletes, the legalisation of sports betting has the meaning and effect of officially relocating them onto the “gambling table” (Tak, 2017; Tak et al., 2017). Playing not only for fans but also for gamblers, like cards or dice, athletes’ sense of detachment from betting is thus institutionally removed. If the action of betting on sports per se had remained illegal, athletes’
reluctance to engage in match-fixing may arguably have been held to a higher threshold. Where sports betting is legal, legitimate and promoted, it is a routinised occurrence for athletes to be exposed to people who bet (and who raise it in everyday conversation), making the athletes and their sports more vulnerable to the danger of match-fixing.

Questions will remain over whether the presence of legal sports betting contributes more to the prevention of illegal betting and match-fixing, or more to the expansion of them. However, it is clear that the more people bet on sports, the more sports matches are used for betting, and the more players become available to the illegitimate business of buying athletes for gambling profits. More importantly, the legalisation and promotion of sports betting was an active decision to procure stable financial resources, at the expense of constantly exposing sports to the danger of match-fixing and feeding criminality. Although it is impossible for us to demarcate between individual and institutional responsibility, the legal sports betting regimes are invariably responsible for the institutionalised occurrence of match-fixing in that they sacrificed the chance of minimising the risk of match-fixing for monetary reasons (Tak, 2017).

In this regard, the problem of match-fixing may not be in the domain of value-free assessment where matters of right and wrong, good and evil, and problems and causes can be clearly discernible. Rather, as the “the twin dynamics of ethics and money” indicate (Villeneuve and Diacou, 2011, p. 6), this issue is more suggestive of a political question of how a policy problem that emanates from institutional decisions with trade-offs is defined and managed, in favour of certain interests while disfavouring others in complex socio-historical contexts. This requires an institutional approach to match-fixing, that is, inquiries into the institutional combination of sports and betting that acknowledge the inherent risk of match-fixing within itself.

Conclusion and postscript

This paper has noted that there is a latent potential for match-fixing within the institutional combination of sports and betting, and that this risk has been fuelled by today’s highly competitive global betting market to the extent that it is routinised. Also, this research reveals that despite the built-in propensity for match-fixing within legal sports betting regimes, the problem has been predominantly defined as originating in illegal, criminal entities, morally corrupt individuals and weak sport management. While valuable in bringing the issue to the forefront globally and increasing our understanding of the factors contributing to the occurrence of match-fixing, the assumptions of utility-maximising individuals, and, of over-capable human agency, emphasise foreign corrupt forces and individual morality while designating legal sports betting regimes as the “fixers” of the problem (cf. Stone, 2012). Consequently, the institutional combination of sports and gambling (or the sports betting regimes per se) has remained unquestioned, even though the legal regimes are the place where the problem initially originated.

In June 2017, the English FA announced that it had terminated its sponsorship deals with all betting firms – thereby foregoing a total of £4 million of revenue per annum (BBC, 2017). Mirroring the trajectories of many sports, football is the sport that made the most significant effort to ban betting on its own events in the early twentieth century (see Huggins, 2013), but since then has taken the most open attitude towards betting. While it is perhaps too early to suggest that this decision indicates a pendulum swing again towards a sport betting “divorce”, this seems at least to signify that sports officials have begun to realise that connections to betting are too explicit to maintain sport’s view of itself as a vehicle for moral development.

As highlighted throughout this paper, match-fixing could die down, but will never die out as long as sports are located on the gambling table. Despite the beliefs of many sports officials, match-fixing is not something similar to cancer or evil that can be readily removed (Gibson, 2011; Magnay, 2011)[4]. Rather, we suggest that match-fixing be taken figuratively as a backache to live with and manage in the long term. The English FA’s decision seems at least to be a symbolic step to taking the responsibility for the sporting environment they have created, an environment that has been increasingly in favour of betting and match-fixing in return for sports’ heavy dependence on betting money.
Notes

1. Consider the following list of leagues and teams that have been confronted by sports match-fixing since 2005: the Taiwanese Professional Baseball League in 2005, American National Basketball Association, Malta national football team in 2007, Bochum football scandal in 2008, Australian National Rugby League, Pakistan National Cricket Team and Finnish Football League in 2010, Turkish and South Korean Professional Football Leagues in 2011, English County Cricket League in 2012, Australian Victoria Premier League in 2013, The Association of Tennis Professionals Challenger Tour in 2015, and there are many more.

2. Gross gaming revenue refers to the difference between amounts wagered and total payouts (1 – payout rates). It is also called gross gaming yield (Kalb, 2011).

3. According to Sorbonne-ICSS (2014a), there are about 8,000 legal sports betting operators across the globe, of which 80 per cent are located in so-called “tax havens” such as Gibraltar, Isle of Man, Malta, etc. It is alleged that illegal betting accounts for as little as 60-70 per cent (Feltes, 2013) or as much as 85 per cent of all bets placed on sports (Sorbonne-ICSS, 2014a).

4. For example, the former IOC President Jacques Rogge, the FIFA President Gianni Infantino.

References


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