

# Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

<b>Student:</b>	<b>Ján Selep</b>
<b>Advisor:</b>	<b>Michal Bauer</b>
<b>Title of the thesis:</b>	<b>Cheating behavior in football</b>

## **OVERALL ASSESSMENT** *(provided in English, Czech, or Slovak):*

### **Summary**

Jan Selep is interested in empirical methods that could uncover corruption. He set out to investigate the issue in Germany, one of the least corrupt countries and in the context team sports, where collusion on corrupt behavior is more difficult than in individual sports. In terms of methods, he uses the logic developed in Duggan and Levitt (2002) to identify corruption in sumo wrestling, which is based on the idea that corruption should be more likely to arise when there are higher incentives rig a match, i.e. when one team has a lot to lose (it is close to relegation, for example) and the other one has little to gain (in the middle of the ranking) and in particular at the end of the season. He took a lot of effort to gather impressive data set covering all matches in the first three Bundesligas during the last decade and he complemented these data with data from magazine Kicker which evaluates, for each match, each player's performance as well as referees performance. This complementary data are important, because they allow Jan to distinguish between two very different explanation of more points for teams that are closer to margin: (i) if points go hand in hand with better performance of players closer to the margin, this indicates more effort, while in contrast, (ii) if more points of the team closer to the margin goes hand in hand with worse performance of referees or worse performance of opponent team, this suggests corruption.

The main finding is that at the end of the seasons, the teams close relegation earn more points when they play with teams far away from any margin. This, however, does not seem to be due to better performance of the players of the team near the relegation, but due to worse performance of the opponent-team players. There is no effect on quality of refereeing. Ján interprets this as evidence of corruption of opponent-team players.

### **Comments**

This is an ambitious thesis that analyze important phenomena, which is very hard to identify in practice. The author knows the related literature, adapts the methodology of Duggan and Levitt (2002) for situations with gradual increase in incentives (not discrete jumps), he invested incredible amount of effort to gather data and clean it. The analysis is thorough and convincing.

So my only quibble is really about strength of language, especially in the abstract, where Ján concludes that the „results show strong evidence of systemic point trading in Gemran Bundesliga“. While I agree the results are very suggestive of corrupt behavior, I think one can still (it occured to me now while re-reading the thesis) come up with alternative explanation when one moves from purely selfish/rational world (of Becker, Levitt, etc), which this thesis builds on. I can imagine that a lower performance of teams that are far away from margins (in the middle of the ranking) may be due to some empathy to effort of teams struggling not to relegate and this psychological response is likely to be stronger if the “victim” is more identifiable, i.e. towards the “survivor” team they play with.

In sum, this is a serious research work and applaud Ján for writing a very nice thesis with interesting results. If streamlined, the thesis could serve as a solid basis for a research paper. I propose grade A and if defense is convinicng, I also think the comittee may want to consider awarding a distinction for exceptional master thesis.

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## **SUMMARY OF POINTS AWARDED** (for details, see below):

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	26
<i>Manuscript Form</i> (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>92</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1*</b>

**NAME OF THE REFEREE:** *Michal Bauer*

**DATE OF EVALUATION:** *June, 2nd, 2014*

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*Referee Signature*

**EXPLANATION OF CATEGORIES AND SCALE:**

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong                  Average                  Weak  
20                          10                          0

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong                  Average                  Weak  
30                          15                          0

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong                  Average                  Weak  
30                          15                          0

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong                  Average                  Weak  
20                          10                          0

**Overall grading:**

TOTAL POINTS	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě