

# **Competition: Affirmative Action and Sabotage - Negative Characteristics in Contest Design Observed in Horse Racing in the United Kingdom in 2019**

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## *Abstract*

Affirmative action is a policy designed to balance opportunities and create open conditions for competition. Although such policies usually seek to support certain demographic groups, commonly referred to as “minorities” or “weakened groups”, they are also applied in sports, political campaigns, rent-seeking contests, and more. While the goal of affirmative action is to improve and equalize opportunities, the literature shows that not having such policies leaves too much asymmetry among players. This asymmetry causes incentive problems, resulting in reduced levels of general effort due to the “despair effect”, where weaker players have low expectations and are not willing to invest effort and stronger players feel no need to invest effort. In such cases, a contest designer might consider implementing an affirmative action policy, whether by weakening the strong players (handicapping) or by strengthening the weaker players (head start). This work examines whether affirmative action, designed to reduce the gaps in the competitive world, might by trying to encourage effort might actually motivate contestants to sabotage other contestants. Using a natural experiment, with data from horse racing in the United Kingdom in 2019, I demonstrate how affirmative action measures that handicap favorite horses, result in a more balanced playing field by giving weaker horses higher winning probabilities. I also demonstrate that cases of sabotage and negative behavior between riders are more prevalent in such races. Sabotage improves jockeys' position by an average of 0.863 placings. I also show that stronger riders (the top 5% of U.K. jockeys) are, in general, 4.4 times more involved in cases of interference between riders than average jockeys.