Referee Report on "Game of Organizing International Cricket: Co-existence of Country-Line and Club-Line Games" By Satya P. Das (Discussion Paper 2008-26)

To those outside of the game, cricket is an enigma—a curious game with complex rules where gentlemen in white attire break for tea—played only within the former colonies of the British Empire with limited appeal elsewhere. It may come as a shock then to learn that cricket is second most popular sport in the world. Yet, its popularity not withstanding, the game has changed considerably over time. The most recent innovation has been the introduction of the International *Club-line* Twenty-20 Tournament. Like its predecessor—One Day Internationals—Twenty-20 Tournaments have been hugely popular and this popularity is threatening, to once again, change the landscape of the game. In large part, these evolutionary trends are the product of a complex inter-play between market conditions and the actions of cricket's national and international governing bodies. The primary contributions of this paper are to develop a theoretical framework for understanding these complex relationships and to generate predictions about changes that could transpire as a result of altering market conditions.

This paper deserves attention for the following reasons.

- 1) The paper is well motivated and elegantly executed with a judicious blend of rigor and intuition.
- 2) Importantly developments in the domestic game, whether we attribute these to actions of the players or actions of the governing bodies, can have ramifications for how the game is played in other countries and how it is played at the international level. This paper provides an elegant framework for understanding this complex form of interconnectedness.
- Following the introduction of International *Club-line* Twenty-20 Tournaments, there has been considerable speculation as to the future of the game. A number of questions have surfaced that require attention. For example, does this new game "eat into" the popularity of test match cricket and / or One Day International matches? Is it possible for an organizing body that is purely driven by profit to co-exist with traditional non-profit governing bodies? What are the implications on the welfare and the quality of players? To my knowledge, this is the first paper which attempts to answer these questions on the basis of sound economic principles.

At the same time, I believe that the paper could benefit from the following minor changes.

1) For most part, (except for a brief mention on page 11), the parameters a^i and A, which respectively measure effective market size for country-line and club-line games, are treated as being independent of one another. This need not be the case. If I am not mistaken, after the introduction of One Day Internationals (ODIs),

attendance in five day test matches declined. This is likely to occur when viewers are time or resource constrained or both. Why are these constraints not applicable in the present context? Understandably incorporating these constraints within the model would require substantial revisions to the current analysis--something that I am not advocating in the context of the present paper. Perhaps then, a lower, but fair, expectation from the reader would be to have *some* discussion of this issue.

- 2) In contrast to the CBs, the outside party sponsors of club-line games are assumed to be risk neutral. Again, readers will benefit from a discussion that justifies this difference.
- 3) Sections 3 and 4 of the paper provide a number of valuable insights under two alternative scenarios where club-line games are organized by a private sponsor and a central cricket board, respectively. What can be said about the relative merits of these two arrangements? For example, is it the case that under certain conditions, one arrangement has better welfare implications for the players than in the other? The answers to these questions have important implications for policy. At the same time, they help better understand the recent decision by the BCCI to forgo direct control of club-line games—preferring an arrangement similar to that described in Section 3—by selling their franchises to the private sector.
- 4) There is a crucial typo on page 7 when specifying the CB's objective function. This, along with equation (1) need to be corrected.

In summary, I find this paper to be a well motivated and a well executed piece of research—one that deserves to be published in a reputed journal. The presentation is clear and careful, such that the analysis remains transparent, even to readers who are unfamiliar with the game. As a result, this paper will be of interest to a large audience.