

THE ECONOMIC IMPORTANCE OF SPORT IN EUROPE

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Context

During the last few decades the importance of sport and physical activity has increased from both the sociological and economic perspectives. Moreover, sport has become important to more of society, as a result of government policies, and converted it to a growing economic sector. Sports economics is a new field of study, where Simon Rottenberg is widely recognised as a pioneer. From the beginning, researchers in the USA and in Europe have differed in their methodological approach (Andreff and Staudohar, 2000). Underlying reasons relate to how the term sport is interpreted: in the US sport refers to formal, measured competition, whereas the common European approach is to consider sport in the broadest sense, including any physical activity undertaken in one's leisure.

As public resources became scarcer in Europe in the 1980s, economic reasons for financing sport gained force, and its contribution to national economies became widely studied. Jones (1989) attempted the first estimates for Europe, and since then a massive increase in interest has happened with the Andreff report (Andreff et al, 1995) and national studies in the UK, Germany, France, Belgium, Netherlands and Spain. Nevertheless, sports demand by households or consumer expenditure have received little attention, despite accounting for at least half of the contribution of sport to GDP, although participation data exists for most countries. One possible explanation is the difficulty of obtaining individual consumer expenditure data. This paper aims to collect the most significant economic studies and to analyse the role of consumer expenditure.

Methods

There are four main approaches to estimating the economic importance of sport (LIRC, 1997):

1. *A national income accounting* (NIA) framework, basically a measure of the monetary value of the total flow of goods and services produced in an economy, with 3 possible approaches based on total expenditure, total production or total income, depending on objectives and available data. But sport is seldom clearly defined in these National Accounts, so the consumption/expenditure approach is most useful, based mainly on household surveys. A major drawback is underestimation when activities cannot be calculated in economic terms, where this method neglects voluntary work and some externalities.
2. *A satellite account* framework, within the NIA, constructs an account for a specific sector, which can cover monetary and non-monetary variables (employment, volunteers), and it is usually possible to make a sport input-output table, as in Germany (Ahlert, 2000).
3. *An input-output model* is focussed on production, measuring interrelations between the different economic sectors through deriving input-output tables which show the flows of expenditure and production throughout the entire economy, thus presenting the relationship between sport and the rest of the economy (e.g. Saint Germany & Harvey, 1998; Ahlert, 2000).
4. *An expenditure-based multiplier approach*, used to measure the effects of an additional injection of spending into a local or regional economy. Thus, while it is appropriate for estimating the impact of sporting events and professional teams, it is not suitable for analysing sports expenditure in general (Gratton and Taylor, 2000; Davies, 2002).

As an alternative to multiplier analysis, most authors in the USA have elected to use cost-benefit analysis, an approach aiming to determine whether a public investment project, such as a new stadium or a sporting event, can be justified economically

We have followed literature review as the research method. The main results are shown in Table 1.

Results

Following the 4 main methods, the economic importance of sport in terms of GDP or household spending varies within a range of 1.5% to 2% of GDP and 2% to 3% of family expenditure, and a tendency is clear for sports markets to gain importance steadily. In fact, consumer spending on sport

has increased more than global family expenditure in many countries. We have detected significant differences in expenditure in passive as well as active sport. For example, in Spain and the UK, the importance of sport expenditure in passive sport is considerably higher than in France or Germany.

Discussion/Implications

Comparisons of the distribution of sport consumption over the last 20 years shows it to have greatly increased its share in household consumption, while drastically decreasing its share in public expenditure. The construction in many countries of large numbers of sports facilities in the 1970s and 1980s was followed by a period of stagnation in public expenditure and a shift from public to private expenditure (sports organizations, such as sporting federations and clubs). The private and voluntary sectors have together taken the lead, to the detriment of the public sector recently. Sports management, therefore, appears an essential tool for sports organizations to use in addressing this new situation. This situation is particularly significant due to the fact that sport is relevant in terms of GDP and household spending in many European countries. Also, it is necessary to point out the significant differences among countries between sport expenditures in active sport (sport clothing & footwear, sport equipment, subscriptions and fees) and in passive sport (sport events, TV sport, sport-related publications, and gambling).

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Appendix

Table 1: Economic importance of sport in terms of GDP and consumers' expenditure in European countries

Country/date	Authors	GDP (%)	household expenditure (%)
Belgium /Flanders, 1982	Kesenne et al. (1987)/Jones (1989)	1.4	1.9/1.5
Flanders 1990	Couder & Kesenne (1990)	1.35	---
Belgium 1990	Andreff et al. (1995)	0.78	1.16
Flanders 1996	Taks & Kesenne (2000)	3.7	6.8
Croatia 1990	Bartoluci (1997)	0.71	---
Denmark 1989	Riiskjaer (1989)/Jones (1989)	---	1.6/1.3
Denmark 1990	Andreff et al. (1995)	0.56	0.31
Finland 1985	Rissanen et al. (1989)/Jones (1989)	0.9	1.6
Finland 1990	Andreff et al. (1995)	1.13	0.75
France 1977	Malenfant-Dauriac (1977)	0.5	0.8
France 1985	Jones (1989)	1	---
France 1990	Andreff et al. (1995)/Halba (1997)	1,1	0,63/2,2
France 1992	Léger (1994)	---	0.84
France 1999	Andreff & Nys (2002)	1,9	---
France 2001	MJS (2001)	1.7	---
Limousin 1993	Gouguet (1998)	1-2	---
Germany 1990	Andreff et al. (1995)/Halba (1997)	1,28	0.88/2.7
Germany 1994	Weber et al.(1995)	1.4	1.8
Germany 1998	Meyer & Ahlert, Ahlert (2000)	1.4	1.9
Greece 1994	Kolimpalis (1999)	1.3	1.1
Hungary 1990	Andreff et al. (1995)	0.6	0.28
Iceland 1987	Jones (1989)	---	1.2-1.7
Italy 1989)	Nomisma (1991)	2.25	3.5-3.6
Italy 1990	Andreff et al. (1995)/ Halba (1997)	1,04	0.76/1.9
Italy 1996	Nomisma (1999)	2.4	3.4
Italy 2001	Nomisma (2002)	2.5	---
Netherlands 1985	Van Puffelen et al. (1988)/Jones (1989)	1.9	2.2-2.3
Netherlands 1992-3	Oldenboom et al. (1996)	1.89 (of final expenditure)	---
Portugal 1987	Jones (1989)	---	1.1
Portugal 1990	Andreff et al. (1995)/Halba (1997)	1.77	1.04/1.9
Spain 1990	Andreff et al. (1995)/Halba (1997)	1.68	1.45/2.9
Spain 1990	Alonso et al. (1991)	1.2	1.5-1.8
Andalucía 1998	Otero et al. (2000)	2.6	---
Andalucía 1999	Villalba (2002)	---	2.8
Castilla y León 1998	Pedrosa (2000)	1.4	2.5
Navarra 2003	Rapún (2003)	1.5	2.9
Sweden 1990	Andreff et al. (1995)	0.80	0.48
Switzerland 1990	Andreff et al. (1995)	3.47	3.17
UK 1985	Henley Centre (1986)/Jones (1989) ⁽¹⁾	1,4/1,6	1.1/2
UK 1990	Andreff et al. (1995) ⁽²⁾ / Halba (1997)	1.49	1.17/2.6
Northern Ireland 1989	Henley Centre (1992a)	1.2	---
UK 1990	Henley Centre (1992b)	1.7	2
UK 1985	LIRC (1997)	1.34	2.01
England 2000	Cambridge Econometrics (2003)	1.5 (for regions, from 1.3 to 2.20)	2.8 (for regions from 2.5 to 3.2)
England 1995	Gratton and Kokolakis (1997)	1.61	2.33
England 1998	TSIF (1999)	1.69	2.5
UK 2003	SIRC (2004)	2	2.6
Scotland 1990	Pieda (1991)	2.56	---
Scotland 1992	Pieda (1994)	1.5	---
Scotland 1995	Gratton & Kokolakis (1997)	1.82	2.75
Scotland 1998	Sport England (2001)	1.76	2.55
Wales 1988	Henley Centre (1990)	1.7	1.6
Wales 1993	CASSS (1995)	1.65	1.68
Wales 1995	Gratton & Kokolakis (1997)	1.82	1.97
Wales 1998	LIRC (2000)	1.95	2.52
Cornwall & Isles of Scilly 2004	SIRC (2004)	2.0	---
Sheffield 1997	Davies (2000, 2002)	4.11	---

⁽¹⁾ This report presents % of private consumption into total consumption.

⁽²⁾ This report presents % of final family consumption into GDP.

THE ROLE OF SPORT MANAGERS IN THE TRANSFER OF SPORT SCIENCE TO HIGH PERFORMANCE COACHING IN CANADA

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Context

This research project was conducted from a sport management perspective, with an interest in how the transfer of sport science knowledge to high performance coaches might best be facilitated. Coaching is a competitive job, and coaches of high performance athletes are always looking for a 'competitive edge.' It is unlikely, therefore, that coaches will share their information with rivals. How, then, do coaches get new information or new ideas? Sport science has the potential to provide information to coaches that will give them the edge they seek. However, empirical studies have not been done to investigate knowledge transfer from sport science to coaching practice (Gilbert, 2001).

Health care settings were the first source of concern over knowledge transfer. Evidence-based practice has been discussed in health care, and a measure of frustration is evident in the literature, based on a failure to get research results into practice. A similar problem is said to exist in business management practice. Therefore, I decided to take a parallel look at the high performance sport environment from a management perspective.

Methods

A population of 600 high performance coaches involved in Canadian Interuniversity Sport (in 11 different sports) was identified. This project was the first phase of a larger study that will involve that larger population. A short web-based questionnaire was distributed to a purposive sample of 35 of those coaches at one major Canadian university. The questionnaire was followed up by a short personal interview with each coach who responded.

Results

The results showed that nearly 90% of these coaches believed that sport research is contributing new ideas to their sport. The coaches prioritized the area of Tactics/Strategy ahead of areas such as Strength Training, Fitness and Mental Preparation, but indicated that research into tactics and strategies was not as likely to be conducted as in the other areas.

Coaches indicated they were most likely to get new ideas from other coaches. The second most likely forum was through clinics or seminars. None of the coaches indicated they would get information from academic research journals.

Of particular interest was the finding that Sport Canada, SportDiscus ("the world's leading database in sport, health, fitness and sports medicine") and the Sport Leadership Conference, which are primary sources of sport research information, were ranked lowest of all potential sources of sport research information.

Finally, 77% of the respondents agreed "research is not presented in formats that can be used easily by coaches", and 83% agreed that "the research being done is not easily accessible to coaches."

Discussion/implications

These findings suggest that high performance coaches are looking to sport science for new ideas. Although there was clearly some incongruence between what the coaches are looking for and what they believe is being done, there appears to be a belief that sport science can be an important contributor to high performance coaching.

Coaches are getting ideas from other coaches, a finding which may be inconsistent with my assumption that coaches will not share ideas. However, while the result may be explained by coaches