

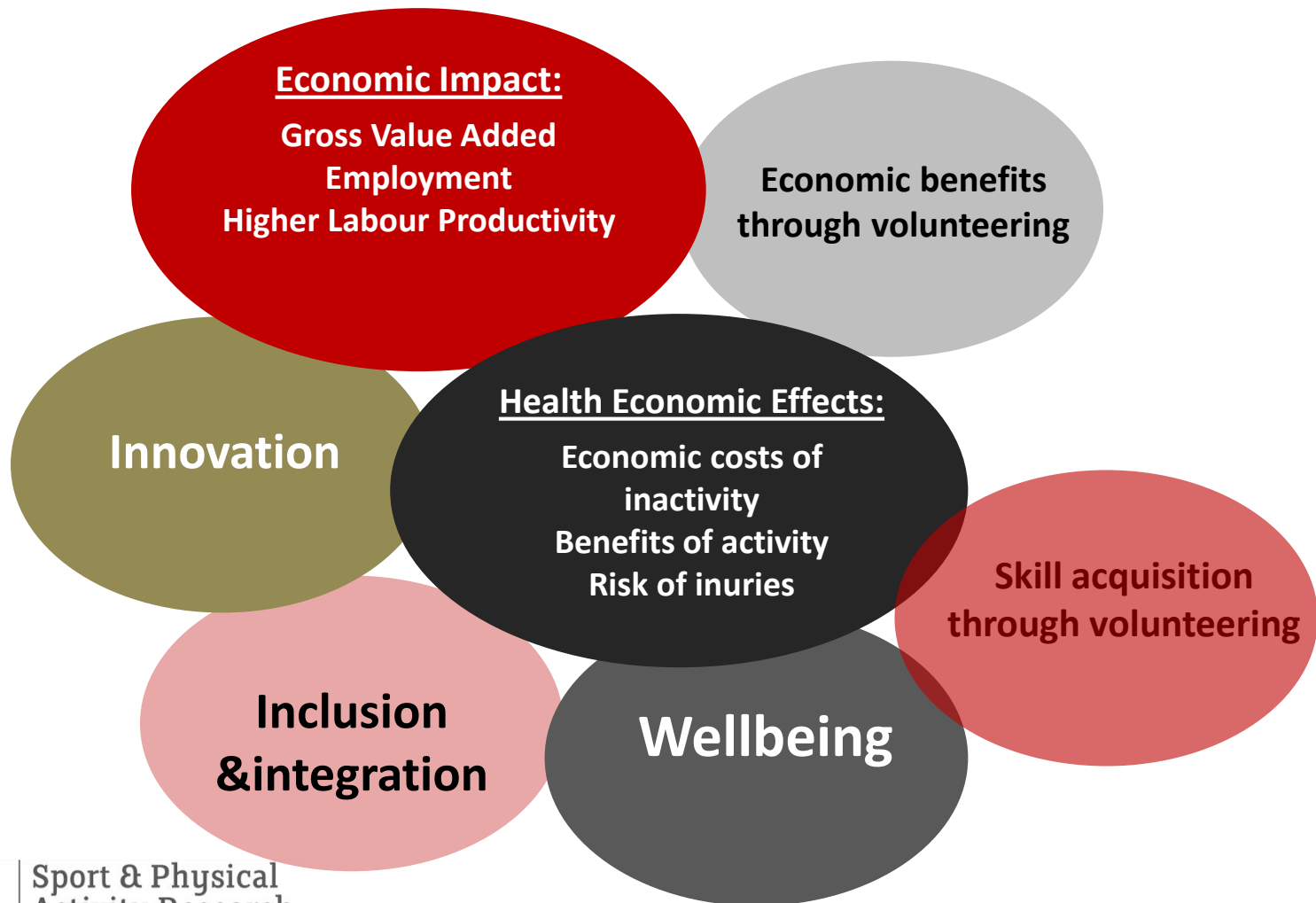
# **Benefits of having an SSA in the national economy**

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# Sport's Effects on Society



# Economic Health and Social effects

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- 1. Considering the essential nature of sport, the decision-making process about an investment in sport needs to consider both the **economic and social value of sport**.
- Economic impact of sport → **Sport Satellite Accounts (SSA)**. An SSA is at the heart of a sport economic evaluation, and is complemented with additional research such as: **health benefits of sport and social and economic benefits of volunteering**. SSA is the best tool we have for estimating direct and indirect impacts of sport. The indirect effects in an SSA help to show the real impact of sport on GVA and employment.

# Economic impact and Public Hand

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- 2. Sport has positive effects on the participant, but also
  - on the employing company,
  - the society and
  - the economy as a whole.
- They all benefit from the positive effects, but do not carry the costs → Market Failure
- Thus: the public hand has to intervene.
- If the public hand does not interfere, sport infrastructure is insufficient.
- If the public hand does not interfere, sport infrastructure is insufficient.

# Economic impact- Government surplus

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- ⑩ 3. Therefore, the government has to invest to generate the benefits conveyed by sport.
- ⑩ The SSA allows to show the spending and the income to the government associated with sport.
- ⑩ In almost all cases we have examined the central governments enjoy a surplus if we consider the VAT revenue from sport goods and services.

# Economic , employment and sustainability

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- 4. Sport is employment intensive. In 26 out of 27 MSs, sport in general requires more employment than the average sector. Member States with low labour productivity have a relative advantage from building sport infrastructures and investing in sport. **Hence sport can be used to address and limit inequalities among regions or countries.**
  - Use sport investment to counter unemployment.
- Typically, sport would show to be responsible for 1.8% of GVA and 2% of employment. **Hence investing in sport would generate more employment than the average sector of the economy.**

# Economic , employment and sustainability

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- 5. Small countries need to import more. Indirect effects thus flow out. Some countries though manage to produce a high share of the necessary intermediate goods and services on their own.

→ An SSA can guide to the development of a greater degree of self-sufficiency around sport investment.

# Economic effects, infrastructure

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- 6. Sport-related infrastructure is a substantial source of GVA for all economies. Direct effect can be average, but indirect GVA increases that value often to high levels.
- Sport-related construction is frequently found to be one of the key-sectors and has a sectoral multiplier of 2.62 within the EU.
  - Use construction of sport-infrastructure to stimulate many sectors.
- Sport infrastructure is a way of ensuring that a large share of GVA remains with the European Union.



# Inclusion and targeting of facilities

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- 7. Construction of small inclusive and family friendly facilities that would give confidence to non participants to participate in sport. By inclusive primarily we mean that a person that is not active feels comfortable enough to walk into a facility. Research has shown that the inactive people are the hardest to reach. Most current investment is used by existing participants and the focus must shift to the inactive population. This would also maximise economic and social returns.
- The SSA can show whether investing in inclusive facilities has an effect on participation, when combined with participation data.

# Conclusions: Some benefits of SSA

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- It the heart of any economic evaluation of sport.
- Shows the indirect effects of investment through the production process.
- Shows if at any point there is a budget surplus or deficit, associated with sport, for the central government.
- It can show that sport investment is more effective than the average sector in generating employment, hence sport investments can be used to help a country get out of recession, or a crisis such as COVID-19.
- In a framework such as the Pan-European SSA can show if it helps towards converting the economies or regions.

# Conclusions: Some benefits of SSA

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- Can generate policy frameworks to promote self sufficiency around sport investment.
- Can show the wide effect of sport infrastructure through indirect effects and high multipliers.
- Can help to monitor the effect of investing in inclusive facilities that aim to increase effectively sport participation.

# Example Covid-19

- . Basic sport economic indicators in Lithuania, 2014.

Consumer Spending Distribution	%
Consumer spending—passive	17%
Consumer spending—active	83%
Consumer spending as % of total	2.2%
Employment as % of total	1.5%
GVA as % of total	0.8%

# Effect of COVID-19 on the sport economy-Lithuania

Categories of Expenses	%
<b>Passive sport consumption</b>	
Car for events	16.7%
Bars	16.7%
Tickets	16.5%
Accommodation	14.0%
Public transport	3.5%
<b>Total % of Passive consumption</b>	<b>67.4%</b>
<b>Active sport consumption</b>	
Sport camps	12.8%
Membership	12.8%
Car spending for training	8.3%
Training sessions	7.1%
Overnight staying	3.6%
Sport facilities	3.0%
Public transport for training	1.8%
Car spending for competition	1.7%
Car spending for competition abroad	1.4%
Public transport for competition abroad	0.8%
Public transport for competition	0.4%
<b>Total % of Active consumption</b>	<b>53.7%</b>