



ORIGINAL RESEARCH PAPER

Physical Education

ECONOMIC IMPACT OF SPORTS ON SOCIETY

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ABSTRACT

Sports and Physical activity is linked solely to the sport at schools, colleges, universities and leisure activities, undermining its contribution to a number of other processes and activities. For example, sport is closely linked to education, tourism, health and entertainment. Each of the above has made up a major role in the national economy. Entertaining people during their time off from work as always been a primary role of both participation and spectator sports. Although in the past sport entertainment was usually casual & relaxed, today's sport is often organized, mechanized, marketed and administered as a business. Commercial interest influenced virtually every decision in sports. Events are rated by television audience share, tickets sales, website hits, concession sales, sponsor revenue and media coverage. Wins and losses are important because they influence all of these standards of measurement. As sport is growing more into business, the corporate model is entering into the organization of every sport entity and governing body. Athletes are encouraged to provide their services for the good of the larger entity, to contribute to the bottom line. Coaches are becoming the supervisors of athletes who are sometimes asked to go against their personal choices for the better good of the team or organization. As the sports industry in growing in economic power, it is also attaching commercial interests who could benefit from that power by influencing its organization. As the industry is developing, the role of the athlete is becoming to serve the organization.

INTRODUCTION:

Sports economic is a discipline of economics focused on its relationship to sports. It covers both the ways in which economists can study the distinctive institution of sports and the ways in which sports can allow economists to research many topics, including discrimination and antitrust law. The theoretical foundations of the discipline are heavily based on micro economics. Sports economics modules offer a range of transferable and specific skills that can be applied to a range of role opportunities, particularly in the ever growing sports and leisure industries, local government & tourism. Sports economics possesses substantial experience in economic consulting to the sports industry, with specific knowledge of the economic impact of facilities, event, and teams so considering the publicity and scrutiny surrounding such studies, it is imperative to select a firm that not only has substantial experience, but also has a reputation for consistently providing an accurate assessment of economic impact. Economists and scientists have widely studied the sports role in economic growth as well as the importance of sport for people's physical activity promotion. However in the light of the growing role of sport in economic processes, it is necessary to do an in depth study for theoretical aspects of sports economics. Many people love sport. Thus, sports economics provides an opportunity to analyze some key economic concepts can be used to analyze and understand the role that economics incentives play in determining the behavior of controlling bodies, leagues, clubs, players, fans, sponsors, the media and government.



HISTORY OF SPORTS ECONOMICS:

Throughout human history, many societies has used sport as form of public entertainment. However never before has commercial sports been as pervasive as it is in contemporary industrial society. Money is the motivator of athletes. Players and owners give their primary allegiance to money rather than to play. Playing for high monetary stakes is existing for funs too. Television money dictates schedules, the timing of time outs, and even controls what sport casters say. Super athletes can become millionaires.

Modern sport is corporate sport. The original purpose of sport –

pleasure in the activity has been lost in the process. Sports has become work. Sports has become the product of publicity agents using super hyper methods. Money has superseded the content as the ultimate goal.

Eitzen's statement emphasizes the notion that commercialization has changed sport dramatically. We will focus on four topics.

- 1) The factors contributing to the emergence and growth of commercial sport.
- 2) The effects of commercialization on the form and content of sport.
- 3) The legal status and incomes of athletes.
- 4) The owners and sponsors of commercial sports we know that whenever any sport is converted into a form of commercial entertainment, success depends on its man's appeal. Although spectators are adverse group with a variety of motives underlying their attachments to sport, their interest in any sports event are usually related to a combination of three factors:
 - (i) The uncertainty of the event's outcome,
 - (ii) The risk or the financial rewards associated with the involvement of the athletes and
 - (iii) The display of excellence or heroics by the athletes. In other words, when spectators refer to a 'good game' they are usually referring to one in which the outcome was in doubt until the very end of the consist, one in which the stakes were so high that the athletes were totally committed to end engrossed in the action, or one in which there were a number of excellent or heroic performances.

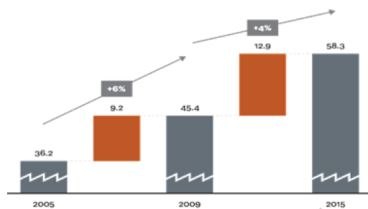
When an event is characterized by all three of these factors it is likely to be discussed and remembered for a long time. It spectators are attracted by uncertainly, high stakes, and noteworthy performances, the commercialization of sport is bound to create certain changes.

This fact has led to the question of whether commercialization corrupts sport or whether it simply changes sport in ways that make it available to a greater number of players and spectators.

IMPORTANCE OF ECONOMICS IN SPORTS

Now-a-days sports are evaluated in terms of gate receipts and revenues from the sale of concessions, licensing fees, merchandise, and media rights. Games and events are evaluated in terms of market share, ratings points, and advertising potential. Athletes are evaluated in terms of endorsement potential and on-camera image, their very popularity may depend on their ties to

corporate names and logos. Stadiums, teams and athletic events now are named are larger corporations rather than historical figures and places with local meaning. Corporate interests influence everything from the choice of team colours to the times events are scheduled and the ways they will be covered by the media. In fact, media companies own a growing number of sport teams and sponsor more and more events. Sports are now corporate enterprises, integrally tied to marketing concerns and processes of global capitalist expansion. The names of transnational corporations have become synonymous with the athletes, events, and sports that provide pleasure in peoples live.



Seven Sectors of the Sports Economy

National income accounting provides the framework for the suggested analysis, consistent with the National Accounts. It allows for a division of the sports economy into these seven sectors.

Consumers – including the personal or household sector. This shows mainly sports related expenditure, like spending on sports clothing and footwear.

Commercial sport sector – including sports good manufacturers and retailers. We classify companies such as Nike and professional football clubs in this sector.

Commercial non-sport sector – including suppliers for the production of sport-related goods and services. This sector includes companies that don't provide a sport product, but assist through the supply of inputs or revenue for production.

Voluntary sector – including non-profit making sport organizations such as amateur clubs run by their participants. Identifying the income and expenditure flows towards voluntary clubs is an important element in the economic assessment.

Local Government – including income from local government sport facilities, sports-related grants from central government and rates from the commercial and voluntary sector. It expenses wages for labour and grants to the voluntary sector.

Central Government – including taxes grants and wages on sport related activities.



Twelve ways of sports – make a positive impact.

- a. Economic Impact
- b. Jobs
- c. National Unity
- d. City Pride
- e. Role Models
- f. Helping Kids Get Active
- g. Employment Outlook
- h. Community Relations
- i. Make a Wish

- j. Honoring Heroes
- k. Team & Player Foundations
- l. Emotion

Effects of Sports on Indian Economy over the past two decades there has been increased competition among cities, regions and countries to host mega sporting events. Therefore Government and other proponent's of major sporting events usually seek to back up their claims of the event providing an economic boost by commissioning an economic impact statement.

Hosting a sport event has revealed a number of benefit in our communities and of those benefits, some reasons like increasing community visibility, positive psychic income, and enhancing community image are all common and acceptable postulations. Economic impact in sporting events can be defined as the net change in an economy resulting from a sport event and the change is caused by activity involving the acquisition, operation, development and use of sport facilities and services which in turn generate visitor's spending, public spending, employment, opportunities and tax revenue. In study of economic impact expenditure can be categorized as direct, indirect and induced effects.

Economic Benefits of Promoting Sports

Sports is divided into play, game physical activity, medical treatment, rehabilitation & competition targets everyone & everybody, regardless of gender, age, religion, race, social status teaches ethics, discipline fair play, pride, dignity & honor. It is a source of fun, enjoyment, recreation & relaxation. It is a tool for democracy, freedom & equality encompasses the entire population of a nation. It is like religion, the opium of the people induces a sense of patriotism & unity. It is a prime factor in decreasing chances of heart disease, Alzheimer & Parkinson's, Reduces mental instability. As sport as a concept is quite vast, it is not very easy to define it, yet an academic definition on which all would agree, is that sport is a form of involvement, it is a recreational activity, a social institution and a cultural product. In short, sport is a social phenomenon that brings together peoples and nations under unity, patriotism and moral values.

CONCLUSIONS:

In current scenario economic impact studies have become standard operating procedure for supporters of public funding for sports events. It has led to acceptance of their findings by the government and public due to their prevalence with no critical evolution. Entertaining people during their time off from work has always been a primary role of both participation and spectator sport. Although in the past sport entertainment was usually casual and relaxed, today's sport is often organized, mechanized, marketed, and administered as a business commercial interests influence virtually every decision in sports. Events are rated by television audience share, tickets sales, concession sales, sponsor revenue and media coverage. Wins and losses are important because they influence all of these standards of measurement. As sport is growing more into a business, the corporate model is entering into the organization of every sports entity and governing body. Athletes are encouraged to provide their services for the good of the larger entity, to contribute to the bottom line; coaches are becoming the supervisors of athletes, who are sometimes asked to go against their personal choices for the better good of the team or organization.

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