

Role of Sports in Social and Economic Development of an Economy

George Rodrigues and Arshan Mohammad Kashanatti***

ABSTRACT

History of sports dates back to the ancient times and has been a source physical activity, mental stability and specific skills. Once a leisure time activity has become a social and economic phenomenon for the masses. The purpose of the paper is to study the role of sports in social and economic development of the country and what are the various strategies to overcome the problems underlining the development process. The study is purely conceptual in nature and is based on various ideas generated from different literature review and reports. Role of India in the sports sectors through generation of income from sports has grown immensely over the years. The article is bounded with theoretical grounds with less of statistical database to prove the authenticity. It can be concluded that sports when used in a wise manner can fostering development and peace across nations and can bring economic profits.

Keywords: Sports; Social; Economic; Development.

1.0 Introduction

In general sports can be termed as any activity which involves physical exertion, mental stability and specific skills through which an individual or team competes against others for the purpose of self-achievement, physical and mental well-being, building social relations and entertainment. Once considered a leisure time action reserved for handful, sports now serving as a social phenomenon for the common people in today's World. History of sports dates back nearly to 3000 years ago, which was often an activity for war and hunting training which was identified by the games which involved throwing spears, stakes and rocks, and fighting one-on-one with opponents.

**Corresponding author; Physical Education Director, Department of Physical Education, Karnataka Law Society's Institute of Management Education & Research (KLS IMER), Belagavi, Karnataka, India (E-mail: georgerodrigues@klsimer.edu)*

***Research Scholar, Department of Studies in Economics, Rani Channamma University, Belagavi, Karnataka, India (E-mail: akarshan623@gmail.com)*

With the advent of Olympic games in 776 BC sports was officially introduced to the world. The games played in the current era are an evolution of the games of ancient times. It cannot be formally justified the advent of sports in India but it is believed sports in India was witnessed since the Indus valley civilization. As Indian were one of the most modern and developed civilizations since the ancient times, various shards of evidence provide information on the exitance of early form of chess, invented dice, hunting and boxing were practiced then. An activity having early links to warfare has now evolved to an event for maintaining and promoting peace, social and economic development of nations, source of entertainment and a pass-time activity for many.

Sports teaches lessons of social change as it involves development of basic human skills. Application of sports to encourage peace and development was well known, but yet until the recent times sports remained side-lined from mainstream humanitarian and development programme. Among the passion areas of human beings, there is nothing more loved by people than sports, which has become one of the most effective public relations tools used by the country to develop people and society. Sports play an important role in the Indian economy; the country has a long history of sports and sports are a part of culture.

In India, people follow various sports with curiosity and participate in them with enthusiasm. But the role of sports in the development of economy needs to be studied, hence, this study is undertaken to understand this aspect of sports and economy.

1.1 Objective of the study

In today's world, sports have become an important part of the country's economic development. Participation in sports increases the health and productivity of individuals and communities, helps reduce health care costs, improves self-discipline and behavior, and improves well-being. Hosting major sports events contributes to the development of the country by helping to improve infrastructure, create temporary and permanent employment, attract foreign investment, and train players and athletes. Therefore, we can clearly say that sports have a lot of impact on the business world and society. People participate in sports and physical activity for many reasons, such as enjoying themselves, improving their physical and mental health, and gaining health. The aim of this study is to understand the importance of sports in the development of the social and economic structure of the country and to understand that sports have become a commercial organization

2.0 Literature Review

Sports have emerged as a powerful tool for promoting social integration, physical well-being, and economic growth in societies worldwide. This literature review aims to provide a comprehensive overview of the extensive body of research on the multifaceted impact of sports on the social and economic development of economies.

Social Impact of Sports: Sports have been acknowledged as a catalyst for fostering social bonds, promoting physical and mental health, and enhancing community cohesion (Brown, 2018). Participation in sports not only improves overall health but also nurtures essential life skills, such as teamwork and leadership (Eime *et al.*, 2013). Moreover, sports act as a platform for diversity and inclusion, breaking down barriers based on gender, ethnicity, and socio-economic background (Chalip, 2006).

Economic Impact of Sports: The economic implications of sports are substantial. Hosting major sporting events, such as the Olympic Games or FIFA World Cup, brings significant economic benefits to host countries (Baade & Matheson, 2016). These mega-events generate revenue through tourism, infrastructure development, and job creation (Szymanski, 2017). Beyond event hosting, the sports industry encompasses various sectors, including broadcasting, merchandise, and fitness, contributing significantly to a nation's GDP (Deloitte, 2020).

Health and Education: Participation in sports is linked to improved health outcomes. Regular physical activity reduces the risk of chronic diseases, including obesity and diabetes (Warburton *et al.*, 2006). In educational settings, sports programs enhance academic performance and character development, promoting holistic student development (Durlak *et al.*, 2011). Sports scholarships offer underprivileged individuals opportunities to access higher education, addressing issues of social mobility (Eitzen & Sage, 2009)".

Infrastructure Development and Tourism: Investments in sports infrastructure lead to long-term economic development. World-class stadiums and facilities attract events and visitors, contributing to tourism growth (Preuss, 2007). For example, Barcelona's development of sports infrastructure in preparation for the 1992 Olympics had enduring economic benefits (Flyvbjerg, 2007). Such investments often result in broader urban renewal projects.

While the economic advantages of hosting major sports events are evident, there are critical voices questioning the costs and benefits (Matheson, 2012). Critics argue that economic gains may be overestimated, and event costs can outweigh the advantages (Baade & Matheson, 2016). Moreover, commercialization, ticket pricing, and unequal access to sports can raise concerns about social equity.

Sports occupy a central role in shaping the social and economic landscape of societies. They contribute to health, education, community cohesion, and economic growth. However, the complexities of sports development require careful consideration, and future research should continue to explore the nuanced impacts of sports on society and the economy.

3.0 Research Methodology

3.1 Research design

This research is conceptual in nature and based on ideas gained from review of documents, reports and website. It is defined and classified according to effectiveness or level of evidence.

3.2 Rationale of the study

Sport can lead to social change through the use of sport in personal development. In the United States, sports-based social development is called sports-based youth development. Sport as a physical activity can be a tool for peace and development; because sports programs help children live a long life. In addition to achieving personal goals, sports can also help achieve social goals. The Olympics taking place today is an example of this; It has allowed people to unite in their efforts to achieve world peace and to express their feelings for personal growth. Using sports for social development is an unconventional way to create happiness, strength and equality in society. There are many theoretical ideas that sport works as a way of good change and development and aims to achieve this: courtesy of participation and recognition through sport.

- Rationale Level: It demonstrates the skills, integrity and support of participants focusing on skill development.
- Physical level: Sport can promote communication between oppressed, underprivileged and underdeveloped groups and make them feel included in society.

For the above reasons, sports can promote social development in five ways.

1. Games to support women
2. Games support children's development
3. Games promote professional development
4. Sports awareness for social problems
5. Sport promotes rehabilitation of refugees

Sport has a huge impact on economic growth and job creation; These sports are also a tool for local and regional development, urban development and urban development. The integration of sports has created a new sport, benefiting from the development of various industries such as tourism, finance, infrastructure and other businesses. In today's world, sports are linked to the economy, often in conjunction with the private sector focused on short-term profits. Areas with potential for sports, planning and maintenance can provide strong support to the sustainable development of sports communities. From a business perspective, professional sports provide entertainment to consumers and viewers derive psychological benefits from using these services. Therefore, they are ready to pay for these services, and the more services offered, the higher the price. Therefore, the income from sports services is comparable to other sectors. In general, sports aims to provide services, infrastructure and equipment; On the other hand, he knows the business of the three-level phenomenon, that is, turning some sports competitions, clubs and sports into existence; through publicity, business policy, advertising policy, promotion of the importance of sports as a result of the business environment; sports – creating businesses related to sports equipment, sports facilities and sports facilities (Razvan, 2020).

Investing in sports has the power to change a person's life physically, mentally and financially. It improves one's physical, mental, emotional, health and development and also helps with business, tourism etc. worldwide. It also helps create culture and community. These factors alone suggest you invest in the game. The reason or purpose of this study is to understand and examine the social and economic contribution of sports to the economy and how and how sports can be encouraged for economic development.

4.0 Analysis and Discussion

In general, social development refers to improvement in well-being of each and every individual in society to reach their full potential and capacity i.e., a society is said to perfect and successful when the well-being of each and every citizen. As per the Copenhagen summit of 1995, social development can be defined under three criteria i.e., eradication of poverty, employment opportunities and social harmony. Social development is a balanced set of social skills and learned adaptive behaviours that enables an individual to interact well with other people, react positively and avoid behaviour that has negative consequences. Cooperation, responsibility, empathy, self-control and self-reliance are considered to be components of social development (Sami *et al.*, 2015).

Sport is termed as a physical activity which develops an individual, health and social-economic benefits. The current scenario of sport can be a driver for achieving peace and development, personal and community goals. Sport in its way brings in social change i.e., it brings changes into the social order of the society which includes social institutions, behaviours and relations.

Sports plays a significant role in the transformation of an individual wherein it enacts to be the major transmitting force to develop physically, emotionally, socially and psychologically. But the modern sports regime is growing way beyond an individual and the merits can be sports drives a powerful vehicle for achieving broader issues like development and peace agendas

4.1 Transformational power of sports on an individual

Significant evidences have been noted where participation in sports can impact social life of an individual and how it helps in transforming an individual. The major evidence concerns health benefits i.e., prevention and reduction of physical and mental health problems and helps save expenses on health care. Participation in sports has apparent positive outcomes in improving physical health, like flexibility, strength, weight control, co-ordination, motor-skills etc. It aids an individual to develop decision making capacity and leadership abilities by managing both success and failure. Sports develops healthy social development and interaction in a person and these social skills can improve ability to succeed in all walks of life. Negative health effects from sports are the injuries occurred during the commitment time, but these injures are typically minor injuries but sometimes may be fatal.

There is also significant evidence that participation in sports improves leadership (Taylor *et al.*, 2015). Sports also provide an alternative to reduce unhealthy behavior by establishing sufficient standards, discipline, and motivation to keep people away from drug use (USAID, n.a.). Few studies have measured the relationship between sports participation and crime rates, including drug use, alcohol use, violence and behaviour, and culture. But different risk factors can distinguish young athletes from most teenagers.

The former is often the culprit, but it is not the same as the former because sport promotes self-control. Sport creates economic capital and the health of people in society. Social capital refers to the network of relationships between people. Social capital supports the development of social skills such as self-esteem, cooperation and self-efficacy. It creates relationships of connection, communication, and relationships by reducing relationships, integration, and community participation. The impact of sport on

personal health is linked to physical and mental health; as well as social behaviour, education and financial resources.

Table 1 is representation of how sport has an impact on the social, health and economy from three different spheres. At the individual level sport develops stronger values and empathy from social view, healthy well-being from health view and from economic point of view it inculcates happier and productive workforce to drive the economy. At community level it brings in community integration, develops healthy communities and generates new employment opportunities at social, health and economic dimensions, respectively. At the societal sphere it brings in consistency between communities, it reduces cost with respect to health morbidities and builds a stronger economy.

Table 1: Impact of Sports on Social, Health and Economic Spheres

	Social	Health	Economy
Individual Level	Stronger Values and Empathy	Health and Well-being	Happier and Productive Workforce
Community Level	Community Integration	Healthy Communities	New Employment Opportunities
Society Level	Consistency between Communities	Cost Savings	Stronger Economy

Source: Czupich, 2020.

4.2 Sports as a driving force for peace and development

The inception of Olympic games is the best example of sports being used for some greater purpose other the individual development. Since the earlier times sports has been used to promote peace and development, but in the modern era it has gained immense significance. The UN Task Force on Sport for Development and Peace concluded sports as a cost-effective tool for meeting various peace and developmental challenges, and can help in achieving the United Nations Millennium Development Goals (MDGs). At the ground level various agencies, international organizations, governments, sports federations, committees have hosted effective ways to leverage the power of sports. The following areas represent broader development agenda:

4.3 Humanitarian response

During any form of crises sports programs can play a vital role in overcoming stress, healing of wounds of emotion, reinstating normalcy and generating an opportunity

for strong social interaction. In case of refugee camps sports activities can breakdown the boredom of day-to-day life to have enjoyable moments. Sports can add benefit by gathering people in one place and can use to bring in an opportunity for public educational activities.

4.4 Reconciliation and peace building

Sports doesn't have a language as a barrier rather it is a common dialectal that bridges cultural, ethnical and geographic divides. Sports has been taken up as an initiative to endorse understanding of countries in conflicts. Sports helps in establishing international diplomacy and communication between nations and acts as political dialogue.

4.5 Social and policy change

With the capability to bring people together, confidence building, team effort, public interest and media attention sport acts as a powerful instrument in exposing societal and policy change. Women or persons with disabilities through sports have an opportunity to put forward their voice, both individually and collectively, that they can use to bring about change in their own lives and community.

4.6 Physical education

Physical education is a critical component for overall development of an adolescent as it helps in improving body structure and develops healthy habits in children. It also enables children to improve concentration and performance in academic courses. Further, sports can address broader health and safety issues and ensure all children, to have an opportunity to participate in sport. With respect to the above discussion, it is evident that investments in sport is an appropriate instrument for solving many social problems. Sports contribute to the national identity building, community development and integration, health enhancement, education advancement, crime preclusion and economic benefits. Physical activity helps in reducing the negative impact of the aforesaid phenomena. It brings in a positive change at the individual, community, and society levels.

4.7 Discussions

“Economic development refers to programs, policies or activities which seek to improve the economic well-being and quality of life of a community. Each and every economy has their own opportunities, challenges and priorities. Success of economic development planning includes the people who live and work in the community.

Economic development strategies aim for employment creation, better quality of life, making and selling of local products, and productive use of available resources. In the wake of developing the sports in today's World plays a vital role by applying all the above said strategies. Although sport is an area which requires more attention and research, but yet evidences prove that sport can spur economic development”.

“Sport can be an effective stimulus for economic development especially at the local level (Abeku & Musa, 2014). The linkages between elements of sports sector can be harnessed locally and gain the economies of scale by creating activity, job and wealth. Construction of sports facilities and development of sport for entertainment purpose creates job by manufacturing sports equipment's and marketing opportunities across the nation. By encouraging sport and sport-based economic activities, it is possible to initiate a “virtuous circle” in which new forms of activity are generated, requiring additional goods and services, creating jobs and contributing to economic development (Abeku & Musa, 2014). In industrially developed economies sport has grown to make its own commercial branches which contributes at least two percent to the national income of a country. Now the major challenge bestowed up front is how sports can act as an economic factor in LDCs so as to gain opportunities reaped by developed nations”.

4.8 Sport for economic development strategies

Sports has a major role in economic development of the country but its role cannot be over-emphasized as such because sports contribution is minute in comparison to the other sectors of the economy. For the attainment of sustainable economic development, the following strategies can be inculcated.

Production of Sports Goods: The new era has witnessed high demand for sport goods across the nations as the youth is participating in various sporting activities and the demand is yet to be fulfilled in most of the less developed counties. Despite availability of raw materials such good are not produced on a larger scale in these countries. Basically, these goods imported from other developed countries putting an economic burden. These economies can grab an opportunity and create a space for local small and medium enterprises to manufacture sporting equipment's at affordable prices.

Sport and Employment Generation: Sport is an effective instrument for employment generation. This point is linked to the above-mentioned sub point as the manufacturing sector develops it demands for more and more employment which benefits many. By developing community-based programmes can create jobs, particularly for young people. Different sport talents with great potential can be developed through participation in local sport competitions so that the individuals can graduate from amateurism to professionalism.

Sport and Employment Training: Play-related games can improve employees' resources rather than increase productivity. It is an important aspect of vocational training because it teaches skills such as the value of effort and teamwork, thereby increasing productivity and efficiency. This type of sports training is good for young people and weak groups.

Sport Infrastructure Provision and Utilization: The development of sports facilities is an important part of urban planning because the development of sports can provide economic benefits, including employment and investment, during construction. Once structures are built, some areas may be used by schools and community groups for a variety of purposes, including cultural, social and other activities, and for design revenue.

Sports and Tourism: Hosting international sporting events has economic benefits for the host country. Countries hosting these events attract large numbers of tourists from all over the world, which contributes greatly to the economy of the host countries, especially the hospitality industry such as recreation, transportation and catering. A large part of the sports industry is supported by hotels and restaurants. The income elasticity of sports tourism can improve the economy.”.

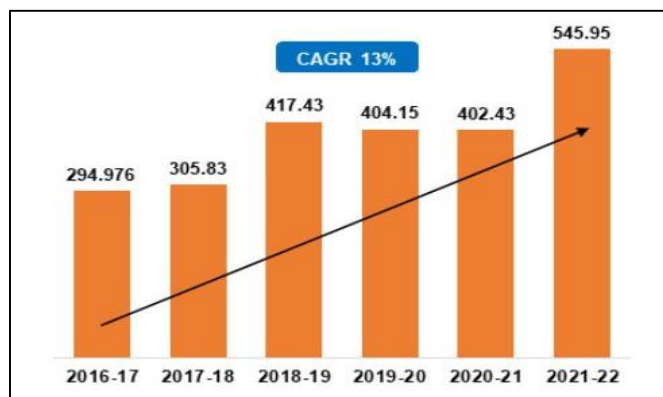
Sports Marketing: Sports marketing is a branch of marketing which has developed past three decades, but yet a generally accepted definition does not exist. It can be termed as application of marketing principles to sports products. Sports marketing concentrates on promotion of sports events as well as the promotion of other goods and services through sport events focusing on customer-fans.

Sports Economy of India: Indian sporting goods industry occupies a significant position in the global market. All successful businesses are driven by skilled workers who represent employment creation and contribute to the country's economy. The sector employs more than half a million people. India produces more than 300 types of sports equipment. Uttar Pradesh, Punjab, Maharashtra, Delhi, Tamil Nadu, Jammu and West Bengal are India's largest sports producers (IBEF, 2022).

The sports industry is highly competitive in the world as it has many companies established in many countries. In 2019-2020, India ranked 24th in the world in sports goods exports, accounting for 0.56% of global exports, indicating future growth. In 2021-22, India's exports increased to US\$ 546 million from US\$ 402.44 million in the previous year. Since 2016-17, India's exports have increased by 13% (Figure 1). India exports sports products to more than 200 countries, including the United States, China, Australia, Germany, United Arab Emirates, United Kingdom, Netherlands, France, South Africa, Sweden, Canada, Belgium, Brazil, Chile and Denmark. (Figure 2), (IBEF, 2022).

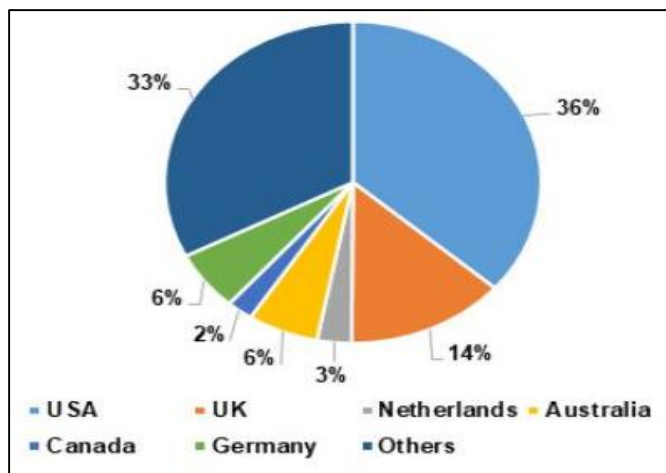
Sporting goods exports to the US increased by 48% to \$198.8 million in 2021-22. Likewise, exports to the UK, Australia and Germany increased by 42%, 32% and 32% respectively (IBEF, 2022) reaching USD 74.7 million, USD 33.2 million and USD 32.8 million as in 2021-22. reached million US Dollars. As can be seen from Figures 1 and 2, the sports industry has made significant contributions to the development of the Indian economy.

Figure 1: India's Sporting Goods Export Trend (US\$ Million)



Source: IBEF

Figure 2: Country-wise Share of India's Sporting Goods Exports (2021-22)



Source: IBEF

To promote and promote sports products in India, the government has taken various initiatives such as the Sporting Goods Export Promotion Council (SGEPC) to organize international and local trade events. The Market Access Initiative (MAI) facilitates the acceptance and export of Indian goods and services. Marketing Development Program (MDA) helps exporters promote their exports in international markets.”.

The paper is conceptual and is a mixture of ideas from various articles. The paper sustains on the view of the author which may be biased due to no evidence to prove statistically. The paper is factual and general in its form. The inadequacy of statistical data makes this paper weak to provide justifications. Further, the topic is very much relevant from modern day time and there is huge scope for researches to provide a data-based study and make it more authentic.

5.0 Conclusion

Sport is not only a physical activity which contributes to the improvement of health and well-being but it can be classified under a broader sense as it has social implications. By influencing the physical, emotional, and psychological state, it has a real impact on the quality of live. Economically it can benefit a nation to generate revenue as it can be clearly witnessed the export data of India. LDCs can grab an opportunity to develop through sports activities both socially and economically. Benefit reaped from sports are more but much of work need to be done still to bring the sport and development sectors together. Carrying it out in a wise manner sports programmes have the potential in fostering development and peace.

References

- Abeku, M. Y. & Musa, E. M. (2014). The role of sports in economic development of African states. *World Educators Forum*, 4(1), 1-7.
- Baade, R. A., & Matheson, V. A. (2016). Going for the gold: The economics of the Olympics. *Journal of Economic Perspectives*, 30(2), 201-218.
- Brown, G. (2018). *Sport and community development: Connecting the field*. Routledge.
- Chalip, L. (2006). Towards social leverage of sport events. *Journal of Sport & Tourism*, 11(2), 109-127.

Czupich, M. (2020). Sport as an instrument of social development - the example of London. *Journal of Physical Education and Sport (JPES)*, 20(5), 2875-2882.

Deloitte. (2020). Economic impact of the sports sector in Europe. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/be/Documents/consumer-business/be-sportseurope-economic-impact.pdf>.

Durlak, J. A., Weissberg, R. P., Dymnicki, A. B., Taylor, R. D., & Schellinger, K. B. (2011). The impact of enhancing students' social and emotional learning: A meta-analysis of school-based universal interventions. *Child Development*, 82(1), 405-432.

Eime, R. M., Young, J. A., Harvey, J. T., Charity, M. J., & Payne, W. R. (2013). A systematic review of the psychological and social benefits of participation in sport for adults: Informing development of a conceptual model of health through sport. *International Journal of Behavioral Nutrition and Physical Activity*, 10(1), 135.

Eitzen, D. S., & Sage, G. H. (2009). *Sociology of North American sport*. Oxford University Press.

Flyvbjerg, B. (2007). Cost overruns and demand shortfalls in urban rail and other infrastructure. *Transportation Planning and Technology*, 30(1), 9-30.

India Brand Equity Foundation (IBEF 2022). Retrieved from <https://www.ibef.org/exports/sports-industry-india#:~:text=During%202021%2D22%2C%20India%20exported,valued%20at%20US%24%20402.44%20million>.

Matheson, V. A. (2012). Mega-sporting events in developing nations: Playing the way to prosperity? *The World Economy*, 35(6), 675-692.

Preuss, H. (2007). The conceptualization and measurement of mega sport event legacies. *Journal of Sport & Tourism*, 12(3-4), 207-228.

Razvan, B. M., Bogdan, B. G., Roxana, D., & Catalin, P. M. (2020). The contribution of sport to economic and social development. *Studia UBB Educatio Artis Gymnasticae*, 65(1), 27-38.

Sami S., Mahmoudi S., & Aghaei S. (2015). Social development of students participating in physical activity and computer games. *Annals of Applied Sport Science*, 3(2), 51-56.

Szymanski, S. (2017). The economic impact of the World Cup. *World Economics*, 18(2), 1-13.

Taylor, P., Davies, D., Peter, W., Gilbertson, J., & Tayleur, W. (2015). A review of the social impacts of culture and sport. Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/416279/A_review_of_the_Social_Impacts_of_Culture_and_Sport.pdf.

U.S. Agency for International Development (USAID, n.a.). The role of sports as a development tool. Retrieved from https://pdf.usaid.gov/pdf_docs/PNADE352.pdf.

Warburton, D. E., Nicol, C. W., & Bredin, S. S. (2006). Health benefits of physical activity: The evidence. *Canadian Medical Association Journal*, 174(6), 801-809.