

COVID-19 and the Sport Sector

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Chapter 3

COVID-19 and the sport sector

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Introduction

COVID-19 and the respondent lockdown procedures have caused massive disruptions to the status-quo in all sectors of the economy and society at large. The rapid transmission of the virus, which as of June 2021 has infected over 170 million people worldwide (WHO, 2021), resulted in cancellations of sporting events from the elite level down to the community level (or grassroots), closure of facilities, restriction of casual participation opportunities, and a halt of other major sectors such as education and training.

The economic impact of the pandemic on the sport sector is unprecedented, as vital income streams from fan spending on professional sports, travel and tourism at major events, television broadcasting and pay-per-view, and casual attendance at local facilities all collapsed within a matter of months. Most organisations that rely on sport, either directly or indirectly, closed or suspended their operations and many may never recover from the financial damage. For example, a survey of grassroots football clubs in the United Kingdom (UK) found that 12% of clubs believed they would never financially recover from the pandemic, resulting in the closure of more than 5,000 clubs (Utilita, 2020).

Investment in the sport sector has the potential to be a useful tool to assist with economic recovery following the pandemic. Grassroots funding and consumer demand in sport have been shown to produce positive impacts on government finances and national employment, not to mention the savings across the health sector through improved health and wellbeing of a more active population (SportScotland, 2020). These benefits are even more pronounced in less economically developed countries and regions, allowing investment in sport to support economic convergence (European Commission, Study on the Contribution of Sport to Economic Growth and Employment in the EU, 2012). These innate characteristics of

the sector provide solid justifications for pushing sport to the forefront of government strategies for economic recovery.

The abolition of face-to-face delivery of sport services during the lockdown periods created a need for clubs and organisations to transition to online methods as their only available avenue of connecting with sport participants and fans. Rapid changes were seen across the sector, with an explosion in digital offerings for people who wanted to remain active whilst living under lockdown conditions. Online classes, mobile apps, wearable technology, and social media channels aimed at tackling inactivity saw huge growth in popularity, with numerous private enterprises seeing levels of success that were not deemed to be realistic prior to the pandemic. Governments and public bodies were also quick to mobilise to this new way of working, with the launch of online public health schemes such as Jamaica Moves (Ministry of Health and Wellness, 2020), a national wellbeing campaign that launched the ‘Get Moving Home Workout’ series, and PLAYbuilder, an online tool to assist with curriculum planning and staying active at home (Sport for Life, 2020). The transition to new ways of working has also created opportunities for growth in avenues such as streaming and eSports. Many large sporting organisations such as Formula 1, La Liga Football, and The Grand National launched their own eSports events, broadcasted to millions of viewers worldwide, and the streaming platform Twitch saw a 70% increase in viewers from March through to June, in 2020 (Fnatic, 2020). This growth in online sport has subsequently produced a boom in online gambling, which increased tax revenue for governments, assisting the recovery from COVID-19 (SportBusiness, 2020).

This chapter will discuss the consumer and producer side of the current pandemic as well as investment and policy strategies that seek to promote recovery and sustainability of the sports economy. The importance of policy decisions that governments take during the recovery phase cannot be underestimated, perhaps now more than ever, as the pandemic has

provided the opportunity for a ‘fresh start’ when considering the best ways to ensure sustainable development. Relief packages for businesses, tax breaks, job support schemes, and innovative public/private funding arrangements are just a few of the strategies that governments have employed to ensure that the sport sector rebuilds following the pandemic. There is also an argument to be made that the ‘restarting’ of the sport economy provides an opportunity to tackle the concerns around inequalities, human rights, and inefficiencies which have been persisting elements of the sport sector for decades (Kokolakakis et al., 2021).

1. Impact of COVID-19 on sport - consumption

The sport sector relies heavily on human contact; because of that, it has been disproportionately affected by the pandemic. For example, in South Africa - a country heavily dependent on broadcasting revenues - the three most popular sports (rugby, cricket, and soccer) have been experiencing an unprecedented crisis due to plunging revenues because of no live sport during the pandemic. At the same time the whole sports sector in the country is exposed to the threat of sponsorship money drying up (Forbes Africa, 2020). In Australia, it has been reported that 16,000 community sport clubs (a quarter of clubs across the nation) are at risk of closure (Australian Sports Foundation, 2020). In the UK, major fitness chains Bannatynes and PureGym froze memberships and provided workouts via their mobile apps. Wearable tech giant, Fitbit, noted a decline in average step counts worldwide of up to 38% during the pandemic, and offered 90-day free trials of its Fitbit Premium and Fitbit Coach services to support people that are becoming less active during challenging times (Fitbit, 2020).

The problems for the sport sector can be identified in the following three categories:

- Sport and leisure facilities closed temporarily during lockdown generating no income;

- Sport facilities still had to pay maintenance and basic expenses despite the lockdown (e.g., golf courses); and,
- The sport sector is associated strongly with the accommodation, tourism and recreation sectors, which also suffer disproportionately during a lockdown.

All these assertions can be verified in the UK consumer spending pattern on leisure activities presented in Table 1 below. The table divides activities between ‘in home’ and ‘away from home’ sections. Overall, spending on leisure declined in 2020 by 29%. Within it, home entertainment around video games and television increased significantly by 16.7% and 3.7% correspondingly, while active sport declined by 32%. Other sectors associated with sport, such as holidays, decreased by up to 66%.

Table 1: Consumer Spending on Leisure (£bn), UK

| <i>Activity</i> | <i>2019</i> | <i>2020</i> | <i>% Change</i> |
|--|-------------|-------------|-----------------|
| <i>Video, Games and Recorded Music</i> | 7.8 | 9.1 | 16.7 |
| <i>Entertainment Hardware, TV, PCs and Other</i> | 24.8 | 25.7 | 3.7 |
| <i>Reading</i> | 6.7 | 6 | -11.5 |
| <i>House and garden</i> | 18.5 | 18.7 | 1.2 |
| <i>Hobbies and pastimes</i> | 18.1 | 18 | -0.4 |
| <i>In The Home</i> | 75.9 | 77.5 | 2.1 |
| | | | |
| <i>Eating out</i> | 63.3 | 37.9 | -40.2 |
| <i>Alcoholic drink</i> | 58.1 | 47.4 | -18.4 |
| <i>Local entertainment</i> | 10.7 | 6.3 | -40.8 |
| <i>Gambling</i> | 14.7 | 14.9 | 1.3 |
| <i>Active Sport</i> | 23.1 | 15.7 | -32 |
| <i>Sightseeing</i> | 2.6 | 1.6 | -40 |
| <i>Holidays in UK</i> | 15.8 | 8.9 | -43.8 |
| <i>Holidays overseas</i> | 62.3 | 21.3 | -65.8 |
| <i>Away From Home</i> | 250.8 | 154.1 | -38.6 |
| | | | |
| <i>All Leisure</i> | 326.7 | 231.6 | -29.1 |

An important part of the sport economy relates to education. The impact of the pandemic on the sport education of children (and education in general) is very significant. According to the United Nations (UN), a total of 188 countries have closed their schools in response to the pandemic which is estimated to have resulted in over 1.5 billion children missing a significant period of their education (UNESCO, 2021). Further, it is estimated that an additional 42-66 million children will be in extreme poverty because of the pandemic (United Nations, 2020).

Mainstream sports and leagues have faced large revenue losses as a result of COVID-19 and are turning to online solutions in order to maintain interest and a sense of competition during lockdown. Children that are engaged in traditional sport find it hard to continue their sport participation and where possible they have increased their participation and attendance in esports. The latter has been found to have some social, motivational, emotional, and cognitive benefits, which however are restricted to children that have appropriate online access (United Nations, 2020).

The cancellation of many sport-related activities and events can affect children. Negative impacts include the loss of the positive mental, physical and social benefits of sport, as well as those associated with sport being replaced by potentially harmful activities. Fear (related not only to the virus but also of financial and other instabilities within their families), anxiety, boredom, frustration, and elevated rates of stress are among the mental health concerns children face with the outbreak of disease. For example, in the UK, more than 80% of children with mental health challenges showed a worsening of their well-being because of the restrictions imposed. The pandemic has affected children by limiting their sport participation, amplifying mental health problems, and highlighting the inequality of opportunities in new sport structures such as esports and online training. These systematic inequalities can be associated with family income or living in a rural or urban area and access

to the technology and reliable internet that would allow a student access to the classes being offered.

The pandemic has also impacted on sport related labour conditions. Interruptions to both the demand and the supply lines in manufacturing will put pressure on the profit rates and probably decrease the willingness to follow a plan of financing higher wages. As usually, under conditions of economic decline there may be an avoidance to adhere to improving labour conditions and even a no strict enforcement of human rights in the sport sector, most notably in the construction industry (Amnesty International, 2021). Regulation through the central governments will become increasingly important over this year. According to the World Bank's Global Economic Prospects (World Bank, 2020), 'COVID-19 is the most adverse peacetime shock to the global economy in a century.' The human cost in developing countries will be increasingly high, given their dependence on informal labour and the limited capacities of the various health systems. According to IMF (2021), the informal output in developing countries ranges from 20% to 35% cent of GDP, but informal employment can be as high as 60 per cent of total employment.

2: Evaluation of economic impact on sport using Sport Satellite Accounts (SSAs) - production

There are several ways to present the size of the sport industry in terms of Gross Value Added (GVA) and employment. In some cases, the 'core' of sport is examined – that is, sport organisations and leisure facilities; in others, a much broader definition of sport is used that includes sport education, health spending, broadcasting, sport financial products, sport betting, etc.

Broad definitions of sport are derived usually from SSAs, such as those developed in the UK and Cyprus over several years. The Vilnius Definition of Sport provides the

framework of analysis in all European SSAs (European Commission, 2008). In the cases of European countries that have developed an SSA, the economic significance of sport as a share of the economy is usually between 1% and 2.3%.

Table 2 presents equivalent information about the size of several national sport economies. It shows that the size of sport globally as a percentage of GDP is very similar to the European experience.

It is certain that the COVID-19 pandemic will have significant impacts on the sport policy agenda and the potential public and private funding of sport. As mentioned before, the reliability on human contact makes sport very vulnerable to lockdowns. The equivalent table of consumer behaviour (Table 1) for this section is business behaviour.

Table 2: Contribution of Sport to National Economies

| <i>Country</i> | <i>Percentage</i> |
|---|--------------------------|
| <i>New Zealand (Angus & Associates, 2017) - 1.8% without volunteers</i> | 2.3% |
| <i>UK (DCMS, 2017)</i> | 2.1% |
| <i>Australia (KPMG, Sports Industry Economic Analysis, 2017)</i> | 2.0% |
| <i>Jamaica (Azzedine, 2013)</i> | 2.0% |
| <i>Barbados (Greaves, 2020)</i> | 2%-3% |
| <i>Cyprus (European Commission, 2018)</i> | 1.8% |
| <i>Malta (European Commission, 2018)</i> | 1.8% |
| <i>Fiji (Amosa, Lolesio, Mariner, & Burrows, 2018)</i> | 1.7% |
| <i>South Africa (Mobius, 2015)</i> | 1.5% |

An example from the UK, which is likely applicable to other countries under lockdown, is that, while 75% of companies throughout the economy remained open, in the case of the wider sport and recreation sector this percentage was below 17% (ONS, 2020). This is apparent in Table 3, which shows that, during lockdown, business in sectors such as information and computing and professional scientific and technical activities remained largely unaffected, with over 94% of them continuing to trade. The two economic sectors most affected were accommodation and food services; and, arts, entertainment and recreation,

which saw only 18.4% and 16.7% of businesses remaining open, respectively. Sport is closely associated with both of these sectors, while the totality of sport and fitness organisations is included under recreation.

Table 3 - Share of Industries Continuing to Trade During Lockdown

| <i>Question: What is the current trading status of your enterprise?</i> | |
|--|----------------------------|
| <i>Share of industries continuing to trade, broken down by industry, UK, 23 March–5 April 2020</i> | |
| <i>Industry</i> | <i>Continuing to trade</i> |
| <i>Professional, Scientific and Technical Activities</i> | 96.2% |
| <i>Human Health and Social Work Activities</i> | 95.6% |
| <i>Information and Communication</i> | 94.4% |
| <i>Transportation and Storage</i> | 92.3% |
| <i>Water Supply, Sewerage, Waste Management and Remediation Activities</i> | 92.0% |
| <i>Administrative and Support Service Activities</i> | 89.7% |
| <i>Education</i> | 85.8% |
| <i>Manufacturing</i> | 77.2% |
| <i>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</i> | 72.8% |
| <i>Construction</i> | 70.9% |
| <i>Accommodation and Food Service Activities</i> | <u>18.4%</u> |
| <i>Arts, Entertainment and Recreation</i> | <u>16.7%</u> |
| <i>All Industries</i> | <u>75.4%</u> |

Source: (ONS, 2020)

Table 4 shows the IMF evaluation of the size of recession in several countries. These statistics have been ‘verified’ by the World Bank (2020, 2021) although the latter does not include most developed economies. In this chapter we have modelled the effect on sport over 2020 based on the existing SSAs. In all cases, we assume a sharp decline in output during the lockdown period and a recovery phase that lasts a couple of months. The modelling was based on the evaluation of the effect of a lockdown on sport through the structure of an SSA. Throughout, we assumed that the ‘core’ of sport organisations almost stopped operating; the same was assumed for the links between sport and tourism, recreation, education (outside schools) and accommodation. The remaining economic sectors, which are linked to sport, were reduced in line with economic expectations.

The above assumptions (which form the basis of any lockdown policy) imply that sport would experience a recession several times worse than the average sector of any economy. In Fiji, for example, where the economy is expected to have contracted by 4% to 6% in 2020, the sport economy, according to Table 4, is likely to have decreased in real terms by 20%. As the World Bank notes, recessions of this magnitude can bring about a permanent decline in output. Expectations of weak growth and low capacity levels can become self-fulfilling, deterring private investment.

Such characteristics, coupled with the fiscal problems in many developing countries, raise the possibility of bankruptcies not just of companies but also of states. Financing from sources such as the IMF's Rapid Credit Facility and Rapid Financing Instrument may become a common practice. In the case of Bangladesh, the government channelled such loans directly through the budget to meet its needs on health and social protection. International aid will also become a crucial parameter of the recovery, with the UN Country-Based Pooled Funds (CBPFs) and Central Emergency Response Fund (CERF) providing some help in this direction (United Nations, 2021). For example, in 2020 CERF allocated \$5.2 million in emergency funding to Bangladesh, whereas Pakistan was allocated \$10 million from CBPF (United Nations, 2021) and \$6 million from CERF.

Table 4: Changes in GDP and Sport GDP, 2020 Forecasts, Constant Prices

| <i>Country</i> | <i>GDP (%)</i> | <i>Sport GDP (%)</i> |
|---------------------|----------------|----------------------|
| <i>Australia</i> | -2.4 | -23 |
| <i>Bahamas</i> | -8.3 | -29 |
| <i>Bangladesh</i> | 2.0 | -10 |
| <i>Barbados</i> | -7.6 | -27 |
| <i>Canada</i> | -5.4 | -22 |
| <i>Cyprus</i> | -5.1 | -23 |
| <i>Fiji</i> | -19.0 | -40 |
| <i>Malta</i> | -7.0 | -10 |
| <i>New Zealand</i> | -3.0 | -25 |
| <i>India</i> | -8.0 | -10 |
| <i>Jamaica</i> | -10.2 | -20 |
| <i>South Africa</i> | -7.0 | -20 |
| <i>UK</i> | -9.9 | -23 |

Source: IMF (2021), SIRC (2021)

Case Study: The Effect of COVID-19 in Fiji

Fiji fell into recession in 2020 after nearly ten consecutive years of growth. Both the Reserve Bank of Fiji and the IMF in 2020 expected that the recession would have been in real terms a reduction of 5.8% of GDP. Reality was much worse than expectation with the economy declining by 19% in a single year (IMF, 2021). During the lockdown, Fiji Airways, the country's national airline, grounded 95% of flights amid travel restrictions and border closures around the world and the Fiji Hotel and Tourism Association said that 279 hotels and resorts have closed since the outbreak reached Fiji, with more than 25,000 people losing their jobs (Chanel, 2020).

Tourism contributes nearly 40% to Fiji's GDP and directly or indirectly employs over 150,000 people in various industries (Chanel, 2020). Around 2% of tourism is estimated to be associated with the organisation of sport events equivalent to just below 1% of Fiji's GDP. It is estimated that sport GDP in Fiji is equivalent to 1.7% of overall GDP (Amosa, Lolesio, Mariner, & Burrows, 2018), emphasising the strength of developing sport tourism. Fiji has so far (at the time of writing) recorded 2,270 confirmed COVID-19 cases with nine deaths. On paper this is one of the safest countries to visit. The government responded swiftly and firmly

to the outbreak, closing the country's main airport in Nadi on 25 March, six days after Fiji announced its first confirmed case. Yet, even in a country with very few COVID-19 related deaths, the collapse of tourism brought about the collapse of its sport element, which on its own represents a 50% reduction in the sport market over the lockdown period. The discussion of the experience of Fiji shows that the number of COVID-19 related deaths or cases is not the critical factor underpinning a country's prospects. What is important is how a government reacts to the threat and what its trade partners plan to do. In the case of Fiji, even if the country had not gone into lockdown, it would have suffered a recession because of the lockdowns of Australia and New Zealand and its close links with those two countries.

3: Sports Policies and strategies for recovery

Sport policies play a vital role in the recovery of sport post COVID pandemic, which in turn can positively impact on the recovery of the economy. Some non-financial recovery strategies for sport can include: guidance of safe resumption of sport and activity; contact tracing to limit transmissions, as well as a much wider social outcomes such as children protection and a gender-based violence referral pathway. Financial related strategies may include:

- Public investment to overcome the emerging inequalities
- Public investment targeting at information and communication technology (ICT)
- Relief Package to boost the sport industry
- Tax breaks
- Innovative ways of sport funding

Public investment to overcome the emerging inequalities

Increases in public funding for community sport and recreation if sustained with base funding (rather than short-term and grant-based funding) and targeted at populations at risk are likely to result in sustained health benefits. These are likely to reduce costs for other publicly funded services related to health and social care. An extensive four-year study of 1,300 children (of 765 households) in Canada found that the vulnerable group of children (in low-income or sole support families) who had received financial subsidies and sport-related transportation was associated with the lowest per child annual expenditures for use of health and social services, five years after the initial intervention (Browne, Byrne, Roberts, & Whittaker, 2001). In Australia (Reece et al., 2020), voucher incentives were introduced to reduce financial barriers and promote participation of children in community sport.

Public investment targeting at ICT

ICT development can affect both sport education (one of the biggest sources of sport related employment) and avenues of participating in physical activities, especially during the COVID-19 pandemic and post COVID era. The long-term key to the recovery of the domestic sport markets is the maintenance of sport participation rates. Digital services can help support access to physical activity and sporting opportunities. For example, Sport Singapore's ActiveSG Circle (W.Media, 2020) was launched in April 2020 to elevate the sporting industry in Singapore by offering a 'virtual super sport club' with a 'rich repository to inspire and enable citizens to live better and maintain their active lifestyles' beyond the pandemic. In terms of economic recovery, esports presents the opportunity for sport organisations and clubs to leverage services away from their traditional offer to broaden audiences and provide new revenue streams. Hence, addressing the issues of digital technology in sport would help to meet the needs of societies and generating employment during and post pandemic.

Relief Package to boost the sport industry

In 2020, Sport New Zealand created a \$25m Relief Package to help the sport sector remain viable through the pandemic. This package included the Community Resilience Fund (\$15m) which was aimed at providing short-term relief to clubs and regional sports bodies, a \$3m physical activity fund to promote sport and recreation opportunities to those most in need, and a \$1m fund to support key national organisations that may not typically received Sport NZ funding, such as those working in outdoor education (Sport NZ, 2020). It was followed by a \$264.6m investment into the sport and active recreation which illustrates that relief package can be offered to target (Sport NZ, 2020):

- 1) resetting and rebuilding the sport industry through short-term support to help sport and active recreation organisations at all levels to get through the initial impact of COVID-19;
- 2) strengthening and adapting the sport industry to new operating models by making necessary changes in order to enable sports organisations to operate successfully in a post-pandemic environment;
- 3) better investment outcomes via innovative approaches to delivering play, active recreation, and sport into the future.

Tax breaks

As sport relates to broader economic activities such as tourism and accommodation, tax breaks for events that would be major attractions for tourism can indirectly increase tax revenues. In Singapore, commercial properties badly affected by COVID-19 like hotels, serviced apartments, tourist attractions, shops and restaurants received a 100% rebate in 2020 (IRAS, 2020). In the UK, tax reliefs were offered to sports clubs seeking finance, whereby investors who receive the reliefs can claim a percentage of the amount they have invested against their income tax liability (Sport England, 2020). In South Africa, employment tax

incentives which reduced the amount of remittances of “Pay As Your Earn” was introduced to employers who employed young people (18-29 years old) (KPMG, 2020).

Innovative ways of sport funding

Sport can be funded through a series of channels. In the UK, these include (and not limited to): 1) the government (e.g. *Small Business Grant Fund* and *Retail Hospitality Leisure Grant Fund*); 2) the national governing body, Sport England (e.g. *Community Asset Fund* that helped local sports clubs and organisations adapt and open important places to enable participation of sport and physical activity; and small grants to help sport and activity groups, clubs and organisations respond to the immediate challenges of returning to play in a COVID safe way); and, 3) National Lottery (*Community Fund* that focused on funding organisations supporting people and communities who experience disproportionate challenge and difficulty as a result of the COVID-19 crisis) (LEAP, 2020). In Australia, the Government of Victoria introduced the *Let's Stay Connected Fund* that provided grants to help communities to stay connected during the pandemic and beyond, and funded low interest rate loans to deliver community sport and recreation infrastructure.

Reinvesting sport related budgetary surpluses

As evidenced by several economic studies, such as SportScotland (2020), strong grassroots sport and consumer demand on sport have led to positive impacts on public finances. Construction of small inclusive and family-friendly facilities can attract latent sports participants and give confidence to non-participants to participate in sport. Government policy on reinvestment of net broadcasting revenue in grassroots sports, and equitable distribution of funding away from elite leagues and into the lower tiers and the grassroots would all help supporting sport participation. Increase in participation, particularly with new participants who have the tendency to purchase more sports consumables, would lead to

higher consumption of sport goods and services, and thus leading to greater budgetary surpluses (Kokolakakis & Lera-Lopez, 2020).

Support for social enterprises and volunteers

Sustainability of sport can be achieved through financing and collaborations between private and public agencies, for example, the use of social enterprise and the utilisation of volunteering sector to address the needs of the community. A social enterprise is usually defined as an enterprise using market-based solutions to raise capital for reinvestment into local communities or to address a specific social issue (Ashraf, Razzaque, Liaw, Ray, & Hasan, 2018). According to DCMS (2017), social enterprises are more active in generating finance; and generate surpluses more easily than a typical commercial business, (93% of social enterprise, as compared to 76% of commercial business); which are characteristics much needed post pandemic.

Long term financial solutions

For long term financial sustainability, countries should consider developing long-term bond markets where typical borrowing bears smaller interest rates. An example is Greece's five-year bond yield which fell below zero for the first time in June 2021 after the European Central Bank's decision to maintain the pace of its asset purchase programme (Financial Times, 2021). Meanwhile, all companies, including multinationals and those in the sport industry, should pay taxes to the governments of countries where economic activity occurs and value is created, in accordance with national and international laws and policies. At G7 Summit in June (White House Press, 2021), a deal was reached to make multinational companies pay more tax in the countries where they operate businesses in; and a global minimum corporate tax rate of 15% was agreed in principle, to avoid countries undercutting each other with low tax rates. The inflow of tax would help governments pay off debts incurred during the COVID-19 pandemic.

Implications

The current research, by examining the consumption and production patterns during the pandemic, has arrived at the following implications and suggestions for policy actions, drawing on the discussions in this chapter (outlined above):

1. The pandemic, because of the limitations it imposed on human contact, has affected sport much more than the overall economy. In the UK for example, in 2020, an economic decline of 9.9% in GDP was associated with a sport decline of at least 23% in GDP and 32% in consumer spending on active sport. The experience of the current pandemic showed that the sport sector is likely to suffer two to four times worse than the economy as a whole.
2. The countries that suffered more are small countries such as Fiji or Malta that depend heavily on the international market, or countries such as the UK that endeavoured to remain internationally 'open' for long periods during the pandemic, primarily because they are service based economies. The 2020 forecasts of IMF and the World Bank for recessions in Fiji, Malta and the UK at -5.8%, -2.8% and -6.6% respectively, gave way to the much grimmer reality of -19%, -7% and -9.9%.
3. The pandemic has increased inequalities and exasperated the current problems in sport education and human rights. The sustainability agenda needs to address the current problems and take advantage of the new opportunities around some forms of sport participation, such as cycling and esports that boomed during the pandemic, as well as investing in and developing information technology (IT). Investing in sport services and infrastructure, which have high employment multipliers, would generate more employment than investing in an average economic sector, benefiting the economic recovery (European Commission, 2012).
4. Digital technology is key to enabling the delivery of education and content of physical activities to help people stay active during times of national emergency or pandemic

lockdown. Hence investing on digital technology in sport should be considered as providing the basic required infrastructure which helps to meet social needs, whilst generating employment. This is extremely urgent in education with new inequalities arising based on accessing services and teaching online. The development of esports, which has been boosted by the pandemic, presents similar opportunities for the sport sector and makes the 'democratisation' of online access even more urgent.

5. Proposals for long term financial solutions such as five-year bonds and the eventual taxation of all multinationals, although not sport specific, have become extremely relevant recently and they should be pursued for sport's sustainable development. This will address the fear in small countries of a bankruptcy not just of some sport companies but of the state itself. However, the recent experience has shown that no single country can proceed independently into such reforms. In the aforementioned examples, the Greek bond and the proposals for taxing multinational companies all have the backing of the European Bank and G7 correspondingly.

6. Developing countries with a large share of informal labour are likely to suffer more from the pandemic. The fortune of an uninsured workforce makes the problems of human rights and employment rights much more urgent in the sustainability agenda. This problem is even more urgent in sport which relies extensively on volunteers and part time labour.

Conclusion

The internal characteristics of the sport economy imply that investing in sport can boost economic recovery and increase employment. However, the same characteristics also imply that sport is much more vulnerable during the pandemic/lockdown period compared with an average economic sector. In all countries that we examined, sport declined (in terms of output and employment) much more than the economy as a whole. It is imperative that

basic infrastructure and sport participation are maintained. This research has suggested some ways to achieve this aim, through a diversified policy of investment and innovative solutions. It is vital that sport clubs and fitness operators remain connected with communities and that governments nationally and internationally remain engaged with the maintenance of sport infrastructure and sport business networks. The recovery of the whole sport industry will eventually be dependent on the recovery of other sectors such as tourism and accommodation, as well as the ability of sport organisations to process health guidelines for health safety and social distancing.

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