

## **THEMATIC PROFILE**

### **SPORT AND ECONOMIC DEVELOPMENT**

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## **Introduction**

This topic includes a number of diverse issues relating to sport's role in economic development in developing countries. Four main areas that present the limitations and the potential of sport to contribute to economic development are discussed in dedicated sub-sections:

- Underdevelopment of sport and 'muscle drain' in developing countries
- Exploitation and child protection in sport
- Developing local markets through sport by means of hosting local sports events, producing low-cost and affordable sporting goods and through athletes' remittances
- Building skills for employment through sport

This topic also includes two project case studies, which provide illustrative examples of using sport to encourage economic development.

Each sub-section includes further recommended reading with links to online documents and further sources of information.

## **Underdevelopment of sport in developing countries**

Research shows that investment into sport in developing countries is much less than in developed countries, as sport development is usually not a top priority in the national budget or in the education system of most developing countries.

Studies show that a 'vicious cycle' is emerging as a result of the underdevelopment of sport in developing countries, in which lower investment in sport decreases the potential for athletes to build their talent. It also means that there are fewer prospects for athletes to continue their sport training or pursue professional sport careers in a developing country. In turn, the lack of talent-building opportunities in a developing country leads to less return on the little investment put into local talent, further debilitating local sport development structures and sport career pathways.

Less developed countries are unable to utilise the talent of their strong performers and/or tend to lose them to more powerful nations in global sport. Sport regulated by global processes can thus contribute to the underdevelopment of a developing country's talent.

'Muscle drain' has been deemed comparable to 'brain drain' – athletes from developing countries supply the industrialised countries' markets with talent. For example, in football, the high transfer rates that European players can demand from clubs have created a much cheaper alternative – importing players from developing countries.

In developing countries, players are either enrolled in official clubs linked to the national football association or they play for non-affiliated sports associations. For non-affiliated players, their only chance of obtaining an international transfer deal is through the informal and often clandestine networks of player agents, forming an underground labour market in football. It is possible that the player's situation does not improve upon arrival in a European country – in the worst case, those players under the age of eighteen and who are unsuccessful in being recruited onto a European team, often find themselves without a work contract or even a return ticket to their home country.

Football associations do not receive payment for the international transfer of non-affiliated players. The transfer fees for foreign players from developing countries to European clubs are so low that they barely cover the education and training costs of the transferred player in their country of origin.

### **Recommended Reading**

Andreff, W. (2005) **International Trade in Sporting Goods**  
<http://www.sportanddev.org/data/document/document/145.pdf>

This article highlights the lack in current knowledge on the contribution of the trade in sporting goods towards economic development and summarises the main findings of the small amount of research that has been conducted in this area.

Andreff, W. (2005) **Sport in Developing Countries**  
<http://www.sportanddev.org/data/document/document/143.pdf>

This article puts forward the main contributions of sport towards economic development in developing countries in relation to hosting major sporting events, sports infrastructure and player transfers from developing to developed countries.

Andreff, W. (2005) **The Coubertobin Tax, Sport and Economic Development**  
<http://www.sportanddev.org/data/document/document/146.pdf>

This article explores the issue of player transfers in detail and puts forward the proposed 'Coubertobin tax' to regulate the player transfers system.

Chappelet, J.-L. (2005) **Sport and Economic Development – input paper for the 2<sup>nd</sup> Magglingen Conference**

[http://www.magglingen2005.org/downloads/07\\_E\\_economic\\_development.pdf](http://www.magglingen2005.org/downloads/07_E_economic_development.pdf)

This paper looks at the contribution sport makes to economic development. It assesses the role of the sporting goods industry, commercial sport as well as the role of community sport programmes that seek to increase economic opportunities for young people in developing countries.

Maguire, J. **Sport and Globalisation**

<http://www.sportanddev.org/newsnviews/search.cfm?uNewsID=86>

This article explores the relationship between sport and globalisation in relation to various aspects, including: the global media coverage of sport, international trade in sport and major sporting events.

## **Exploitation and child protection in sport**

In football, FIFA established a transfer regulation in September 2001 that contained a number of clauses relating to the protection of underage players, training compensation and a 'solidarity mechanism'. In addition, underage players are not allowed to transfer unless the player's family moves for 'non football-related' reasons. Players are only allowed to transfer if the club provides both sport and academic training, but this pertains only for transfers taking place within the EU-EEA.

Recent research has shown that excessive sports practice and pressure associated with performance sport are considered a violation of children's rights. Some sports are considered among the 'worst forms of child labour' (such as camel-jockeying) due to the dangerous nature of the sport itself.

Furthermore, child labour in sport gained particular attention in the 1990s, particularly when extensive media coverage reported that sporting goods manufacturers were using underage children in various countries, who were paid far less than the minimum wage to manufacture footballs, garments and so on. The news was particularly harmful to the sporting goods industry due to the horrific claims that these children were making items that they themselves would never have the chance to use.

Evidence therefore shows that children run the risk of being exploited not only in the sport they might be involved but also by working in the divisions of the sports industry that remain largely unregulated.

The use of child labour in the sporting goods industry has been a concern among trans-national subsidiaries abroad and more often in local subcontractor plants and manufacturing outlets. A taskforce on manufacturing processes concluded an assessment of the extent and scope of child labour in the soccer ball industry. A meeting with the ILO and lasting negotiations with producers (subcontractors) in Pakistan developed an industry-wide programme to eliminate all forms of child labour in soccer ball manufacturing. In 1997, a Model Code of Conduct for global business practices that addresses working conditions in factories abroad was developed.

### **Further links**

#### **UN International Labour Organisation-International Programme on the Elimination of Child Labour (ILO-IPEC) "Red Card" initiative**

<http://www.ilo.org/ipec/Campaignandadvocacy/RedCardtoChildLabour/lang--en/index.htm>

The Red Card initiative, launched in 2002, aims to raise awareness on the prevention and elimination of child labour in the sporting goods industry. The link provides further information on the actors involved and the efforts of the ILO in this area.

#### **Play Fair 2008**

<http://www.playfair2008.org/>

Play Fair 2008 is a Clean Clothes campaign promoting the elimination of exploitation of workers, including child workers in the sporting goods industry, with a particular focus on the 2008 Beijing Olympics.

#### **ILO partnership to eliminate child labour in the soccer ball industry in Pakistan**

<http://www-old.itcilo.org/actrav/actrav-english/telearn/global/ilo/guide/ilosoc.htm#Text%20of%20the%20agreement>

**Sport and Economic Development** thematic profile (print version)  
International Platform on Sport & Development [www.sportanddev.org](http://www.sportanddev.org)

The link provides the text of the agreement between the ILO, the Sialkot Chamber of Commerce and Industry (SCCI) and UNICEF to attempt to curb child labour in the Sialkot region of Pakistan in sporting goods manufacturing.

## **Developing local markets through sport**

Studies on a number of local sports events show that they have the capacity to attract large numbers of people, initially from the local and surrounding areas where sports events take place and progressively, from further away. Local industries and a local sports sector may emerge should the events generate enough interest as to attract people willing to attend the event and purchase products and services associated with the event. At the local level, a 'virtuous cycle' can be created, in which sports-related services are provided, creating jobs and opportunities to upgrade skills and produce further services and products – a positive 'spill-over' effect from local sports events.

A number of local races in Peru, such as the Inca Marathon, the Andes International Marathon and the Huancayo Race are reported to have created small local industries such as crafts industries for manufacturing shoes for the runners from the Mantaro valley (in the case of the Huancayo Race). Furthermore, sports tourists to these events can participate in other sports activities that make use of the Peruvian landscape and environment, such as skiing, rock-climbing, river-rafting and so on.

However, if local economic opportunities are to be made through sports tourism, local responses to building local economic development have proven to be most effective in creating lasting and sustainable opportunities for local people. To begin, it has been suggested that local communities build their own skills, to be followed by developing skills that are specific and relevant to their community's social environment and local context. Local communities can then use their own capacities to organise the event, showcasing the community's abilities in progressively gaining recognition in the region and internationally.

Despite the presence of local raw materials and manpower, sports equipment, particularly footballs, are not manufactured on a large scale in Africa. The sports balls that are currently available are imported from abroad, synthetic and non-repairable. These sports balls are unsuited to tough playing conditions and are also too expensive for most consumers in Africa.

The organisation Alive & Kicking has developed a unique model for African manufacture of affordable, durable and repairable leather sports balls. The crucial aspects that make the business model function are access to essential raw materials and labour. The manufacture of locally-produced sports balls has placed Alive & Kicking at a competitive edge in meeting consumer demands for affordable and durable sports balls. Alive & Kicking balls are produced in stitching centres that employ roughly 20 workers, who are provided with skills training and employment opportunities. Under the Alive & Kicking model, each stitching centre is designed to be self-financing after a year of production.

The investment of athletes' earnings from winning international sports competitions into local businesses and real estate has become a phenomenon in some developing countries, especially in Africa.

For example, some research indicates that Kenyan runners' earnings from winning competitions from the 'European running circuit' in the town of Eldoret has helped to develop the local economy and funnel investment into domestic sectors that are the lifeline of the local economy. In the case of Eldoret, the local economy is largely based on agricultural activities. Many Kenyan athletes from Eldoret have invested their earnings into purchasing a farm and/or starting a local business. In addition,



many athletes have invested back into running by establishing training and fitness centres for further developing local sport talent.

### **Recommended Reading**

Di Cola, G. (2006) “**Sport and Local Economic Development in Latin America: case studies of Peru and El Salvador**” in G. di Cola (ed.) *Beyond the Scoreboard: youth employment opportunities and skills development in the sports sector* (Geneva: ILO)

Available from: <http://www.ilo.org/public/english/universitas/publi.htm>

This article looks at the cases of sporting events in Peru and El Salvador that are described as contributing towards local economic development.

### **Further links**

Lebo, J. (2007) **Article on the Kenyan running phenomenon entitled “The Things Runners Have Built”**

<http://www.sportanddev.org/en/articles/the-things-runners-have-built/index.htm>

This article, written for a previous issue of the International Platform on Sport & Development e-Newsletter, narrates the impact sport has had on local community development in the town of Eldoret, Kenya.

Lebo, J. (2007) **Excerpt from Jackie Lebo’s forthcoming publication on the Kenyan running phenomenon**

<http://www.sportanddev.org/data/document/document/258.pdf>

This excerpt provides a narrative insight into the Kenyan long-distance running phenomenon and the ways in which sports training has affected and influenced local community development.

## **Sport as a means to build skills for employability**

Some research suggests that being involved in sport can equip young people with specific 'core' and 'soft' skills that may raise their level of employability. 'Core' skills include those that are directly associated with coaching and sport management. 'Soft' skills include the skills and values that are learned through sport, such as: cooperation, leadership, respect for others, knowing how to win and lose, knowing how to manage competition, etc. However, it is advised to exercise caution when taking this view of sport's contribution to economic development through job skills development because employment opportunities must exist for these skills to be relevant and of practical use. Research shows that there is a need to identify new jobs associated with sport and to conduct an inventory of all job categories in developing countries that can use sports skills or those derived from sport.

The International Labour Organization (ILO) has highlighted the position of sports institutions as lying outside the tripartite structure of actors with whom the ILO usually works (governments, employers and workers) and therefore calls for the creation and development of joint projects and partnerships. For skills-building in sport for employment, the ILO has suggested that classifications of sport and sport-related economic activities opportunities be carried out in African countries, considering that so few of them have been documented in this region. This would allow for a better understanding of the present situation of the sport sector and to uncover any potential employment opportunities and skills that young people may find useful in the sport sector in Africa.

### **Recommended Reading**

Chappelet, J.-L. (2005) **Sport and Economic Development – input paper for the 2<sup>nd</sup> Magglingen Conference**

[http://www.magglingen2005.org/downloads/07\\_E\\_economic\\_development.pdf](http://www.magglingen2005.org/downloads/07_E_economic_development.pdf)

This paper looks at the contribution sport makes to economic development. It assesses the role of the sporting goods industry, commercial sport as well as the role of community sport programmes that seek to increase economic opportunities for young people in developing countries.

ILO (2003) **Employment and Social Dialogue in the Sport Sector: report of the 1<sup>st</sup> ILO Workshop on Sport for Development**

<http://www.sportanddev.org/data/document/document/44.pdf>

The report of the 1<sup>st</sup> ILO Workshop on Sport for Development brings together the main issues discussed during the workshop including social dialogue through sport, and the development of partnerships through sport.

di Cola, G. (2004) **Article from the International Handbook 2004 of the World Federation of the Sporting Goods Industry (WFSGI): Common Framework for Sport and Development**

Available from: <http://www.ilo.org/public/english/universitas/publi.htm>

This article proposes mainstreaming sport into the poverty reduction strategies of developing countries to encourage the inclusion of sport into national development policy and programmes.

## Project Case Studies

<p><u>Project Case Study</u></p> <p>Alive &amp; Kicking</p>
<p><u>Target group</u></p> <p>Youth and the unemployed</p> <p><u>Location</u></p> <p>Kenya, Zambia and South Africa</p> <p><u>Organisations involved</u></p> <p>Lead organisation: Alive &amp; Kicking UK</p> <p>Partner organisation(s): Alive &amp; Kicking Kenya, Alive &amp; Kicking Zambia, Alive &amp; Kicking South Africa</p> <p><u>About this project</u></p> <p>Few are aware that many children in the poorest regions of Africa do not have the chance to play sports with a proper ball. Alive &amp; Kicking was initiated to respond to this need while creating jobs for young people and adults by making durable and affordable sports balls.</p> <p>This project was initiated to give more children in sub-Saharan Africa the chance to play with a proper ball, to create jobs by making balls and to create awareness of preventable diseases such as HIV and malaria. The interventions are relevant to all communities but are most needed in poor urban and rural settings. To date, over 150,000 balls have been made, 220 jobs created and HIV awareness promoted among thousands of young people using messages on the balls and a series of awareness roadshows. Behaviour advice posters, which feature top sports personalities, have been distributed to all 4,000 Government Secondary Schools in Kenya. Each roadshow has incorporated an inter-schools football, netball or volleyball tournament during which health issues are raised by presenting posters and through performing arts provided by one of Alive &amp; Kicking's partners.</p> <p><u>Impact</u></p> <p>The Alive &amp; Kicking initiative has become a social enterprise that is almost self-sustaining.</p> <p><u>Facts and Figures</u></p> <p>Schools, non-governmental organisations (NGOs), community based organisations (CBOs), faith based organisations (FBOs), development agencies and corporates in Kenya, Zambia and South Africa which use sport in connection with projects or corporate social responsibility initiatives, can now buy locally made, affordable, tough, repairable leather balls. 220 jobs have been created and HIV awareness roadshows conducted for 30,000 students at 80 schools. Knowledge transfer has been measured with questionnaires completed by over 5,000 14 year olds. 160 schools have participated in sports tournaments. Local partners in South Africa have included the Western Cape Government, and SCORE; in Kenya they have included Mathare Youth Sports Association (MYSA) (HIV awareness); General Motors (vehicles), DHL &amp; G4S (ball distribution). National partners in Zambia include Zambeef and in Kenya the Ministry of Education, the National AIDS Control Council and Kenya Red Cross. International partners include the UK Department for International Development, the Southern African Development Community and the Union of European Football Associations.</p>

### Lessons Learned

From an economic perspective, the establishment of a social enterprise capable of making 7,000 balls a month and on the brink of achieving self-sufficiency is significant. From a social perspective, the provision of a set of potentially life-saving HIV awareness posters to all 4,000 secondary schools in Kenya is hugely worthwhile. The two main challenges that lie ahead are to continually sell enough balls to sustain the initiative, and to develop and upscale the health education programme. Ball sales are dependent on several factors including price and acceptance of the rationale of the project. In order to achieve the latter, communication with existing and potential supporters is vital. At national and international level, participation in relevant workshops, conferences and exhibitions has been encouraged. As a result, the project has become relatively well known in sport for development circles.

### Recommendations

The experience from Alive & Kicking has produced a number of recommendations.

It is important to develop an understanding of branding. This has been difficult because of Alive & Kicking's non-profit status and because the organisation has not one, but three objectives. There is a limited time period in which to make an impact. Therefore, rather than conveying the whole story, the organisation simply states they make balls in Africa to effect behaviour change and provide employment.

There are numerous organisations which use sport to create awareness and any individual organisation must be willing to work with them. By acting independently, there will be less willingness by other organisations to assist at a later date as your organisation will be considered as a competitor for donor funds. Furthermore, if you intend for your project to have a lasting impact, it is recommended that you try and work with organisations which are permanent.

Engage national sports personalities in your projects to disseminate knowledge and behaviour advice. Alive & Kicking does this in Kenya and Zambia which has meant the initiative has been acknowledged by the Ministry of Education and the National AIDS Control Council. Most importantly, it works for the target audience – the young.

### Voices from the field

Enos O Oyaya OGW, Director Quality Assurance & Standards, Ministry of Education, Government of Kenya

*"We very much appreciate the contribution that Alive & Kicking is making to reversing the spread of HIV/AIDS in Kenya through sports, and your efforts to make good quality, durable leather balls available at an affordable price to our schools. In recognition of the same we would like to invite you to this year's Kenya Secondary Schools Sports Association's National Ball Games Championships at Nakuru, and would welcome your HIV/AIDS awareness team's attendance so that they may give vital advice to our youth."*

### Project Case Study

The Goals Project

#### Target group

Unemployed and disadvantaged men and women aged 16+ from backgrounds of unemployment, crime, learning difficulties, displacement and mental health problems.

### Location

London, UK

### Organisations involved:

Lead organisation: Street League

Partner organisation(s): Millwall Football Club, Queens Park Rangers Football Club, Job Centre Plus, Probation Services, English FA.

### About this project

The Goals Project includes activities to help young people and adults develop through football and other activities. Read more here about the Goal project's aim to improve the lives of those who are not fully employed or in education.

The Goals Project is a five-week personal development programme for people who are not in full-time employment or education. Using football as a hook to engage and motivate, Goals is delivered at QPR and Millwall football stadiums, and includes a range of activities designed to help people develop in areas such as self-esteem, communication, teamwork and to re-focus life goals. The overall aim is to equip people with the skills and confidence they need to move into long term employment, education and training, and also into wider Street League activities.

Activities including teambuilding, film production, interview skills, drama, city-orienteeing and football coaching are provided as part of the programme. Football is the common theme and the team plays a match against a team of coaches on the final day of the course.

The following film shows the Goals Project in action:

<http://uk.youtube.com/watch?v=EVwQrQWzEf4v>

### Impact

Using sport as a tool to attract people is crucial to the success of the Goal Project and in making participants develop an interest for other things.

### Facts and Figures

The Goals Project was set up in 2001.

In 2007/08 183 people completed the Goals Project. There was a 60% transition into long-term employment, education and training.

Those who do not transition directly are referred to Street League's wider range of sports and education programmes to provide the additional support they need to work towards and independent future.

This project is founded on strong local partnerships with referral sources and delivery partners such as football clubs. The success in London is now providing a springboard for Street League to launch the Project more widely on a national basis, in Glasgow and Newcastle in the coming years. On an international level, as a founding board member of the streetfootballworld network, Street League is committed to working in collaboration with other initiatives to share good practice so that projects such as Goals can continually improve.

### Lessons Learned

- Football and sport are a great way to get people engaged and interested in other things. Holding events at professional football clubs makes a big difference in helping to attract participants who are often put off by traditional education settings.

- To recruit participants it is important to build up strong links with other agencies working with the same client group.
- Football and sport can help people develop confidence and self-esteem. Street League is now working to demonstrate this link.
- It is important to provide participants with other opportunities to enjoy sport after the five week experience. Street League has an ongoing Street Sports programme in which Goals Project participants can become involved.
- Measuring progression is vital in demonstrating the impact and success of the project. This needs to be done after a period of six months to ensure progression is sustained.

#### Recommendations

The Goal Project offers participants an opportunity to access alternatives.

For others wishing to embark on a similar project, key advice includes:

- Ensure your programme of activities is suited to the age and background of your participants.
- At the same time ensure that the activities offer something different to what they will have experienced – take them out of the comfort zones and broaden people's horizons.
- Demonstrate progression – this is vital to sustainability of the project.
- Take time to build up strong relationships with other local projects.

#### Voices from the field

Terry Pampling, 37:

*"The best thing about Street League is its togetherness. When Goals finished I thought that would be it. I didn't realise people would be ringing me up and inviting me to do this course and that course. I didn't think someone like me would get a second chance. I don't want to let anything pass now. I want to do all the courses."*

Nena Gibson, 19:

*"Staying the distance was the biggest achievement for me. Knowing that I could do it was a massive confidence boost, and directly out of Goals I've now got a full-time job as an Administrator with Millwall Community Scheme. I love it."*