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The Impact of Global Economic Downturn on Sport Management

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ABSTRACT

This special issue was inspired by the challenges faced by sport managers in our global community in the face of the economic downturn. During the calls for the special issue, society faced one of its most unprecedented challenges, COVID-19. This provide significant shock waves to the daily rituals in sport and society. The manuscripts in this special issue provide an insight into sport management during this period. The research presented is both rich and diverse and we believe provides readers and the global sport management community with important contributions for reflection and learning from a policy, management and practical level.

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Economic downturn; austerity; COVID-19; sport; management

1. Introduction

The global financial crisis of 2008 continues to cast a long shadow over the politics of many advanced liberal market economies. Although the complete collapse of the international financial system was averted in 2008, a succession of further crises followed: sovereign debt crises in the Eurozone; huge retrenchment of public spending in many countries, including the United Kingdom (UK), following bank bailouts; and a steep rise in inequality. Peculiarly, the political economy of many of the liberal market economies has remained relatively constant in the face of this tumult. The hallmarks of pre-crash capitalism – globalization, financialization, growing trade, and capital account imbalances, the development of new technologies, rising inequality – continue to characterize the contemporary dynamics of advanced economies. Nevertheless, more latent political effects of the crisis – most notably in the rise of populism in across both advanced and emerging economies – suggest the most profound impact may be yet to come.

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While global in scope, the impact of the financial crisis impacted different regions and countries asymmetrically. In Europe, Italy, Spain, and Ireland were some of the most adversely affected countries, as demand for housing sharply fell and several banks collapsed. Falling tax revenues and increased government spending, whether on bank bailouts or in response to rising unemployment (across a number of European countries), created increasing government deficits. As a result, some countries had punitive austerity policies imposed on them (i.e. Greece) and others voluntarily adopted them (i.e. the United Kingdom). The upshot was that in many advanced liberal democracies the state shrank post-2008, with large cuts to public expenditure introduced. These large-scale cuts resulted in public sector reforms and created a range of intended and unintended consequences (Parnell et al., 2017).

2. The Economic Downturn and Sport

The global economic downturn was critical juncture for the political economy of many countries: several governments saw the 2008 crisis as an opportunity to reorient the trajectory of the state, away from expansion and intervention to a smaller, more fiscally prudent state. The dramatic reduction in public funding – what became labeled ‘austerity’ – has had significant impacts upon the management of sport (see Parnell et al., 2017). This extends from grassroots (Parnell et al., 2017; Widdop et al., 2018) to elite level (Giannoulakis et al., 2017; Papadimitriou & Alexandris, 2018) and has had consequences on public, private, and nonprofit providers in a variety of organizational contexts and geographies (Panton & Walters, 2018). In many contexts, the public bodies and third sector organizations tasked with delivering sport have been asked to improve the quality of provision, which is increasingly linked to a range of public policy targets on public health, social exclusion, and elite performance, while under severe fiscal constraint. What is the impact of austerity on these already overstretched bodies in a marginal policy area such as sport? This is one of the questions addressed by the first paper in this special issue. Mori et al. (2021) present their findings of a qualitative study of the everyday working practice of a groups of community sport workers in the decade-long ‘era of austerity’. The authors find that while community sport workers remain resilient and adaptable, austerity compounds an increasingly dominant neoliberalizing logic in community sport as mounting fiscal constraints make the trends toward privatization, marketization, and individualization almost inexorable. When we set out with this special issue we hoped to attend to this gap in the existing literature, however we did not anticipate COVID-19.

3. COVID-19

The outbreak of COVID-19 pandemic since our first call for the special issue has dramatically changed the nature of global political economy, international, and domestic politics and individual sectors, such as sport, on an unprecedented scale. Global merchandise trade recorded its largest ever one-period decline in the second quarter of 2020, falling 14.3%, compared to the previous period (WTO, 2020),

representing a contribution to an overall hit on international trade. Despite the variations between countries regarding the policies and restrictions, economic recovery to pre-crisis levels is unlikely in the short-term. The overall impact of COVID-19 on sport (given the prevalence of contact, lack of social distancing, and large gatherings) is likely to leave an enduring legacy for many years.

4. COVID-19, Sport, and Events

While virtually every aspect of sport has been impacted by COVID-19, the canceling and postponement of large-scale sport events has been one of the most complex. The articles by Rookwood and Adeosun (2021) and Svensson and Radmann (2021) in this special issue contribute to an embryonic literature on the management of large sport events in the midst of pandemic (Bond et al., 2021; Ludvigsen & Hayton, 2020; Ludvigsen & Parnell, 2021; Parnell et al., 2020; Sato et al., 2020, Davis, 2020). Rookwood and Adeosun offer a useful comparison of complexities and risks of organizing sport mega events, such as the 2019 Rugby World Cup and 2020 Tokyo Olympics, in the context of a global economic downturns and pandemic. Svensson and Radmann (2021) focus particularly on ways that endurance events in Sweden adapted to COVID-19 restrictions, examining the role that digital tools such as Strava played in event organization and noting there may be a market for digital events post-pandemic.

While attention is naturally drawn to the capricious nature of one-off high-profile sport mega events, such as the Olympics, the impact of economic downturns will generally have even more profound consequences lower down sporting hierarchy. The final two articles in this special issue consider the impact of the economic shocks resulting from the global financial crisis and the COVID-19 pandemic on French amateur football and the Zimbabwean Premier Soccer League. Dandah and Chiweshe (2021) note that COVID-19 has exacerbated existing issues in Zimbabwean football and argue that the sport needs stronger organizational structures. Terrien et al. (2021) discuss the impact of two crises; the economic crisis of 2007/8, and the COVID-19 crisis. The authors find that although the clubs they analyze within the French football system appear to be in better financial shape than they were at the start of the economic crisis of 2007/8, the potential for another economic crisis triggered by COVID-19 remains a threat to the survival of sports clubs.

5. Closing Comments

The scope of this special issues has evolved since our first call. The economic downturn and subsequent consequences, including austerity have been present since at least 2010 – over a decade. However, scholarly interest on this topic in sport and leisure has been relevantly limited. There remains significant gaps in the literature, indeed opportunities, to inform policy and practice. These will no-doubt remain underexamined, as the consequences of COVID-19 are lived, as we attempt to understand its consequence on society and sport. As we continue in this temporal state of challenge, in society, politics, higher education, academia, and sport

management, we anticipate ever growing pressures to be exerted on people, communities, and scholars in the academy to deliver. We hope that this special issue is an opportunity to celebrate the contributions of our authors and that the manuscripts will be of use to policy-makers, managers, and practitioners in sport. Moreover, we take this opportunity to encourage all scholars, including those in our global sport management community to continue to take extra care of themselves and each other in our community, as we continue in the undoubtedly challenging times ahead.

Disclosure statement

No potential conflict of interest has to be reported.

Notes on contributors

Daniel Parnell, PhD, Liverpool Johns Moores University, is an Associate Professor at the University of Liverpool. His research interests lie in business management, policy, and social and economic networks in sport. He serves as co-Editor-in-Chief of the journal *Managing Sport and Leisure*, alongside a number of other editorial positions. He has published research articles on subjects ranging from policy and politics, to corporate social responsibility in sport, through to the impact of the economic downturn on sport. He has also edited a number of books and special issues. On top of this, he is a co-editor of the Routledge Book series 'Critical Research in Football', and co-edited the Routledge Handbook of Football Business and Management. He maintains extensive links within industry as Head of Football Research at Dundee United Football Club, CEO of the Association of Sporting Directors and a Trustee of SLQ Sport Leaders UK.

Paul Widdop, PhD, University of Manchester, UK, is a Senior Lecturer in Sport, Society & Economy at Leeds Beckett University with a particular interest in social network analysis, globalization, geopolitics, and consumption. He has published numerous articles in leading journals including the *Journal of Consumer Culture*, *Cultural Sociology*, *Cultural Trends*, *Political Behavior*, *Electoral Studies*, *European Sport Management Quarterly*, and *Leisure Sciences*. He has written and edited numerous books, including 'Collective Action and Football Fandom'; 'Routledge Handbook of Football Business'; and 'Football and Popular Culture'. In addition, he sits on the editorial boards of 'Journal of Consumer Culture', 'Managing Sport and Leisure', and 'Cultural Trends'. He is a core member of Edinburgh University Academy of Sport, co-founder of the Football Collective, and co-founder and co-editor of *GeoSport*.

Anthony May, PhD, Kingston University, is an Assistant Professor in the School of Marketing and Management at Coventry University. He has a wide range of research interests, which include sport policy and politics, nationalism, and the culture of sport. His work has appeared in journals including *European Sport Management Quarterly*, *International Review for the Sociology of Sport*, *International Journal of Sport Policy and Politics*, and *Managing Sport and Leisure*.

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