



Understanding the Implications of the Sporting Industry in the United Kingdom and the United States

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<p>This thesis is researched, constructed and presented as a dual thesis between Daniel Kelly and Niko Alapartanen. The familiarity of the sport's industry, for both authors, was an important factor in choosing to base the project and research on this industry. Again, both also study financial management as part of the Haaga-Helia International Business degree program, also known as GLOBBA. The sporting industry has not been given much thought amongst students in Finland, at an academic point of view, which was a catalyst in researching the topic.</p> <p>The projected and anticipated outcomes of the paper are to determine the overall impact of the sporting industry in the United States and the United Kingdom, in the form of four main factors. It is determined whether there are similarities or discrepancies in this research between the two performing nations and what causes these situations.</p> <p>Theoretically, the paper comprises two models in which the papers foundation is based on. The main roles of sport model are broken up into the four research factors previously listed. The sports market segment model is also referred to, to obtain further understanding in the mechanics of the industry.</p> <p>The economic sector and the development and impact of commercialization are the deepest topics of research, while political issues as well as social & health impacts are analyzed also. The paper focuses thoroughly on the professional aspect of the sporting industry, while only having a limited coverage on the amateur and fitness facet of the industry.</p> <p>Economic measurements are used as the basis for quantitative data as well as case studies and published journals. Incorporating the factual reality and relating them to the sporting industry's theoretical models are the methods used to derive a conclusive answer to the research statement. Factors such as GDP, unemployment/employment, taxation and the multiplier effect are referred to.</p> <p>Results delivered substantial and interesting findings in regards to both the functionality and impact that the sporting industry has on economic, political and health facets of a nation. It can be established that the driving force behind these results is the rapidly increasing phenomenon of commercialization.</p>	
Keywords Sports Industry, Commercialization, Economic Factors, United States, United Kingdom	

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1 Introduction

The aim of this paper is to examine to what extent the sports industry influence both the United States' and United Kingdom's national performance, and compare whether there are specific contrasts and similarities, both now and in the future. Fundamentally, these two countries were chosen based on their cultural backbone relative to the sporting industry. The project is going to include analysis on four of the most impacted factors by the sporting industry. These are economically impacted factors (growth, employment, tourism, job creation), the commercialization of the industry, political ramifications of the industry as well as its effects on the health and social life of people.

These, based on results and findings will be critically analyzed, which will aid the project in deciphering how established the industry now is, as well as the positive or negative effects that are forecasted for these sporting nations. To build the project on a solid foundation, there must be a comprehensive question to fulfill the desired outcome. Therefore, the final research question for the project is: **How does the sporting industry impact the performance of a country?**

Stemming from the research question above are four comprehensive investigative questions that aid in seeking sport's impact on the economy, commercialization, politics and finally, social and health aspects. These investigative questions can be found further in the introduction chapter of the paper.

1.1 Background

As stated previously, this thesis was chosen primarily because of the interest the writers have in the field. Each author, having grown and followed a numerous amount of sports, have developed a solidified interest in the area. Both writers also study the international business degree, specializing in financial management. The behind the scenes environment of the sporting industry is incredibly deep, and has obtained a numerous number of factors that tend to lead the way in terms of success. This was the catalyst in deciding which parts of the industry to study and which factors contribute most heavily.

The large grasp the industry has on cultural roots was the interesting aspect that led the project to a macroeconomic and 'whole' perspective. Determining how big the industry has grown since commercialization was born and how this growth rippled into other factors of a country and its performance are intriguing. This is particularly the case in terms of economics, but also in terms of social and health issues as well.

1.2 Thesis Topic

To maximize the conclusiveness of the research, there must be solid and relevant framework surrounding the paper, in terms of investigation. After considering alternative types of factors and performance indicators, it was decided that the four topics previously mentioned would be the moral framework for research. For the sake of this paper, it must be known that economic and commercial factors have more emphasis surrounding them do the numerical nature of the paper. Political and health & social aspects are important but will be constrained to limited research to the lack of numerical importance.

The investigative questions are:

- How are economic factors affected by the sporting industry?
- How and why has the sporting industry been impacted by commercialization?
- Does the sporting industry and its high profile figures have any effects on political issues?
- (How) Does the sporting industry affect the health and social aspect of people?

These are the main components and measurable indicators that the general public as a whole are most interested in. The first and main investigative question related to the total Gross Domestic Product figures in comparison to the sporting industries, and their growth in terms of a nation, in real terms. GDP growth and fluctuation is monitored by most citizens in a country and showing them raw data and analysis of their passion in relation to this figure, is intriguing.

The sporting industry, especially in the U.K. and the U.S. is an enormous driving factor for tourism. The amount that flock from all corner of the globe to witness these sporting phenomena such as match days, tours and other events is enormous. Sports tourism's total value in an economy as well as its impact on the creation of jobs are the most viable avenues to research. Economically, there is an equally large impact on employment as a whole. A nation thrives off a healthy employment rate which may be somewhat weaker without direct and indirect jobs related to sports. It must be mentioned that factors such as employment and tourism include non-professional sporting activities, events and programs.

The expansion and advancement of technology and global integration has created a phenomenon known as commercialization. The ease in which sport can now be watched, participated, gambled and talked about is definitively easier. Construing how this has impacted the sporting industry is a major topic of the paper and will be viewed and researched in depth.

Politically speaking, the high profile influences that players and coaches have obtained from professional sport, is also rapidly increasing. Political and potentially volatile issues such as racism, political agenda, sexual orientation and religion are all slippery subjects, no matter what industry or part of the globe you are in. These political issues may be intensified by a stakeholder of the sporting industry. If so, the nation who is more susceptible to react and why, will be established.

The final investigative question relates to the physical and mental aspect of the general person as well as athletes. Absorbing the fact that this industry has extreme impacts on people in a tangible way is important to recognize. These impacts are on people of all professions, demographics and race. These impacts can also be regarded as positive or negative due to differentiating circumstances and events. A reason to investigate the factor further.

Table 1. Overlay Matrix

Investigative Questions (IQs)	Theoretical Framework ¹	Results ³
How are economic factors affected by the sporting industry?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.1
How and why has the sporting industry impacted commercialization?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.2
Does the Sporting industry have effects on political issues?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.3
How does the Sports Sector affect the health and social aspect of people?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.4

1.3 Demarcation

First, the research will only focus on the four factors influenced by the sporting industry. Again, these being economic factors, commercialization, political impacts and the health and & social impact on people and professionals. The research stringently sticks between these four factors, or else the corruption of findings may occur, as well as a lack of continuity.

To reiterate, the nations in question were chosen because they are English-speaking and have sports-loving cultures that have impacted not only their standard of living, but global locations and economies also. The United States and United Kingdom, are almost exclusively the only two nations included in all research material. Although it may seem feasible to research possible continental differences and similarities, such as the European Union, it was decided that analysis between the U.K. and U.S. oozed more viability. Expanding from that, one cannot conclude that the UK's results are comparable to the European Union or Europe. By the same token, one cannot conclude that South or Central American nations are similar in results.

1.4 International Aspect

There is a clear international nature to this the paper as it investigates two different countries in two, vast and differentiating operating conditions. The complete contrast in culture, currency and nature, initiates a dimension of international comparison.

1.5 Benefits

The paper aims, and hopefully succeeds in seeking and locating comprehensive information about how important the impact on a nation is, at the hands of the sporting industry. The project also focuses on seeking what the biggest benefits are that the sports industry and its stakeholders create for the country, through the exemplification of the four research factors.

As this is not a commissioned paper, there is no direct benefit for one individual company. The research, however, may be extremely useful for future students, companies seeking information on the subject, and future projects in the same field.

1.6 Key Concepts

There are key concepts in terms of an economic perspective that will be thoroughly examined. These are the most relative economic measurements that many people base the success and predictions on, as previously stated. People are most aware and can relate to these measurements daily. These key concepts are completely in line with the investigative questions derived for this project.

The first economic concept is Gross Domestic Product (GDP), and how its performance, relative to the industry of sport. Trends and fluctuations are analyzed comprehensively, using visual representations.

Commercialization concepts are rigidly based upon certain economic measurements. Concepts such as inflation are included in the chapter of commercial research which also expands into other factors. The purity of sport is a concept that is largely analyzed, which pertains to seek what events and aspects of commercialization, cause purity to be violated and even disregarded. Purity of sports relate to the moral and ethical standards that are portrayed and realized in sport, both on and off the playing arena.

This paper researches the ramifications of politically induced behavior and actions, within the sporting industry. Concepts such as freedom of speech, authority and political obligations are explored from the point of view of direct stakeholders within the industry. These include players, agents, managers and coaches.

Finally, the health chapter focuses on three differentiating aspects of health in terms of how the sporting industry affects them. The first belonging to physical health and the purely tangible and physical side effects that derive from participating in sport. Secondly, the concept of mental health is tackled, through similar criteria. Finally, social health is approached and related to how sporting events and liaising with people in a sporting situation further impacts the social life in separate situations E.G. work, home.

There are two concepts in terms of framework of reference. Firstly, it must be accepted that each industry plays significant roles in certain facets of national progression and performance. This results in the theory of 'main roles in the sporting industry', which is in line with the four factors of research. Secondly, the theory that each industry is segmented into broken down, separately functioning segments. How these segments are broken down and what they incur, are analyzed further in the paper.

1.7 Division of Labor Between the Authors

The paper required certain planning and comprehensive collaboration when collecting and analyzing data. Delegating tasks and objectives for each aspect of the paper was done so with professionalism and purpose to generate maximum possible success. The topic and research question was a hybridlike choice that included the interest of both authors.

The first two chapters of the paper were written together to create a similar mindset of writing and ensure continuity is established at a consistent pace throughout. The body of the paper, referring to chapters 4 and 5, were split in half. One author focused on the economic and political points of view of the paper, while the other focused on the commercialization and health factors. The discussion and key findings were collaborated and after conversation, the main points of view were implemented.

2 Sports as an Industry

The paper implements specified theory in relation to research targets and methods, that best suit the fluidity, structure and nature of the project. Beginning with an introduction of the industry, followed by the two theoretical models that best suit the makeup of the sports industry.

2.1 Introduction and the Development of Sporting Industry

Before light is shed on the pure theoretical foundations of the paper, an introduction and development of the industry will be given. To understand the mechanics and functionality of the industry, one must gain knowledge in how sports have developed and affected people over time.

2.1.1 An Introduction to the Sporting Industry

Sport is a catalyst for unity, passion and strength for many people, around the globe. Whether it be an amateur sporting event in front of friends and family, or a professional event in a crammed mega stadium, people still thrive for the thrill and love of competition. To one person, sport is an investment through copious amounts of gambling. To another, it is pure passion based on results. But for business people, it is all these differentiating consequences that continue to fuel the inferno that is 'Modern Sport'. The sporting industry can be defined as a 'market in which people, activities, business', and organizations involved in producing, facilitating and promoting, organize any activity or experience, that have an enterprise focus on sports'. (West Virginia University, 2015)

The United States and the United Kingdom are the root of the booming industry. The world's largest competitions are based in these geographical locations. The NFL, MLB and NBA are 3 of the biggest sporting competitions on earth in terms of popularity and revenue, and are all based in the United States. The English Premier League is the predominant juggernaut in terms of competition and market share in the United Kingdom, completely saturating the market. The rippling effect these competitions and their mega stars have had on separate demographics and societies is gripping, both from a social and financial standpoint. Besides the thrilling entertainment these events give us on an almost weekly basis, there are many facets of the industry that make it function efficiently and ensure its continual and rapid growth.

The industry is extremely complex and molded into one by many other individual industries. Sponsorships, merchandising, ticketing, stadia, television, social media, gaming and equipment exemplify just how diverse the industry is. The multiplier effect of these facets is also large. This is evident by 'stadia'. New stadiums being built, require architectural planning, which in turn require construction, which again require more jobs. It is a similar process for merchandising, gaming and equipment. These streams filter into the everyday person's life and aid to stimulate not only the local economy, but the global one also.

Although there are many approaches or avenues available to dissect the industry and its effects in these nations, it was more feasible to focus on four main components. These being the economic influence of the sports industry, the commercialization of the industry, the political benefits and effects of the sports industry and finally, the social impact of the sports industry.

2.1.2 Development of Sports

The first athletics event took place in Greece in 776 B.C., with the advent of the ancient Olympic Games. Back then, the Games featured running and throwing contests along with many other competitive events with the greatest athletes of the Greek empire. Since then, sports for entertainment has seen times of diminishing and flourishing across many empires and eras. (Ferguson 2007, 5.)

Nowadays sports are just a normal part of life but less than a 200 years ago, many of the most popular sports we now know didn't even exist. Those that did, would be hardly recognized by the modern sport audience. (Smith 2016)

In the colonial United States sports were usually unstructured activities that the participants initiated, coordinated, and administered. However, in the 1800s the Industrial Revolution started to drive the change in the role of sports throughout the developed countries. By the end of the century the organized sport would cross the ocean from Great Britain to United States and change the course of the history of sports. What follows is an evolution where games played mainly for entertainment transform into an industry rivalling any other in size and power. (Colonial America Reference Library 2000)

At that time, urbanization in the Western culture forced many people to move from countryside to cities and to drop the typical pass time activities such as drinking and

gambling. Meanwhile, work hours started to reduce giving people additional free time. And that time was used for participating in sports. (ushistory.org 2016)

Setting the stage for future commercialization, industry started changing to meet the burgeoning desire for organized sports. Baseball was the first one, followed by college football and boxing, to utilize the increased popularity of sports by charging for admission to their events. (ushistory.org 2016)

It is hard to remember sometimes, but there was a time when technology and equipment did not have any impact on sport meaning that athletes could not gain any advantage resulting of application of technology. The best example is perhaps the Ancient Olympics where athletes competed fully nude relying only on their strength and skills. (Santoso 2008)

The first notable sports equipment producer was Albert Spaulding. Spaulding was able to influence the boards of professional sports leagues and to capture a monopoly status on sporting goods by the late 1800s. But it didn't last long as others promptly followed by starting to produce their own lines of sports equipment by the beginning of the 20th century. (UK Essays 2013)

Early 1900s witnessed the establishment of the first Modern Olympics and the first World Series in Baseball. At that time many sports were brutal and violent games, but in the early 1900s rules started to change to make the events more safe and comfortable to play and watch. (Dictionary of American History 2003)

The emerging growth thanks to the set of rules, many of which that are still in use to this day, technological advancements with safety equipment as well as urbanization, was only hampered by World Wars, which suspended leagues and took lives of many athletes especially in Europe. Even back then, sports were used to boost morale and recover soldiers. Although the commercialization of sports slowed during the Great Depression and World Wars, by the 1950s it had established itself as feature of modern Western culture. (UK Essays 2013)

Sports fandom started to become more common after commercial radio broadcasting began in the 1920s and later spread like wildfire thanks to the invention of television. Popular culture and fashion started to be affected by sports as more and more people desired to look and act like their heroes. (Mackenzie 2004)

Along with the increased popularity came the influence over politics. Athletes were able to use their fame to promote their beliefs or run for office and on the other hand, politicians started using athletes to boost their candidacy. Barriers started to fall for women and coloured people to participate in professional sports, therefore assisting the equality and civil rights movement. (Ott 2013)

During the 1960s and 1970s sport industry underwent a shift that started changing the traditional sport activities for general people to be arranged by others than voluntary sport associations. As the commercial sector started getting involved, many previously free of charge activities became chargeable. (Houlihan & White 2002, Kirkegaard 2016)

During the 1980s and 1990s Western Culture experienced a breakthrough on the evidence on health benefits of physical activity. Scientists realized the direct benefits of regular physical activity in prevention of several chronic diseases and extending life expectancy. (SportandDev.org 2016) This led to several sports trends, latest the fitness boom that took over the general population in Western culture before the turn of the century and has continued to flourish ever since.

In addition to the general people's increased care of their own health, sports medicine and doctors have begun to be more popular. There are now doctors and surgeons who are specialized in treating injuries of athletes, and more and more professional teams hiring skilled trainers, nutritionists, kinesiologists and massage therapists to take better care of their players most valuable assets, their bodies. (Vault 2016)

Finally, in 1980s and 1990s the money started seriously flowing in to the professional sports as the effects of advanced technologies combined with commercialization really kicked in. Globalization and the Internet allowed professional teams to connect with their foreign fans like never before. Fans all over the world had easy access to everything that happens around their beloved team.

Sponsors and giant TV-broadcasters sensed the opportunity to utilize the exponentially grown exposure of the sport events and they started paying huge sums to get their logos and advertisements shown in the sport matches. The industry of professional sports in the top level hasn't been the same since. Clubs in the major leagues are now multi-billion dollar businesses working as one of the biggest tourist attractions to their respective cities.

Further advances in technology have had a clear impact on the development of sports. It can be seen in the creation of new sports, out of which many are technology-dependent

individual sports, such as snowboarding or aforementioned fitness, that try to capture participants and revenue from the traditional team sports. Facilities designed to accommodate sports have experienced changes in terms of their cost efficiency, spectator comfort and building life span. Thanks to technological changes, facilities are built more cost efficient freeing up the funds to use elsewhere, such as scoreboards and broadcasting making the events far more enjoyable for spectators. Technological changes also enable for added safety for participants and durability of the facilities which in turn will extend the life span of the building. In addition to the safer playing surfaces, leisure sportsmen and athletes on every level are benefitted from advanced equipment, such as smart tech, to use in competition and training. (Rosandich 2008)

2.2 Theories and Concepts

Theoretical models are the basis and reference of research which enables the project to test whether current information is compatible with the theoretical models. In essence, proving whether these theories emerge into practicality or are fictitious.

2.2.1 Main Roles of the Sporting Industry

The makeup of the industry is so diverse that it plays a role in numerous areas, as can be seen in the below figure.

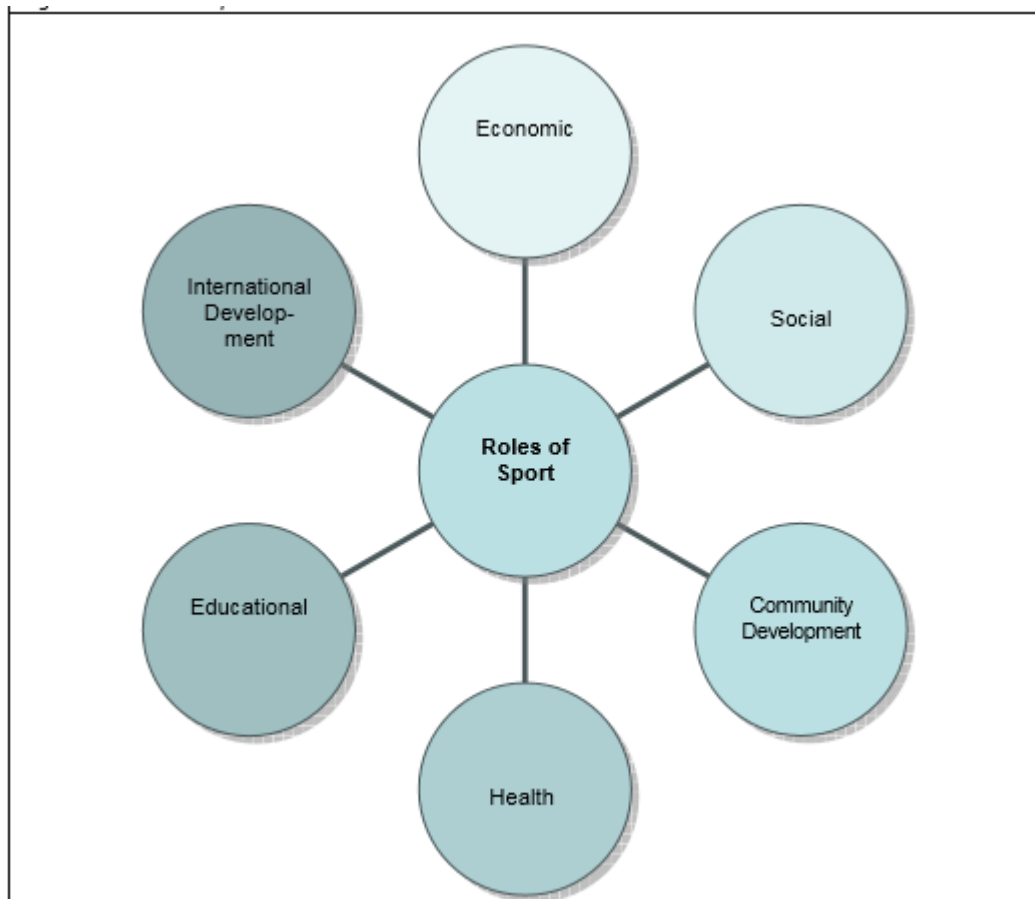


Figure 1: Roles of Sport

Sport has a role to play in each of the following aspects:

- **The Economy:** ‘The sport economy as a whole is not a separate statistically measured sector, but is part of various other industries and economic sectors’. (European Commission, Directorate-General Education and Culture, 2012) Factors such as inflation levels, employment and unemployment, imports and exports and taxation are all impacted by the sporting industry. These measurements differentiate dependant on the nation in focus.
- **Society:** ‘We’ve known for years in psychology that feeling connections and affiliations with others is important for well-being’. (Wann, 2015) The growth of the industry should relate to substantial growth in terms of socionomics. The investigative research should uncover similarities between social integration at a close rate to the sporting industry’s rise. If results are similar, there is a large impact on society, from a sporting perspective. For the purpose of this study, social and health impacts will be covered simultaneously.

- Community development: 'Sport plays a primarily positive role in youth development, including improved academic achievement, higher self-esteem, fewer behavioral problems, and better psychosocial'. (USADA, 2014) There is clear empirical evidence that suggests participation and integration in events in sport by individuals, result in community development. Sport for a community is a way out of a shaky communal foundation. When drugs and alcohol abuse are a basis of a community, development of community issues and goals decline in a negative manner. In turn, when people speak a 'common language' (Wann, 2015) through sport, it oozes a sense of safety, success and transparency.
- Health: The most obvious theory in regards to health is that participating in sport is great for physical health. The impact of idolism and 'rooting for your team' is the catalyst for a person's desire to participate in sporting activities. Besides from the physical benefits, there are fruitful mental health benefits also. 'The simple fact is that people are looking for ways to identify with something, to feel a sense of belongingness, with a group of likeminded individuals'. (Wann, 2015) Again, there is empirical evidence to suggest that both playing and watching sport, is positive for one's health.
- Education: The sporting industry's development has allowed for many new teaching methods, theories in regards to ethics and progression. Not only is it viable in the modern world to teach these to academic minds alike, but from early childhood also. Education can be defined as 'an enlightening experience'. (Laura Nary, 2016) If taken literally, it can be interpreted as people learning and gaining knowledge and experience through sporting events they are either playing in or tuning in to watch. Either way, a positive growth is the product of these experiences for youth and adult alike.
- International Development: Development in terms of international relations, peace, taxation, barriers and immigration can all be related to a type of sporting product. An example that is most relevant for now is the United Kingdom leaving the European Union, better known as 'Brexit'. Time will soon tell whether this choice was development or in fact, retrogression, in regards to the sporting industry.

2.2.2 Segmentation of the Sporting Industry

The industry of sport must be segmented into logical sections in order to understand the product and process. The below graph is a visualization of the theoretical representation of how the industry is linked and functions.

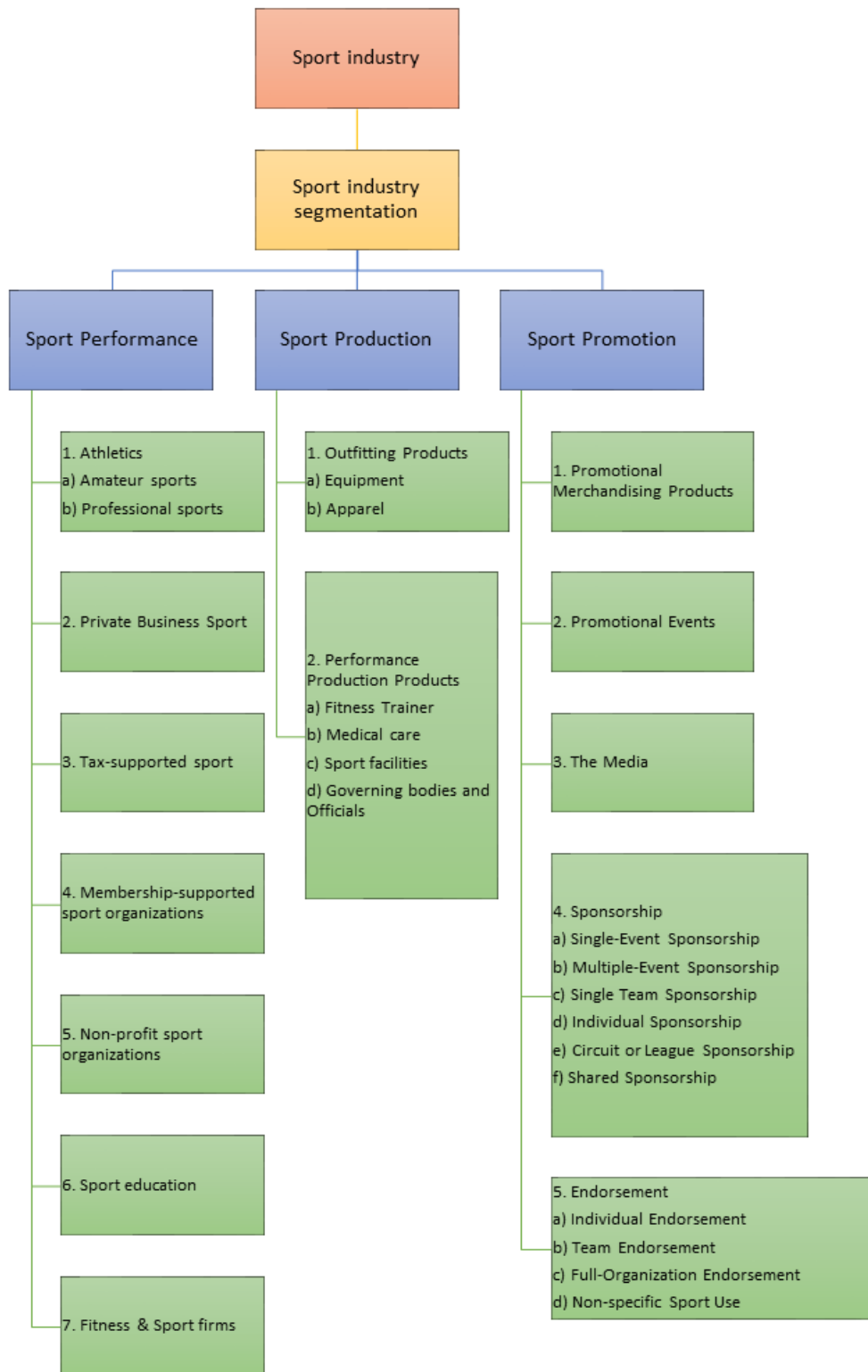


Figure 2: The Sport Industry Segment Model

The model contains three diversified segments.

Sport Performance - Segmented as predominantly physical based activities, ranging from completely novice levels, to the highest competing professionals. Although components such as ‘tax supported sport’ and ‘private business sport’ do not seem like

sport performance, they do relate to the product and results specifically, in the respective competition. The sport performance segment can be broken down further, to two components. The first being a product for participants and the second, a product for spectators. All six brackets in sport performance, fit into either one of these two components. (Pitts, 1994)

Sport Production - The component of production is almost self-explanatory. The facet of the industry in which anything is produced or distributed falls under this segment. Ranging from amateur sporting equipment, to large corporate construction of stadia. As the industry cannot thrive or run accordingly without apparel, equipment, stadiums and facilities, therefore it obtains its own segment. Certain restrictions and rules regarding equipment and other products are paramount in terms of marketability. For example, the basketball hoop at the olympic games was lowered to 10 feet, in order to promote 'slam dunks' and thus improve the entertainment level of the event. (Pitts, 1994)

Sport Promotion - The segment of promotion could almost be written as commercialization. The 'sport promotion' segment is the one most dominated by corporate intervention. Whether it is the advertisement of a mega event like the super bowl or a high profile individuals endorsing themselves, this segment is truly where the big money is both earned and spent. The basic consumer can be caught up in this segment as a product of the cycle but it is made up principally of business to business negotiations.

In order to preserve the continuity and structure of the paper, certain aspects will not be investigated as thoroughly as others, in the model above. For example, the topic of fitness trainers in the 'sport production segment will not be thoroughly examined compared to 'private business sport' where the answers to the investigative questions lay hidden in that area. As this model is a theoretical structure of the industry, it has been referred to and dissected, when analyzing the makeup of the investigative questions.

3 Research Methodology

Research methods are paramount in ensuring a viable and moral outcome of the paper occurs. This chapter extends on theory and supports this methodology with a visual and explanations of the type of research that is portrayed.

3.1 Quantitative Research

Research methodology can be defined as 'the general approach the researcher takes in carrying out the research project'. (Williams, C. 2016) A quantitative approach to this paper is required due to the numerical base on which it is written. Quantitative research can be defined as 'the collection of data so that information can be quantified and subjected to statistical treatment in order to support or refute an argument'. (Williams, C. 2016) Quantitative approaches are predominantly comparative in nature which further enhances the need for this specific method of data collection. This sums up the foundation for this paper as it is predominantly comparative in nature.

Research data is collected from a vast array of online journal articles and publications as well as varying literature. When gathering raw statistical figures, online statistic research can be found through a number of streams. It is important these streams are trustworthy in order to preserve the integrity of the paper. There will not be interviews of any persons during the research process. Although it may seem unwise, it is to protect the purity of the paper. Quantitative research acknowledges numerical data and a bias view on those findings may leave the results significantly unbalanced.

There are plentiful search words through which it is possible to find relevant material from electronic databases, for example:

- Economy and Sports industry
- Health Effects of sport
- Sports economics in the UK and the USA
- Influence of major sporting organisations (NFL, EPL)
- Commercialisation of sport
- Political influences in sport

3.2 Visualisation of Project

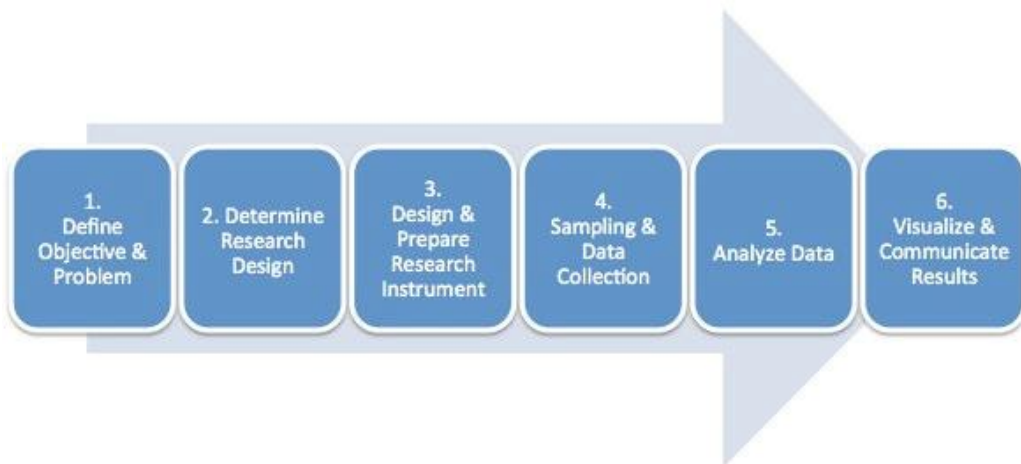


Figure 3. The market Research Process

The visual representation above comprehensively allows the paper to flow in a structural manner. Once each aspect of the market research process is understood and accomplished, the next step can be dissected and acted upon. This visual depicts the steps this paper took during the research process.

3.3 Reliability and Validity

The main priority when collecting data from any source is ensuring reliability. The previous sections of this paper, all relate to how and why this paper can be of value. Not only in terms of justifying the research, but maintaining a trustworthy and valid approach. This approach includes data collection and research methods that pertain a solid research answer, that derive from reliable sources.

Transparency is guaranteed through different aspects of the paper by a well-designed and rigid structure. Delivering the project in a manner that can be dissected and interpreted by the reader is another important part of the project. The transparency of sources can be solidified by maintaining consistency in the data collection. The data sources used were internationally reliable and reputable. Ensuring our calculations were done correctly.

4 Findings

This chapter of the paper will aim to deliver results in regards to the main roles of the sporting industry as well as how market segmentation segregates certain aspects. It can be determined that four of the roles previously mentioned are paramount when measuring influence within a nation. Economic impacts, the impact of commercialization on the industry, political effects on sport and finally, how sport impacts differentiating aspects of health.

Factual information will be rendered between the two nations in question, followed by results which will determine trends and contrasts between the United States and the United Kingdom.

4.1 Economic Influence of Sport

Economic performance is a key role played by the sporting industry. Performance in relation to an economic point of view includes economic value, tourism benefits, and employment consequences.

At an economic standpoint, sport is not categorized as one whole industry, but is measured within other sectors and industries. In essence, sport has many repercussions on major industries and measurable economic factors in both the U.S. and the U.K. (European Commission, 2012)

When measuring the effects of sporting activities in an economic sense, a definition and classified group must be established. Specifics such as professional sporting clubs and their facilities are included in this definition as well as stadiums and swimming pools. In the 'statistical definition of sport', neither fitness centers nor sporting education are included.

4.1.1 Economic Growth

Economic growth can be defined as 'the capacity of an economy to produce goods and services over one period of time to another'. (Investopedia, 2016) The measurement of Gross Domestic Product is the tool used to determine economic growth.

Although economic growth is an extremely broad topic of research, it must be taken into consideration to determine overall growth of the industry in comparison to the growth of the nation as a whole.

The graph below contains information in regards to gross domestic product growth in comparison to total sporting expenditure growth over a 12-year time frame. Although this paper focus' on predominantly the United States and the United Kingdom, other regions such as Asia and Latin America can be acknowledged also.

Sports expenditure growth vs. GDP growth ratio by region (2000–2012)

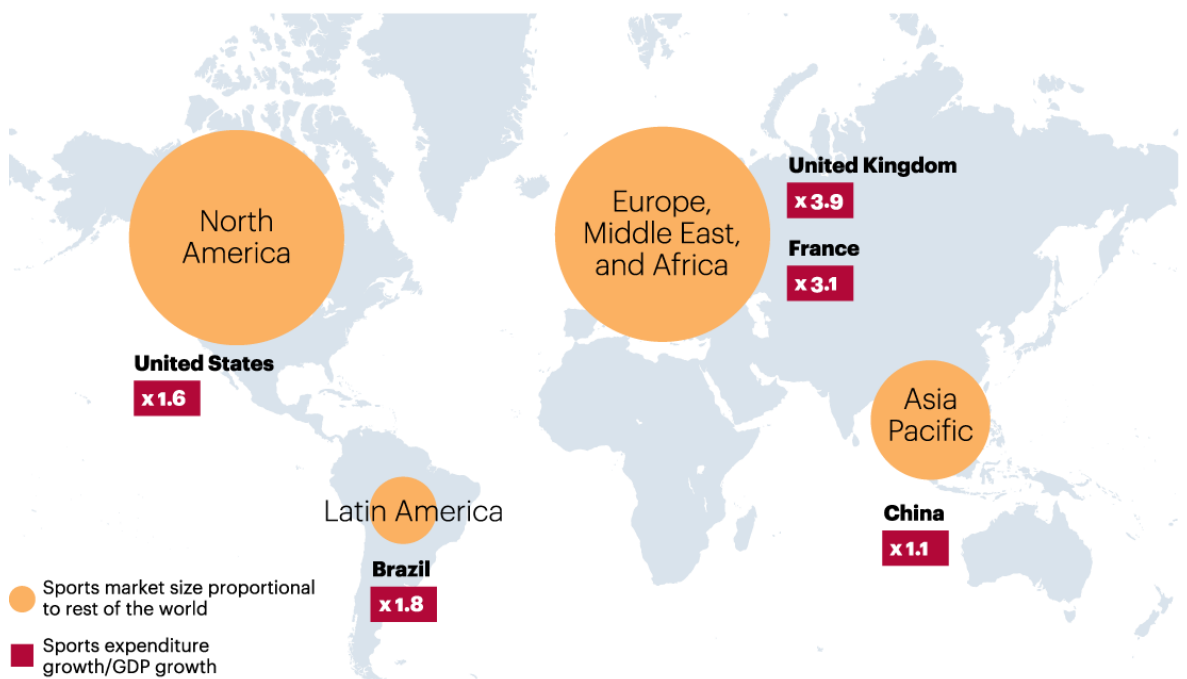


Figure 4. Sports Expenditure growth vs. GDP growth by region

It can be established that the sporting industry has outperformed respective national economies in both the United States and the United Kingdom in the past two decades. The sporting industry grew 1.6 times more than national growth in the United States. Substantially speaking, the United Kingdom's sporting industry grew 3.9 times the amount of total national growth. This figure completely eclipses any other geographic region.

The theory that people find solace and unity in poor economic times could not be closer to the truth, according to these figures. The graph below exemplifies this theory due to the nature of the Global Financial Crisis that hit the global economy between 2007 and 2009.

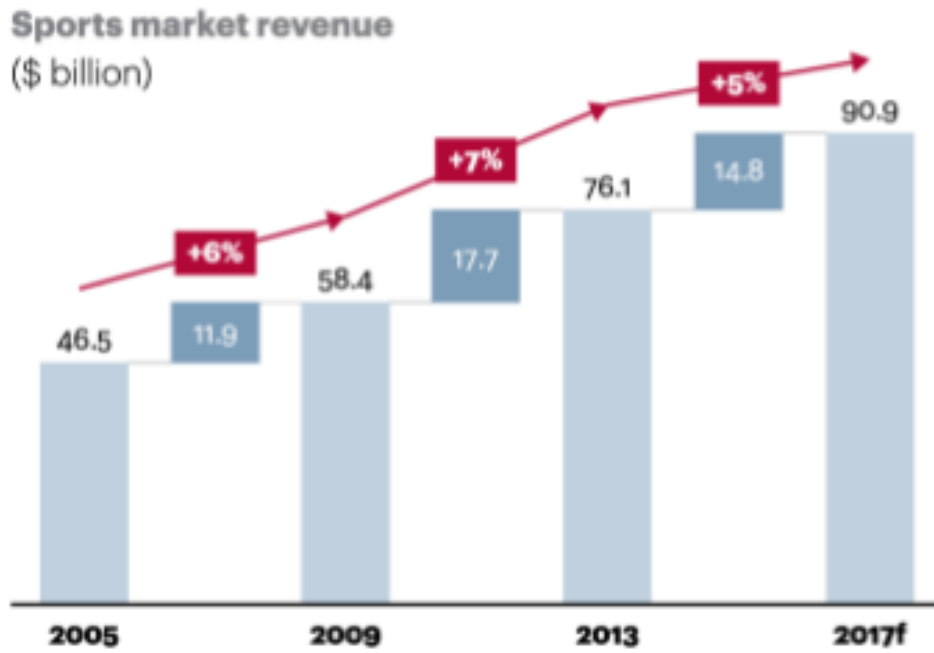


Figure 5. Sports Market Revenue

It can be noticed, that between 2005 and 2009 the global market worth of sports increased by 6%. When the percentage growth or deflation of the United States and the United Kingdom are examined, we find substantially differentiating data:

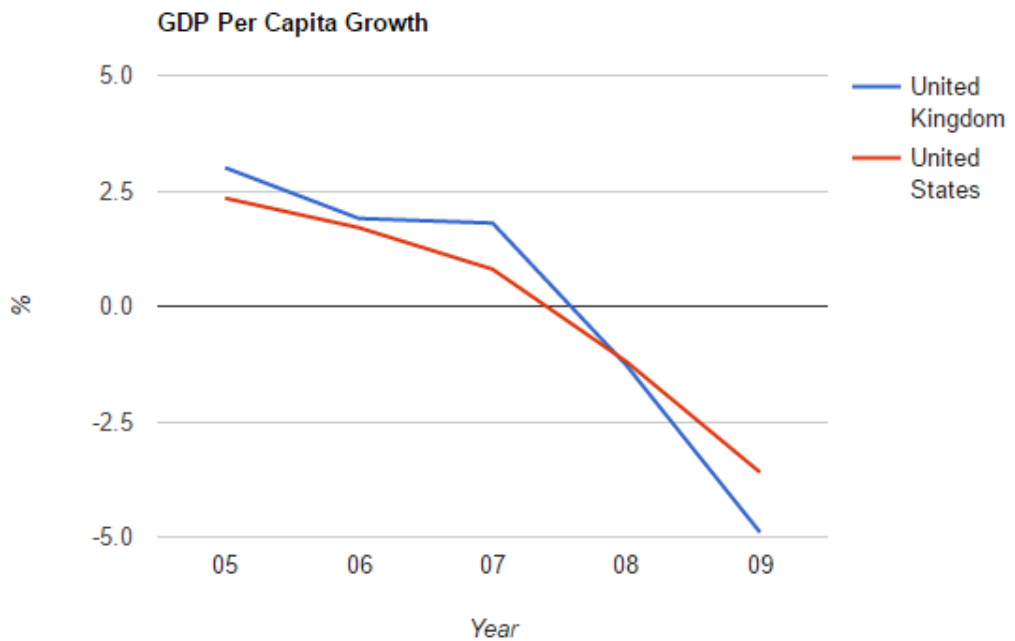


Figure 6. GDP Per capita growth in the U.K. and the U.S.

In the United Kingdom GDP shrunk by up to 4.9% while in the United States GDP shrunk by 3.6%. In a perfect market economy, the sporting industry, by rights, should have shrunk by the same magnitude, although it thrived. People need to ascertain what eclipses their misery during extremely difficult circumstances, and numerically speaking, the sporting industry, played the role in overcoming not only social issues, but in stimulating the economy back into normality.

It is important to obtain a gage on the developing strength of sport's role in the modern day. As this is now acknowledged, further economic factors can be examined.

4.1.2 The Impact of 'The Big Leagues' on Economic Performance

The Big Leagues are classified as the economy's largest sporting competitions and governing bodies. As mentioned previously, the United States contains the National Football League (NFL), National Hockey League (NHL), Major League Baseball (MLB) and National Basketball Association (NBA). The United Kingdom is predominantly saturated by the English Premier League (EPL). These sporting bodies are the engines that ensure the industry maintains stability and grows. Without their critical structure, progression and spectacles, the wheels would fall off of the expanding campaign that is the industry of sport.



Figure 7. Top Professional Sports Leagues by Revenue

The size of these 5 leagues together, far outpaces the next 20 leagues, put together. To put things into perspective even further, sports market revenue, globally, in 2017 was forecasted to be \$90.9 Billion. These 5 leagues above are quantifiably unprecedented, making up 39.9% of the total sporting industry alone between them.

Major factors that these leagues affect directly are tax contributions and the support of jobs within an economy.

4.1.2.1 The Big Leagues' Tax Contribution to the Economy

Tax contributions differentiate substantially between the U.S. and the U.K. due to their respective tax structures. The United States has tax exemption on the NFL, the largest revenue stream, which according to the tax authorities, is a nonprofit trade organization. Together the premier league contributed £2.4 billion in taxes. Of this, £890 million was paid directly by players. As tax on American sporting bodies is minimal, tax provided directly from these organizations derives from player income tax. Between the NFL, MLB and NBA, players added a further \$3.75 million in taxes to the U.S. economy. Both in the 2013 annual season. Again, put into relative terms, the Big Leagues in the United States added 0.12% of the \$2.5 trillion in total tax revenue in the United States. (The Fields of Green, 2014) The EPL provided 0.37% of the £648 billion in total tax revenue. (Institute

for Fiscal Studies, 2014) This is 3 times the amount of all four major leagues in the United States from one organization.

4.1.2.2 Jobs Provided by The Big Leagues

The English Premier League supported a total of 103,300 jobs in the United Kingdom. (Premier League, 2014) Conversely, the NFL, NBA, NHL and MLB all support in the vicinity of 80,000 employees each. This is due to the fact that many of these jobs do work for more than one organization. Manufacturers, suppliers and legal teams are included in these. This equates to a total support of around 300,000 jobs from the big leagues themselves. (Economic Modeling, 2013)

Out of the 395,000 people employed in the industry in the U.K., 26% of these were supported somewhat by the English Premier League. The big 4 leagues in the United States supported, on average, around 15.6% each of sporting industry supported jobs. Again, reiterating the required labor and unified effort that is required to maintain so many popular sporting competitions, in one market.

Further dissection of employment across the sporting industry as a whole is followed in the next chapter.

4.1.3 Employment Impact of the Sporting Industry

Employment is a considerable factor in the 'main roles of sport' philosophy. Although not mentioned specifically, it may fall under more than one sub topic. The obvious being economic roles, as well as roles that have ramifications if unemployment rates rise. Social impacts, health impacts and community development are all affected if this occurs. To maintain the integrity and continuity of this chapter, employment impacts will be viewed from an economic perspective.

Employment in the sports sector has boomed lavishly since the global financial crisis of 2007-2009. The theory of supply and demand is relevant in this instance as growth in the sports industry, requires growth of employment. By rights, employment growth in each country should be linearly similar to growth of the overall industry. The visual below provides detail on employment statistics in the United Kingdom and the United States, in

regards to the sporting industry.

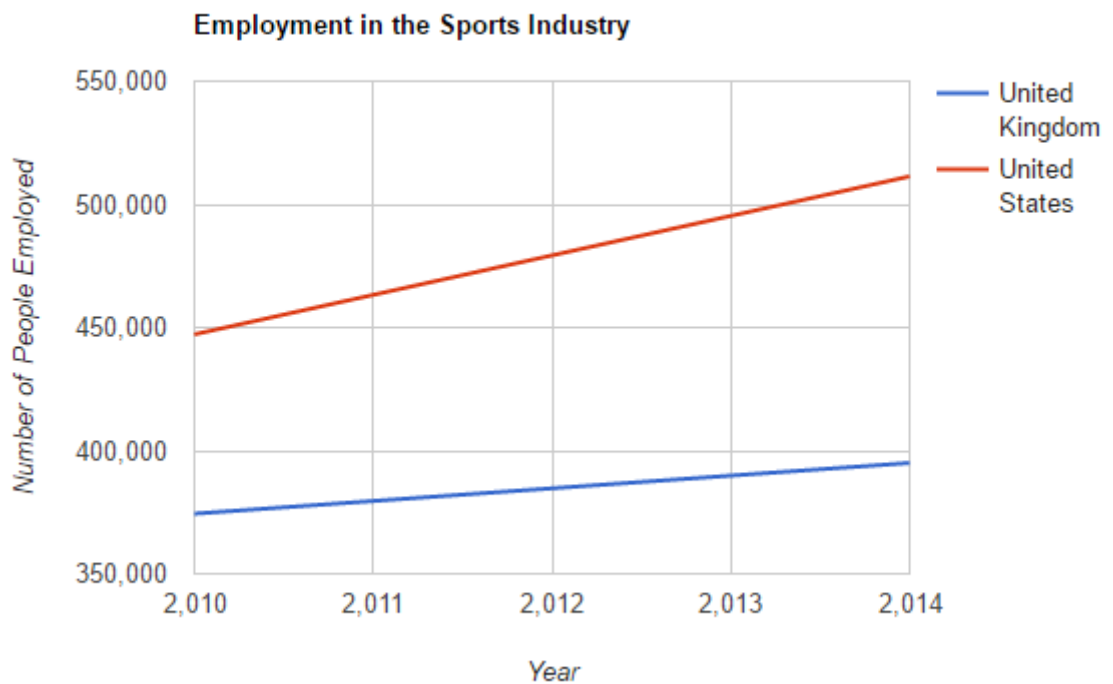


Figure 8. Sports Industry Employment Statistics

The United States had 447000 people employed in 2010, in the sports industry. This grew to 511000 in 2014. This was an average annual growth rate (AAGR) of 3.15%. The United Kingdom however, had 374000 people employed in sports in 2010 which grew to 395000 people in 2014. The AAGR for the United Kingdom was 1.8%. These figures relate to the degree of depth each line above. A linear line with a large degree of change refers to a higher growth in employment. It can be noticed that the United Kingdom has a flatter degree of growth.

When perspective is integrated and sports market revenue comes into account on a global scale, we see that during the same period, revenue grew by 7%. By rights, and according to the supply and demand model, when the industry grew by 7% then anything associated with the industry, must also grow by an intensely similar amount. The world will not have a perfect market economy, but both the United States and the United Kingdom were substantially behind. When there is a discrepancy in these numbers, and for the industry to maintain performance, then employees must counteract the difference. This means higher labor hours, and in turn higher stress and health ramifications for employees and the general public. Social and health factors are also main roles of the sporting industry and this topic will be analyzed further in the paper.

4.1.3.1 Employment by Segment of the Sports Industry

The framework of reference chapter stated that the sports industry fell into three specific sectors of operation. These are Sports Performance, Sports Production and Sports Promotion. In short, each sector covers respective aspects of the sporting industry as a whole.

Sports Performance will measure employed people on the physical aspect of the industry. These being gyms and fitness centers, private sport and professional sport, as well as athletics. Sports production relates to apparel and merchandising also including facilities that aid in health and medical care. Finally, sports promotion will include employed people related to media, sponsorship and event management.

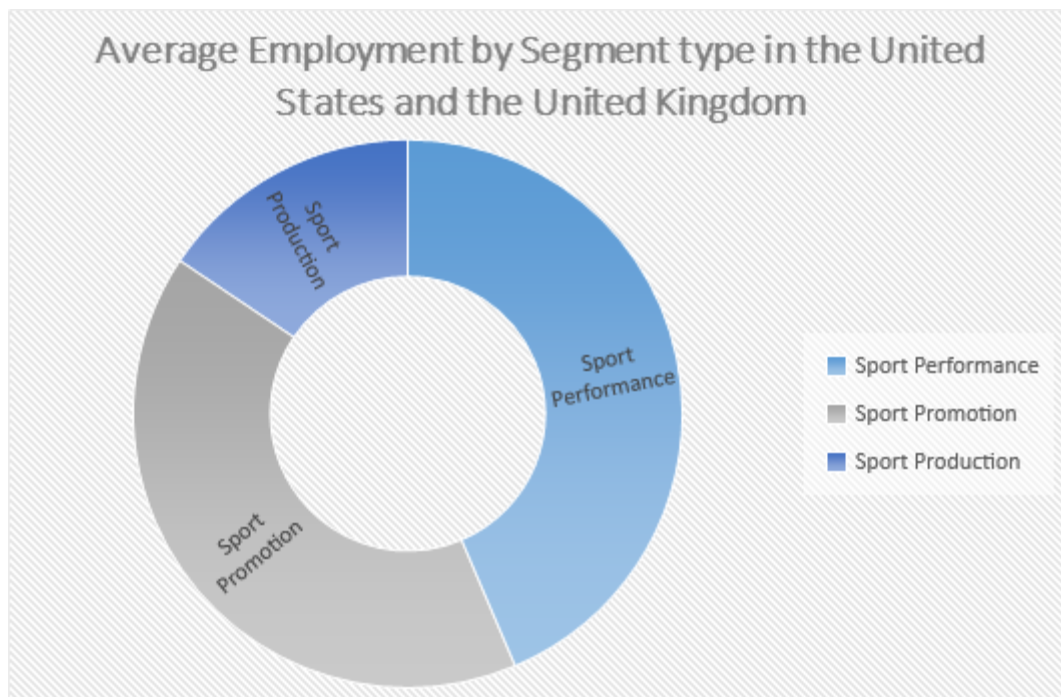


Figure 9. Average Employment by Segment type in the United States and the United Kingdom, 2012

Sports Performance and Sports Promotion combined make up 85% of employed people in the sports industry, with 44% and 41%, respectively. Sports production makes up only 15% of the industry in terms of employed people. These figures are a weighted average between the United States and the United Kingdom.

4.1.3.2 Employment by Sector Type and the Multiplier Effect

The sheer diversity of the sport industry requires jobs only temporarily. Although these jobs are not accounted for in national statistics under the sporting sector, their involvement is accounted for in this research. Occupations such as security guards, bartending and amusement facilities are all incorporated in the data below.

The table below reflects an average between the United States and the United Kingdom for occupations by respective sectors. Due to the nature of the industry and a lack of concrete evidence, these figures are calculated estimates, although, they thoroughly reflect the previous figure. Sectors that fit in segments Sports Performance and Sports Promotion incorporate noticeably higher figures.

Employment by Sector	Average
Sports Teams and Clubs	67,768
Other Spectator Sports	48,729
Individual Athletes and Sports Competitors	9,564
Racetracks	37,052
Coaches and Scouts	6,813
Promoters of Performing Arts, Sports, and Similar Events with Facilities	77,617
Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	37,364
Meeting, Convention, and Event Planners	43,337
Media and Broadcasting	14,677
Market Research and Financing	14,423
Laborers, Freight and Maintenance	45,513
Public Address and Other Announcers	2,388
Bartenders	3,208
Administration	14,966
Security Guards	15,670
Amusement and Recreation	6,028

Figure 10. Average Employment by Sector in the U.K. and the U.S, 2012

When determining what these figures mean in real terms, it can be concluded that economically speaking, the sport industry has a higher multiplier effect than any other industry. A multiplier effect can be defined as the 'net change in an economy resulting from a sport event. The change is caused by activity involving the acquisition, operation, development, and use of sport facilities and services. These in turn generate visitors' spending, public spending, employment opportunities, and tax revenue.' (Lee, S. 2008)

In essence, 100 jobs created in a new London football club, may generate 300 new jobs in other industries. These may include construction of new facilities, maintaining and producing new goods as well care in regards to socioeconomics and health.

The theory of the multiplier effect is exemplified above. Jobs such as Bartending, Security, and Laborers, Freight and Maintenance are all created due to sporting events. When referring to the global financial crisis, it is noticed that the requirement of new jobs in the industry helped lift both the United States and the United Kingdom out of the mud, in terms of economic development.

Not only is it evident that new jobs were created externally, but during duress, competition between athletes generated extra talent and skill into the field of sporting professionalism. Extra sporting clubs were required in respective sports due to influx in exceeding talent. Namely, soccer in the United States, further exemplifying the multiplier effect in action.

4.1.4 Sports Tourism

'Sports tourism is a social, economic and cultural phenomenon arising from the unique interaction of activity, people and place.' (Bull & Weed, 2013) Just like all other factors of economic measurement in regards to the sporting industry, tourism figures are difficult to precisely decipher. Even without sporting events and phenomena, the United States and United Kingdom are travel magnets for people from all ethnicities, demographics and socioeconomic status'. Of all economic dimensions, tourism is isolated in the sense that it relates to all six 'roles of sport'. It has an influence in international development, social and health sectors, education, community development, and finally, economic consequences.

Many countries and regions thrive off tourism to maintain a stable economy. Regions that are more discrete and isolated may thrive purely off a sporting club or event situated in its vicinity. As the aim of this paper is to dissect the sporting industry impact on a larger scale, impacts in relation to relative tourism value from sport, job creation from sports tourism, and taxation benefits from sport tourism, will be analyzed.

4.1.4.1 Sports Tourism's Relative Value in the Economy

In order to obtain an accurate gauge of the impact of sports tourism, both domestic and international expenditure will be incorporated. The definition of sports tourism includes some recreational activities such as fitness centers and gyms.

Value of total tourism differs substantially between the United States and the United Kingdom. When seeking the overall impact of sports tourism in an economy, it must be taken at a relative approach and not a literally numerical as results will be distorted.

	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	103 827	20 979	124 807
Sports and recreation services	3 350	152	3 503

Figure 11. United Kingdom Tourism statistics in millions, 2011.

When the word tourism arises, the first tendency is to think of inbound and international terms. For the United Kingdom, 95.6% of all sport tourism revenue is generated from within the nation. When overall impact is calculated, we find that 2.8% of all tourism revenue is generated from the sporting and recreation industry. The sectors with the largest share are transport and food & beverages products. A mere 3% may seem minimal, but how does it compare to the juggernaut that is the United States tourism phenomenon.

	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	720 841	151 525	872 366
Sports and recreation services ⁶	59 268	11 656	70 924

Figure 12. United States Tourism Statistics in millions, 2011.

The enormity of tourism in the United States magnifies their strength to pull people from all over the globe, especially in regards to sport and recreation. Of all tourism expenditure within the nation, 8.1% is derived from sporting product or service. The most noticeable figure in the graph above is domestic tourism within the United States. What are known as 'The Big Leagues' are a large catalyst in generating such high revenue. The NFL, NBA, NHL and MLB are these corporate organizations that act as a magnet for people, media, and tourists, both domestically and internationally.

It is concrete, when relatively speaking, that the United States thrive heavier on sports tourism revenue in order to stimulate economic performance.

Sports Tourism is now officially classified as an emerging market, according to The World Travel Organization. The visual below aids the reader in gaining further understanding of the emerging market that is, sports tourism.

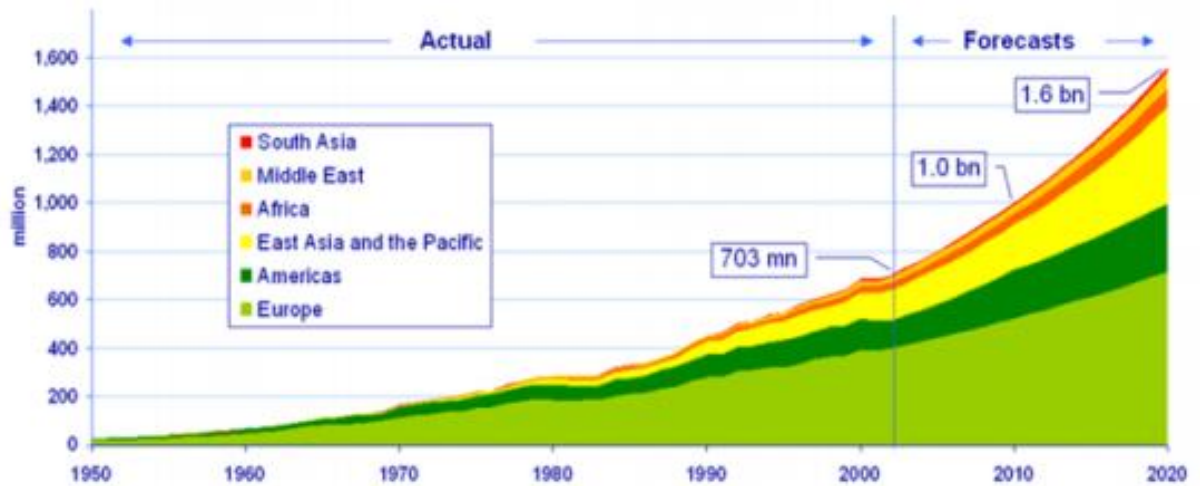


Figure 13. Global Sports Tourism Expenditure.

Although figure 12 may seem outdated, its forecasts up to the year of 2010 were accurate. Noticeably, Europe and the Americas make up the largest portion of growth on a global scale. Technological advancements, commercialization, and the world's top professional competitions are all catalysts for this phenomenon. These competitions thrive off tourism due to the exposure of the world's most high profile athletes.

4.1.4.2 Job Creation by Sports Tourism

In order to maintain continuity in economic performance, labor is required to compensate growth, or in some circumstances, deflation. As the industry of sport is growing rapidly, this requires a rapid increase in labor also. Job creation is a large catalyst for aiding majority of the 'roles of sport'. Social and health aspects are heavily burdened if there is too much strain on the current workforce. Economic issues and community development are also impacted when there is too much work or alternatively, high unemployment.

In the United Kingdom, one job is created for every £54,000 increase in tourism revenue. (Tourism Alliance, 2013) This figure takes into account wages that would be paid to the respective employee as well as VAT and taxes. In 2011, the tourism revenue for the United Kingdom was £3.5 billion. This equates to a total increase of 64,815 new jobs for the national economy, with the sporting industry acting as the stimulant.

Again, relativity must be implemented when speaking comparatively. The United States labor force grew by 1.2 million people between 2009 and 2011 purely due to the tourism industry. This is an annual average growth of 600,000 people. When 8.1% of this number

is a result of the sports and recreational industry, it can be concluded that a total of 48,600 jobs were created in the United States. When looking from a monetary standpoint, this is a new job for every \$145,934 increased from tourism spending. (The White House, 2012) This may seem like a large discrepancy compared to the United Kingdom, but once currency fluctuations and average household income are analyzed, it does not seem too farfetched.

4.2 Commercialization of Sports

The commercialization or commodification of sports, like some theorists prefer, is “that aspect of the sports enterprise that involves the sale, display, or use of sport or some aspect of sport so as to produce income.” The idea of commercialization of sport is not new but not until recently it has started to get the attention it deserves from economic researchers. (UK Essays 2013)

Commercialization represents both the Sports Production and Sports Promotion segments, while it has also crucially affected the recent development of Sports Performance segment. This paper investigates the traditional approach to commercial sport: Commercialization brings mainly economic success but leads to severe threats to the core values and credibility of sport as a driver of social, cultural and educational progress. (Kirkegaard 2016)

If you have ever been to a major sports event during the last decade or so, you already know that the link between modern sports and commerce is highly visible. Stadia, athletes' clothing and equipment all bear the names and logos of big, multi-national enterprises. Broadcasters pay massive sums for the rights to televise sports events, and sponsors pay above par to advertise their products during the screening of these events. Cities abandon other social projects in favor of investing in the staging of major sports events, and in the case of American cities, to attract professional teams to their area. Players are transferred for tens of millions of dollars while the worth of a professional sports franchise is often more than the gross domestic products of some countries. (Slack 2004)

Theorists Cashman (1995) and Horne (2006) identified three stages in the commercialization of sports: First impetus to the commercialization of sports came in 1850 when the entrance fee and fences around the sporting venues were introduced. The second phase was between the World Wars in 1920-1940 when the Mass Media arrived

with the invention of radio. This period is closely linked with the excessive consumption, which is often associated to the era of Fordism, and which started boosting the general spectatorship. The last nudge came in 1970 with the start of television sports. Suddenly big businesses were able to target a massive number of people with their advertisements and they were more than happy to pay for the huge media coverage that started surrounding the biggest sports.

This paper focuses mainly on the effects of the last stage as it is the most relevant for the hyper-commercialized modern sports. Because the positive effects of commercialization have been gone through in the Economic-part of this paper already, this chapter will investigate how commercialization has changed the purity and flow of money in professional sports.

4.2.1 Impact on Professional Sports

Nowadays the professional sports clubs are run like businesses which has led to the continuous increase in the involvement of the commercial sector changing the nature of the whole sports performance segment. Without commercial support, there would be far smaller number of sports franchises present today, and their financial stability would be weaker. Without sponsors and broadcasters, fans could not follow their favorite sports as closely as they can now.

Professional sport is the embodiment of commercialization: Athletes, support personnel and team owners all benefit from the willingness of sports fans to pay for match tickets and the commodities endorsed by sports personalities. Fans themselves get additional return to their money as all the new money flowing to sports is increasing the quality and entertainment of the sports. (Churchill 2008) However, lately the rewards paid for athletes, coaches and agents have grown so much that it has seriously started to harm not only the youngsters pursuing fame, but the athletes themselves and the integrity of the traditional sports.

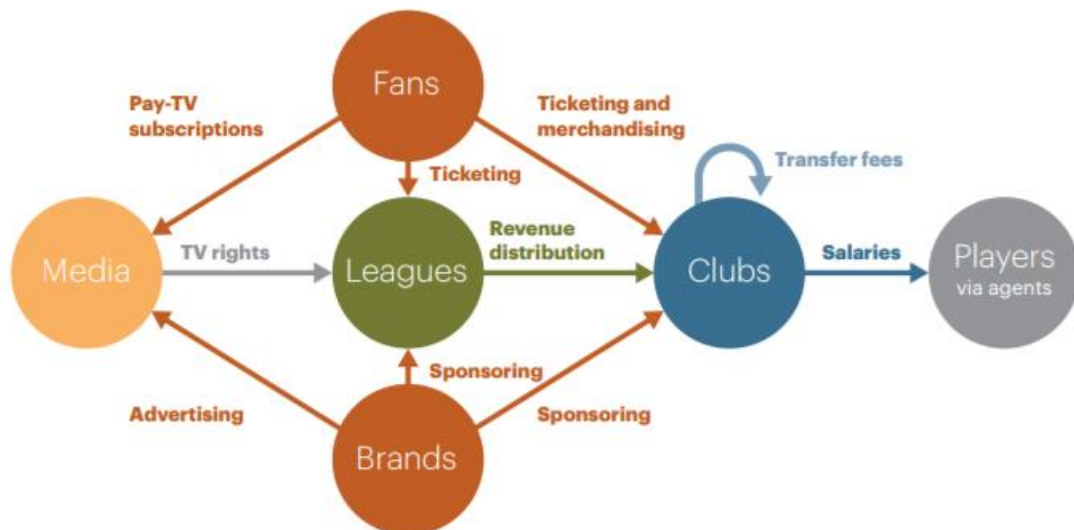


Figure 14. Flow of Money in the Ecosystem of Sports

In a time when there wasn't Pay-Tv, advertisement, sponsors or transfer fees, the flow of money in sports was straightforward. Players, clubs and leagues were dependent on one thing: Fans. The attendance fees were the starting point of the circulation of money which then ended up being the main source of income for sports entities.

This is where the impact of commercialization is most visible. The whole ecosystem of sports has changed drastically as fans are not the main source of revenue anymore. As the figure 14 (A.T. Kearney 2014) shows, the power of the fans has decreased because of the arrival of commercial brands. Brands buy leagues and clubs visibility through sponsorship deals and advertisement coverage from sports broadcasters. The money of the fans, on the other hand, goes not only to the match tickets, but also for buying Pay-Tv subscriptions from broadcasters. Broadcasters, or Media, then pay leagues massive sums for acquiring the rights to televise the sport. Leagues then distribute a lion share of this money to clubs who spend it on transfers and salaries of the players.

In layman terms, the starting point of the flow of money in sports is fans and brands and the ending point of the circulation is the players. But during the process, all middle-men, media, leagues, clubs and agents, have taken their share of the pot. This means that fans and brands are the only ones not receiving money and players are the only ones not paying anything, as it should because fans get return for their money in the form of entertainment and experiences and brands in the form of public exposure. However, the added money in the flow widens the gap between athletes and the fans, causing the economic stakes of success to rise while isolating the athletes from the community. All these points will be investigated further later in this paper.

4.2.1.1 Player Value Inflation

It does not really matter what the economic conditions are, athletes keep receiving higher and higher rewards. If the recession did not slow the growth, it might be a while before anything will. All major sports leagues fought through the recession with ease while the payroll kept on growing.

The inflation of player value and salary is seen as a negative outcome of commercialization because it widens further the gap between the rich and the poor teams. Not only are the poor teams unable to buy players they want but they are also struggling to keep and attract the cheaper options as the salary expenses grow. This hampers the competitive level of the whole league as poor teams do not have the financial power to compete neck and neck for the titles. Naturally, there has always been the richer and poorer teams in the past too but the scale was much smaller. Back then all it needed was a good strategy and relentless teamwork to be able to challenge any team but nowadays winning a 38-match league without financial power is virtually impossible. Surprises can happen occasionally, like Leicester City proved last season by winning the Premier League with odds of 5,000 to 1 but the further the commercialization advances, the rarer these surprises are.

Both the U.K. and the U.S. are seeing somewhat similar trends in regards to the player value inflation but the systems that the countries have in place are completely different. As mentioned before, the major sport in the U.K. is soccer. Soccer, like many popular European sports have mainly unrestricted transfer market without salary limits. Then again, all big four American sports leagues have both salary cap and player-for-player trading system. Even though this phenomenon is currently stronger in the sports with an unrestricted market, this paper will examine the effects of commercialization on both systems and the actions taken to control it. Instead of looking into value inflation and salary inflation separately, this paper makes the division between the countries in order to maintain easier understandability. By differentiating the systems in place which are so different that it provides a fascinating platform for a deeper look.

4.2.1.1.1 The Unrestricted Market of Soccer

The inflation of player valuation in the world biggest sport, soccer, has never been stronger than it is currently. In the United Kingdom, the unrestricted transfer market combined with the continuously increasing broadcasting revenue has grown the gap

between the UK's actual inflation rate and the Premier League's transfer fee inflation rate, which is illustrated in the graph below.

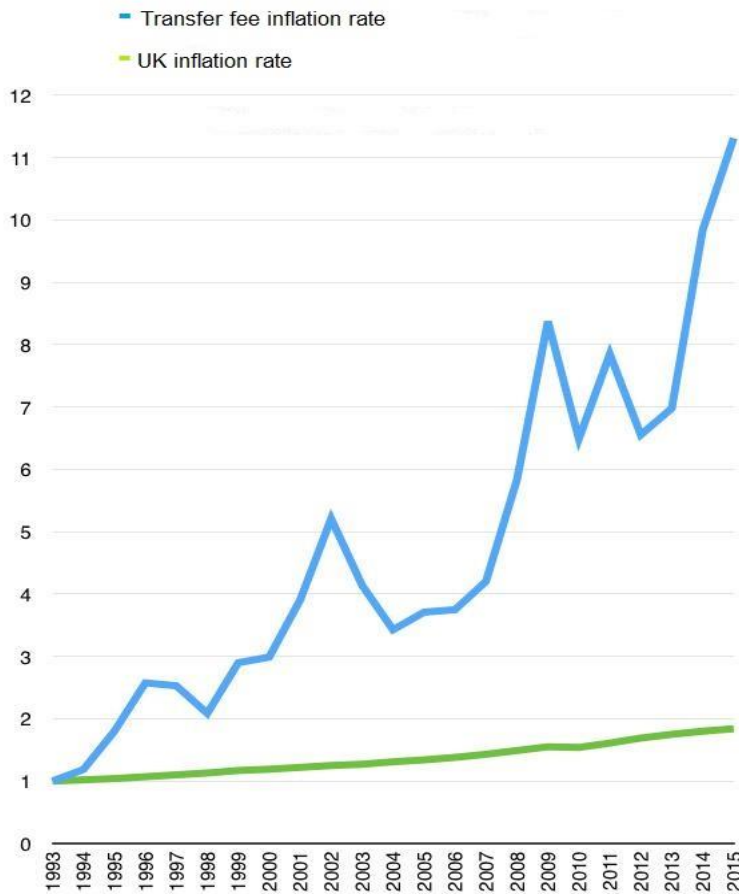


Figure 15. Comparison between the transfer fee inflation and the general inflation in the U.K.

The green line represents the rate of inflation in the whole economy of the United Kingdom. It has stayed fairly stable rising every year mildly. Overall the inflation grew only by a less than a percent during the last two decades.

The blue line in the graph shows the inflation rate of the Premier League, which replaced the English First Division as the highest league level in British soccer, from its' foundation year 1993 until last year. The growth was moderate until the turn of the millennium, when the first super transfers in Europe took place. The first big spike in the graph can be explained by the fact that at that time, one of the biggest clubs in the Premier League was acquired by Russian billionaire who started lavishing money to the club. However, the spending spree didn't last long because the club was able to achieve instant success. A couple of years later, during the worldwide recession, surprisingly, the transfer fee inflation was not affected at all. In fact, the transfer fee inflation rate had been down from the first

spike for a couple of years but then experienced huge growth just when the world's economy was otherwise struggling. The inflation has not really slowed down since and last year it reached a rate of more than 11% making it more than 9% higher than the country's actual inflation rate. (Tomkins 2015)

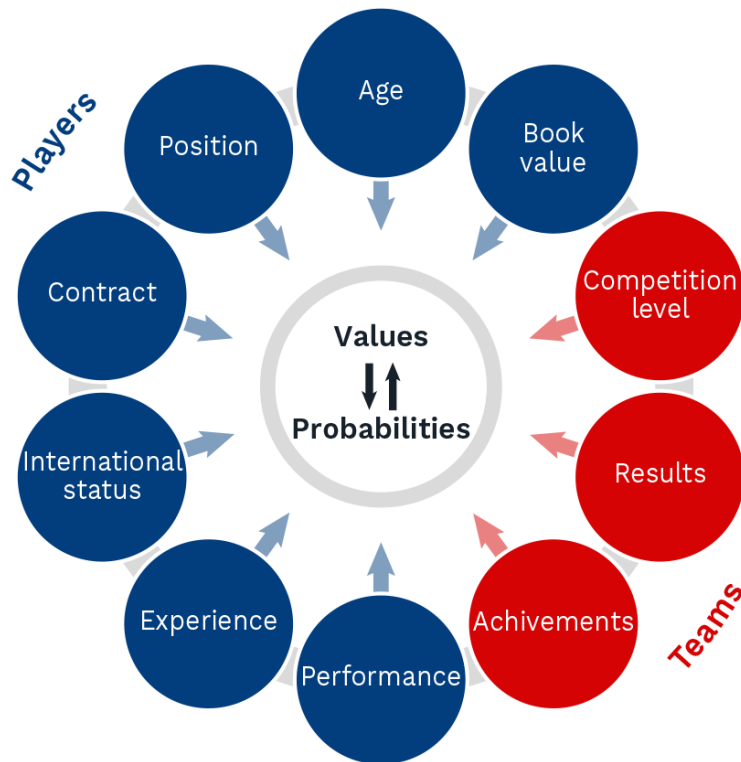


Figure 16. Key indicators in estimating transfer values and probabilities

The transfer value of the player consists of three different views. Seller's view, buyer's view and the market's view. These valuations are well-informed estimates based on (See Figure 16) player's age, book value, playing position, current contract, experience, popularity, stats and national team status as well as teams' competition level and results. (Poli & Ravenel & Besson 2016) The rest is up to the clubs' negotiation power and ability.

However, when the player's value increases, so does his leverage. If the player is reluctant to stay and has made his concerns public, the actual transfer fee drops closer to buyer's view of his worth. The seller can still try to play hard ball and demand more but this strategy is full of risks. One consequence is that if the transfer falls through, it will upset the player and his performances will be affected negatively. Second possible consequence is that the seller might be able to keep him for a year longer but then end up with nothing if the player's contract is due to end soon. This happened to the German club Borussia Dortmund who were not willing to let their star forward Robert Lewandowski to

transfer to their rival club, so they refused to sell him only to be forced to let him join the rival club year later for free. If successful however, the seller can get a good price especially if the buyer has more cash in the bank than patience in the negotiation table. Prime example of this is the Spanish powerhouse club Real Madrid who signed both Cristiano Ronaldo and Gareth Bale from two different British teams for world record transfer fees, even though both players had handed in transfer requests more than a year before it actually happened.

If the player with a long contract has no immediate craving to change clubs, the asking price will be much higher than the buyer would like but if he wants the deal to happen, he must meet the demands of the seller. This happened just this summer, when the British giant Manchester United wanted Paul Pogba from Italian side Juventus and were forced to pay a new world record fee to acquire him.

Transfers involving huge sums of money are often criticized a lot in a case when things do not start to work straightaway. Clubs are either accused of overspending or congratulated of a bargain buy or sell depending of the player's performances during the first couple of months. This approach is generally unfair though, as each transfer is a battle of its own and the true value of the transfer can only be determined much later.

The clubs are well aware that big transfer fee does not necessarily guarantee success. On the contrary, the deals involving high fees are criticized more harshly as experts and fans jump to conclusions quicker than with cheaper players. Apart from the risk of injuries, one of the biggest concern is how well the player adapt to new surroundings, especially if he has arrived from another league. There is plenty of examples of these types of deals ending up as huge failures. The latest one is Angel Di Maria's transfer to Manchester United in the summer of 2015 for 75 million pounds. After a season of continuous struggle, he was offloaded to France with a discounted price.

Still, clubs who are desperate enough will pay almost anything to secure the services of a player who is deemed world class or have the potential to be it in the future. It is understandable as big transfers have also huge positive commercial effects in a form of increased media, fan and sponsorship interest, merchandise sales, and if the player leads the club to success, prize money and bigger share of the league's broadcasting revenue. For example, if Messi, widely recognized as the all-time best soccer player, would be open for a transfer, there would be plenty of teams willing to pay his value of almost 300 million just to get him for a couple of years, given that the Financial Fair Play rules allow it. So much is his illuminating power, popularity and worth in the game.

Previously very unrestricted market experienced a transformation when Financial Fair Play or FFP came into action. FFP refers to the set of rules that soccer's global governing body, FIFA, introduced in 2011 to improve the overall financial health of the European soccer clubs. Since 2011, the clubs that have qualified for European competitions are required to prove they do not have expired payables towards other clubs or tax authorities anytime during the season. Starting from 2013, clubs have also been evaluated against break-even requirements, which oblige them to balance their spending with their revenues without amassing debt. (UEFA 2015) The rules prevented so called "sugar daddy"-style of ownership where rich investors from Russia, Middle East or Asia had come and lavished hundreds of millions into the clubs' transfers with a view of transforming the often struggling club into a European powerhouse and money-maker without the need for a sustainable financial foundation in the club.

Every soccer fan around the world always prefers to have as much domestic players as possible. That is why, in England, sponsors prefer to use the team's English players in promotion of their products as long as they have reasonably high squad status. Therefore, as the power of sponsors and business-minded owners has increased, the value of English players has grown.

Together with the sponsors' influence, foreign player regulations have provoked a huge premium in the transfer value of domestic players. In a 25-man squad, clubs in England must have at least 4 players who are considered as homegrown in the club and 8 players who are considered homegrown in the country. A player is determined as "homegrown in the club" if he has played for the club for three years before turning 21 years old and "homegrown in the country" if he has played for a club in the same country for three years before turning 21 years old. (European Professional Football Leagues 2016)

This has made teams to invest astronomical figures in their own youth academies and scouting network to discover the biggest talents as young as possible to get them under the homegrown status. It is an effective way to promote the local athletes and to prevent the teams from becoming foreign legions. Other leagues in Europe have similar systems but the English one is the strictest. In Spain and Italy, the most important thing is that the player is an EU-citizen as only 3 non-EU citizens are allowed. However, unlike in the Britain, the citizenship can be gained easily as it is usually enough to spend two years continuously in Spain to gain the citizenship meaning that the squad rules are much more lenient than in the Great Britain.

The value premium of English players is highlighted in the figure below as Harry Kane and Raheem Sterling have been listed as the 5th and 6th valuable players in the world even though neither of them were included in the latest Ballon D'Or shortlist consisting of world's 30 best players determined by journalists all over the world.

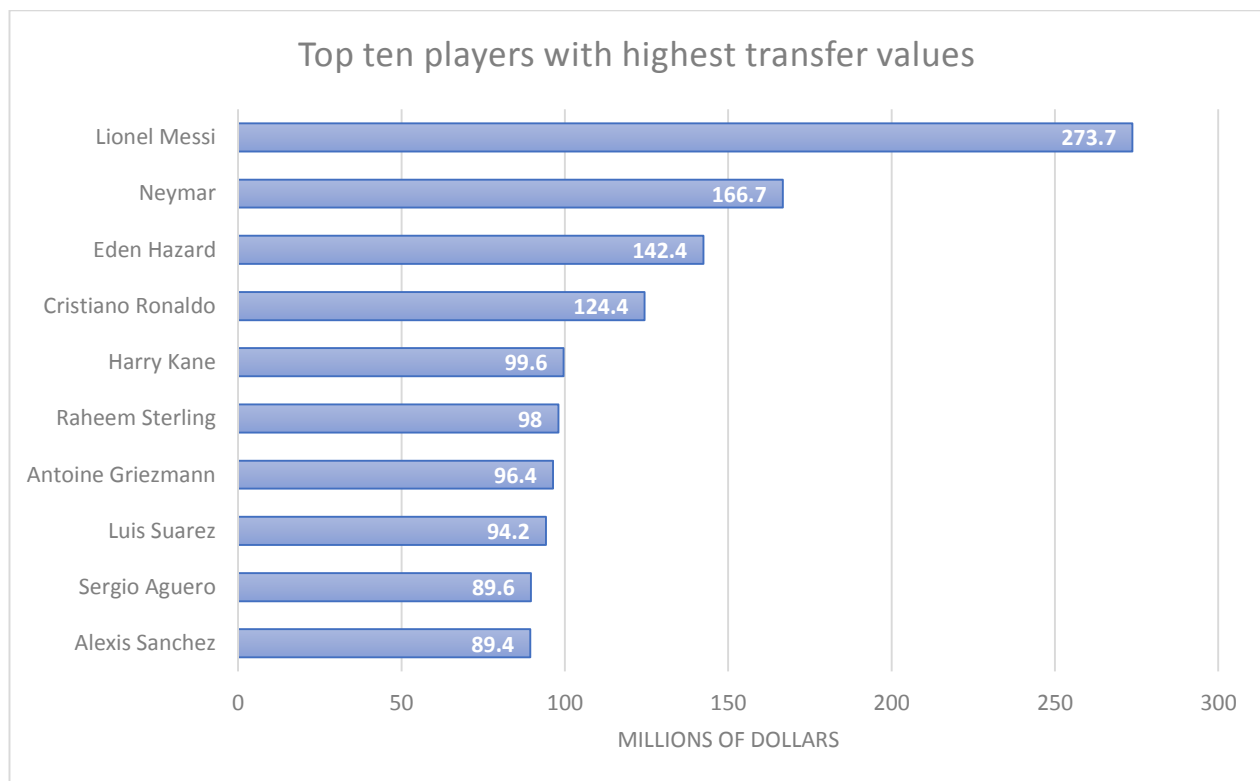


Figure 17. Highest transfer values in the world

With the full effect of commercialization, the worth of all these players is probably even bigger than the values presented above. The results in the Figure 17 (Kazeem 2016) reflect the value the player has for the club on- and off-field but a player can still have additional indirect impact on a lot of things. For example, if a player of Lionel Messi's caliber were to transfer to an American club, let's say, Los Angeles Galaxy, the whole region would most likely experience enormous growth in soccer's popularity as well as economic boosts in form of increased tourism and sports-related employment.

The more there is commercial forces in play and the bigger the price, the bigger the premium is in a player's transfer value, as can be seen from the figure below showing the current Real Madrid player James Rodriguez's transfer value progress down the years.

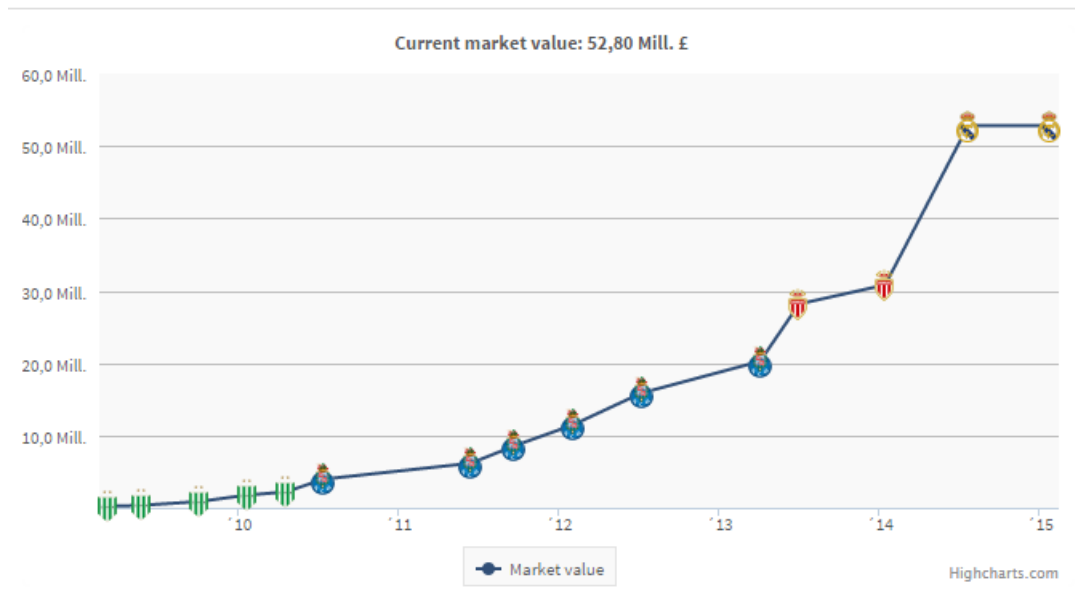


Figure 18. The development of the market value of James Rodriguez

As you can see, there is always some premium when a player is transferred to a bigger club after good performances but the higher the price rises, the bigger the premium gets. This is because the selling club realizes the commercial value of the player for the new club and wants to have a share of it. (Baker 2015)

The commercial success of the Premier League has not only been seen on the transfer power, but also with the huge salaries that the British clubs are able to pay. Behind this generation's two greatest players, Lionel Messi and Cristiano Ronaldo, the five highest paid players in Europe are all playing in the Premier League. (Total Sportek 2016) More specifically, in the two clubs of Manchester, City and United, who have had ongoing arms race going for a while now. However, whether it is money poorly spent or poor management but neither team has fared well in the European scale and last year not even domestically as the clubs finished 4th and 5th respectively. That is an indication of two things. First, money does not guarantee success, and second, teams that have exploited their commercial potential do not need on-field success to achieve all-time record financial results, like both of these teams did.

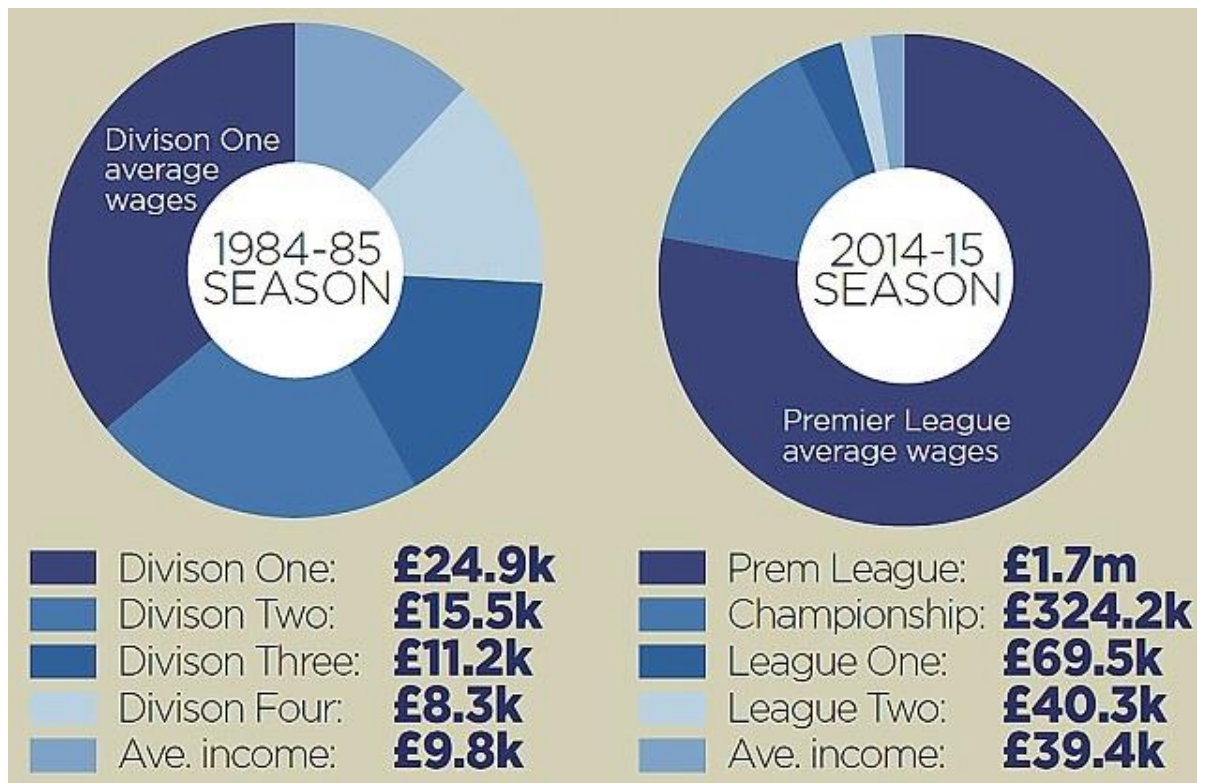


Figure 19. Salary growth in the top level of English soccer during 1984-2014

According to the Figure 19, back in 1984 the difference in wages between different levels of professional soccer in the U.K. was rather small with players in the highest division earning on average £24,900 annually compared to £15,500 average annual wages in the second division. In 2015, the corresponding figures sat at £1,700,000 for the Premier League, formerly known as Division One, and £324,200 for the Championship, formerly known as Division Two. For the lowest measured level, Division Four, the increase was much smaller from £8,300 in 1984 to £40,300 in 2015.

This means that during the last 30 years the salaries in the highest division have grown 68-fold and 21-fold in the second level whereas the whole population's average income has only grown 4-fold during the same time period. This figure highlights the impact of commercialization in two ways. First off, even though the salaries have multiplied in every level of British soccer, the growth has been enormously bigger in the two highest levels where the commercial money is at. Secondly, the average salary of top-flight footballers was only a double of the national average income in 1984 whereas now it is 43 times bigger. (Daily Mail)

The increase in salaries is not only because of commercialization. The rise of soccer's popularity in China and the United States provides a lot of pressure for the European leagues and has played its part in increasing salaries throughout the world. For example,

now the British clubs have to battle with many new clubs to keep their players from moving abroad in hope to earn more money. Currently three of the 10 highest paid players in the world are playing in China, despite the fact that all these players are far from being among the elite of the game. Together with the effects of commercialization in the new areas, it severely shakes the already unbalanced market.

4.2.1.1.2 The American Trading System

The American trading system might be a bit misleading as the system is in use in many other countries, such as Australia but for the sake of this paper, it will be referred to as the American trading system. The system is highly complex and full understanding of it is not required by the reader. All one needs to know is that it differs from the European transfer system in almost every possible way. Salaries have limits, players are traded for players rather than money and young players are not developed at the club. This system has plenty of positivity's in comparison to the aforementioned European transfer system. Teams are more even, dynasties are rarer, there is a minimum wage in place and youngsters are encouraged to stay and succeed in school. However, it prevents the most popular teams and individual athletes from fully utilizing their commercial power.

One of the biggest things that commercialization has changed in American sports is the salary. The structure of salaries is also very different to the unrestricted one in Europe. The difference is that every major American sports league uses salary caps. Salary cap is relatively new concept in American sports as it was first used by NBA in 1984, eventually adopted by NFL in 1994 as well as introduced to both NHL and MLB after their lockout seasons in 1995. (Staudohar 1998) Salary cap means that every team in the league has the same salary budget to operate with as well as limitations to individual player's salary. However, the salary cap does not mean that the salaries in the United States would be low. On the contrary, even the lowest-paid players in baseball - minimum wage is \$480,000 a year - earn \$80,000 more than the U.S. President Barack Obama. Based on the player's commercial value, age, skill level and squad status, the biggest contracts are easily tens of millions of dollars per year. (Peltz 2012)

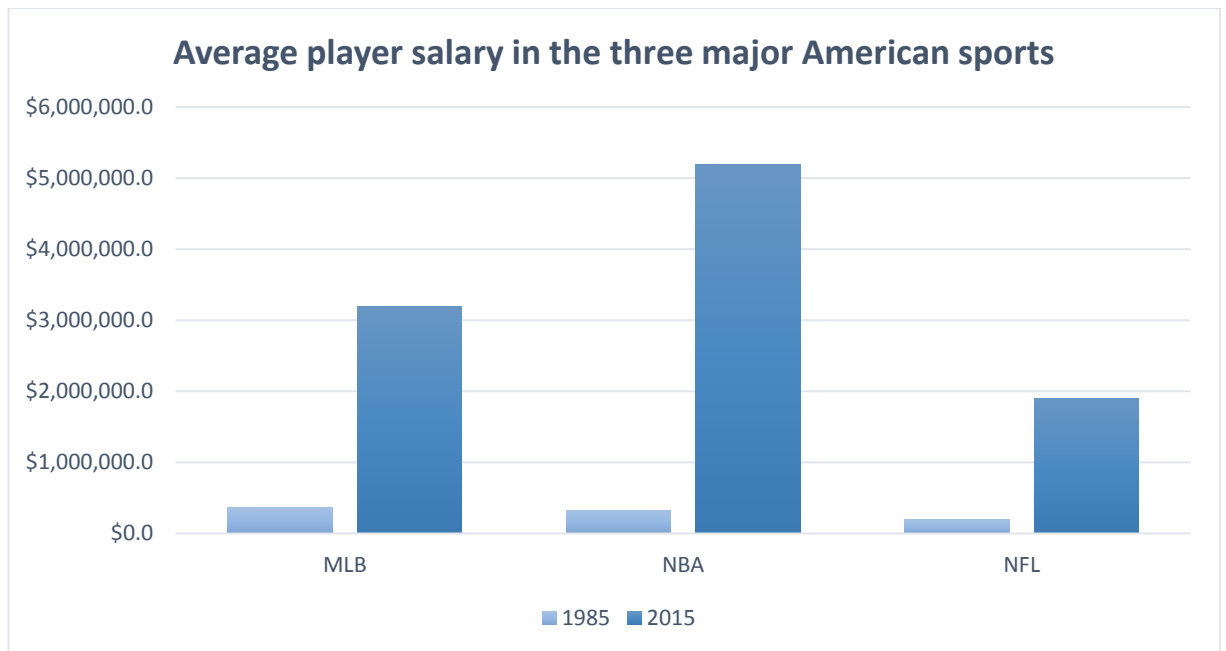


Figure 20. Comparison of salary inflation in the three biggest American sports leagues

According to the figure above, since 1985, the average salary in the Major Baseball League has leaped to \$3,2 million from \$371,000, almost a nine-fold increase. The average National Basketball Association salary has come up 16-fold to \$5.2 million from \$325,000 in the same period while the average National Football League salary has risen to \$1.9 million from \$194,000, almost ten times more than two decades ago. (Peltz, 2012) All this within the limits of salary caps. To be fair, teams have recently found loopholes in salary cap restrictions as they have started to settle long-term contract for their best players with most of the salary paid in the last years of contract. This means that while the average yearly salary is high, the salary calculated towards the cap is lower for the years that the player is at his best. Then as the contract reaches the high-paying years, the player might already be ready to retire or the team tries to trade the player away in hope of a quality player with smaller salary. Therefore, the teams are able to avoid the salary cap to some extent without the intention of ever seeing out the latter years of those most lucrative contracts.

Commercialization has had also some impact on the American trading system but because players are traded for players or draft picks instead of aiming for profits the big teams cannot dominate based on sheer financial power. Every trade forces the teams involved to evaluate the player's on-field value and commercial value, some teams preferring one over the other. But in the end of the day, if the team wants value, they have to give up value in return, be it a top player or a draft pick to receive a future star.

The best part about the American trading and salary system is that it keeps the league competitive. All their major leagues have 30 or more teams, which means that the player pool is divided so wide that there should not be more than a few star players per team. However, there is always teams who have done a lot of mistakes in the past and it has resulted on them being simply a bad team. This is the beauty of the American system because when you are doing so poorly that you placed last in the league, you will receive the first draft pick to pick the best youth player from either high school or college level, depending on the sport. This is designed to eventually even out the game so that the bad teams with the help of the new franchise players they can start battling for titles again.

The inevitable enormity of what transfer fees would be like in the United States, without a salary cap, is a scary thought. The promised land of commercialization of sports, is greater off with the introduction of salary cap and player-for-player trading.

4.2.2 Purity of Sports

Purity of sports refers to the ethical dimension of sports. “In its purest form, sport is about recreation, exercise, and enjoyment. The beauty of sport is that it is inclusive and friendly. We can all participate in sport and one only generally needs a small amount of equipment to do so.” (Giordano 2011) Sports also functions as a universal language, able to bring people together no matter what one’s age, race, religion or political belief is. (United Nations 2004) However, one could also argue that sports have never been truly pure because cheating, gambling and match-fixing have existed and been strongly associated with sports ever since the Ancient Olympics. This chapter focuses on the breaches in the purity of sports caused by the growth in commercialization.

4.2.2.1 Money as the Driver of Dishonesty

For centuries, sports have been filled with people trying to gain financial and political benefit. The matter is only escalating the more commercial involvement there is, as the number of people seeking to profit from sports grows. Pursue for money in an industry which was created for completely different purposes leads to problems for all. It has been studied that “gaining wealth creates a release of dopamine in the brain, causing individuals to relentlessly desire more money and more possessions.” (Reference.com 2016) These greedy individuals are willing to stomp on the sincerity of sports as long as the financial gain exceeds the risks of their actions.

Greediness in sports is the main reason for the creation of sport gambling. If people would not want to financially benefit from their sports' knowledge, gambling would not have grown to be more financially lucrative than the sports themselves. Gambling and sport have been almost inseparable throughout the history. Gambling also has close links with the general commercialization of sports and with corrupt practices in sport. However, to add to the complex relationship of the two, the profits from legalized gambling are often used to build sports facilities and to operate many youth sports programs.

Gambling has always been strictly regulated by the governments and because of its illegal status in most places, it is hard to specify the actual value of the gambling industry. The figures fluctuate a lot between researches but according to current estimations by Sportradar, the sports match-betting industry is worth somewhere between \$700 Billion and \$1 Trillion per year. (BBC 2013)

One of the biggest downsides of gambling is match-fixing. Match-fixing can be defined as the action of dishonestly determining the outcome of a match before it is played. (Oxford Dictionaries 2016) In practice it means paying off players who play in key positions where they are able to have an influence on the result of a match without alerting authorities. The reason to bribe a player stems from one of the two following reasons: Either the bribing party wants to financially benefit by fixing a match or it wants to ensure victory for their team for sporting reasons. Both options are as corrupt as it gets and substantially harm the integrity of sports.

Like mentioned in the introductory paragraph of 'Purity of sports', cheating, in its' many forms, has existed as long as there have been competitive sports. The increased involvement of commercial sector during the 20th century combined with greed and politics created a culture of winning at all costs. The financial impact of winning and easy availability of doping has grown so substantially thanks to commercialization that unsuccessful athletes are ready to go for the last resort. These means involve the use of performance-enhancing drugs, match-fixing and many other forms of cheating.

Cheating is not tied to specific culture, even though some cultures have worse reputation concerning cheating, but in reality it happens everywhere. For the countries researched in this paper, there is a long history of bending the rules in both sides of the Atlantic Ocean. The number of high-profile athletes who were caught doping is endless. Lance Armstrong, Dwain Chambers, Marion Jones... The list just goes on.

During the 21st century the world has witnessed a couple of more innovative conspiracies involving the whole team of people. In 2008, the Renault F1-team were involved in a crash controversy as they were found guilty of ordering one of their two drivers, Nelson Piquet Jr., to crash deliberately to allow the team's main driver, Fernando Alonso, to win the race. (ESPN 2016) In 2015, American football team New England Patriots was found guilty of deliberately under-inflating the game balls to make them easier to handle for their star quarterback, Tom Brady. (The Guardian 2015) Renault's case is more common in a way that they were average team with no chance for win other than by extreme circumstances. The case of Patriots and Brady is an interesting one because the team was a favorite for the semi-final anyway and later ended up winning the championship, this time without cheating, before the scandal broke out.

Usually cheating stems from the fact that the athlete or team has no chances of winning or is desperately trying to acquire additional earnings and is therefore, ready to do anything to gain success.

In the modern professional sports, the superstar athletes have become more disengaged and remote within the community making them harder to care and trust for. People see them mainly as entertainers and if an athlete keeps winning consistently for years, many will start to question whether it is due to use of performance enhancing drugs. For most spectators however, there is also a craving for sport to be character-revealing, life-enhancing and noble.

4.2.2.2 Performance-Centricity Decreasing

Commercial involvement has not only brought insincerity but has also caused sports to become less performance-centric. From what used to be a form of exercise and pass time for people, big sports have gone a long way to become flourishing industry, thanks to constantly increasing commercialization of sports. The on-field development has been very little compared to what has happened to two other segments of 'Sports production' and 'Sports promotion'. As the focus shifts from the actual performance of sports to the external factors, the purity of the sports is violated.

Media is to blame for the fans' shift of focus from on field to off-field activities. Media, broadcasters and sponsors have transformed the sports so that people are able to follow their teams much deeper than just what happens during the match. This shifts the focus from the game to players' private lives. For many fans, the hours and days between matches are spent watching and reading information about what happens around the

team while they are not playing. The lack of privacy causes problems for players though, but this issue will be addressed later in the 'External pressure' chapter.

Commercialization has also contributed in widening the gap between rich and poor teams but due to the previously introduced two different transfer and salary systems in place in professional sports, the impacts have been much different.

In the United Kingdom, the rich clubs rule. The commercial boost experienced in the 1990s and 2000s in the Premier League has left indelible effect on the league. For decades, it has already been really tough for smaller teams to compete for the trophies and the financial gap will only continue to grow, hampering the unpredictability of soccer. However, thanks to recent tactical innovations in soccer, smaller clubs are actually closing the gap on the field as just last year, according to bookmakers, the Premier League had the highest number of games won by underdogs. (Mark Gregory Economics 2016) So it is established that the smaller clubs are able to challenge for win in a game-by-game basis but the league system is not build to suit underdogs as the champion is decided by a 38-game regular season. The ruthlessness shows in the fact that during the last twenty years (1996-2016), Premier League has only had five different champions. The league system is not the only reason for the lopsided competition. Thanks to the lack of financial giants during the 1976-1996 period, the league had 8 different champions and the competition was much more unpredictable. (World Football.net 2016)

In the American leagues the playing field is much more competitive thanks to the salary cap. Money cannot be used in player transfers so every club has equal chance for success. The only thing where rich clubs can gain leverage is by assembling the backroom staff possible, but there are restrictions for that also. It has not removed the financial impact of commercialization though, as the best teams are getting richer and richer while others are fighting for survival. The difference is that the owners of the American sports clubs can take the surplus profits for themselves unlike in soccer where most of the generated money is invested back in the team.

4.2.2.3 Control of Sport

One of the most drastic changes during the last few decades is happened to the job description of an athlete. Regardless of whether one is practicing individual sport or team sport, third-parties are taking over the control. Athletes have always been not only answering to themselves but also for their coaches, team owners and for the community. This is still the case for most low and medium level athletes who are still dependent on

their base salary and are therefore liable for team employing them. But for many top athletes the source of income has completely changed. In many commercialized sports today, athletes get most of their income from sponsors, even though simultaneously their salaries have continued to increase considerably. Whether it is their personal sponsor or team's sponsor, top athletes answer to sponsors now.

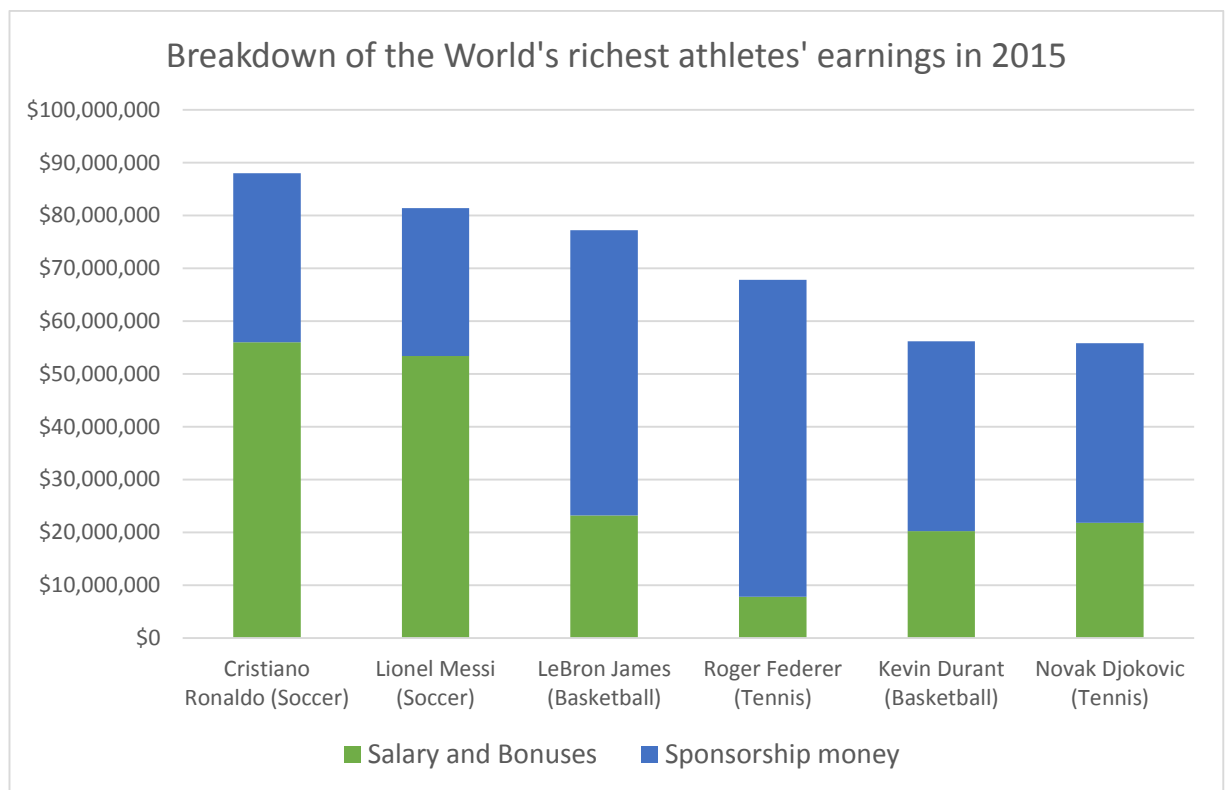


Figure 21. Share of sponsorship endorsements in World's six highest-earning athletes' salaries

The previous statements are reflected in the figure 21 above with the breakdown of the yearly earnings of the World's six highest-earning athletes. (Forbes 2016) As it happens, there are two athletes from each of the following sports; soccer, tennis and basketball. The results highlight the differences in the earning structures between American and European sports as well as individual and team sports.

For team sports like soccer and basketball, the guaranteed base salary is usually higher with additional bonuses based on athlete's performance. That lowers the athlete's urge to participate in advertisement campaigns and other sponsorship activities, unless the pay-off is substantial. This is shown in the earning structure of Cristiano Ronaldo and Lionel Messi who both have roughly 2/3 of their total earnings coming from salary and bonuses and 1/3 from sponsorship deals. There wasn't big of a difference between the base salaries of Ronaldo and Messi, but Ronaldo made over \$4 Million more from

endorsements, making him the highest earning athlete in the whole planet. The players are worth the money though, as Ronaldo generated a total of \$176 Million for his partners in media value alone. (Badenhausen 2016) However, if you are a player in a league that utilizes salary caps, like the American leagues, you will probably have a smaller base salary. Nevertheless, one needs to remember the fact that the United States is the paradise of commercial sports, making the sponsorship deals very lucrative. It has become a part of the sports culture in America for the athletes to seek continuously bigger and better endorsement deals. This is evident in the results which show that both LeBron James and Kevin Durant had roughly 1/3 of their total earnings coming from salary and bonuses and the rest from the huge endorsements deals with the likes of Nike and Adidas.

For individual sports like tennis or golf, the latter not included in the results, the sponsorship money is vital on route to riches. Especially for players who are past their peak but can still utilize their immense popularity, like Roger Federer, the sponsorship money is the main income. He earned less than \$8 Million during the 2015 season by playing, but most sponsorship money in the whole world. Novak Djokovic, the number one player for the last few years, has almost identical earning structure to Kevin Durant's equivalent. It means that in order to reach the same base salary, solo athletes must perform throughout the year, whereas team sport athletes can have the same in guaranteed salary for the next four to five years. Of course, for the solo athletes it is easier to build an individual brand than for the team sport athletes, where it is only possible for the star players of each team.

4.2.2.4 Gap on Earnings Between Genders

Similar to the growing gap between rich and poor teams, commercialization of sports through boomed broadcasting and media attention has caused women to fall behind in terms of salaries and popularity. Due to physiological reasons, men have always been one step ahead of women when it comes to sports in which raw strength is paramount. Lack of the commercial involvement however, both the female and disabled sports can be seen as sports as its purest. Men and women's competition is almost identical in sports such as basketball, swimming, track and field, soccer, tennis and golf, with only a few alterations to rules to compensate for the smaller and less muscular bodies of women.



Figure 22. Comparison of average salaries between genders in basketball, golf and tennis.

However, there's a significant difference between men and women in terms of average salaries as one can see in the figure (Adelphi University 2014) above. Basketball represents the crest of a wave of commercial involvement and the impact is evident in the results. Players in the men's basketball league, NBA, earn \$4.5 Million on average while in the women's basketball league, WNBA, the average salary is only \$72,000. This means that female players earn just 1,6% of the salary than what their male counterparts make. That is well off the general income gap level in which women earn 77% of men's salary. It is taken even further with the maximum salaries as top earner in the NBA in 2015 earned \$23.5 Million whereas women had a maximum salary cap of \$107,000, which could only be earned after playing six seasons in the league.

The salary difference in golf is investigated because it is a sport where there is very little difference in the abilities between genders. There are no salaries in golf as such but the players earn depending on their success in different tournaments during the calendar year. The difference is not as staggering as with basketball but it is still very far from the general income gap. Male players in PGA Tour earn \$973,000 on average while the top

player, Rory McIlroy, recorded almost \$7 Million in 2014. In the Ladies PGA Tour however, the average earnings were only \$162,000 but the earning queen Stacy Lewis managed to make well over men's average by her \$1,97 Million earnings. It means that women's average earnings were 16,6% of men's equivalent while Lewis had 28% of McIlroy's earnings.

Tennis is one of those rare exceptions to the rule where the sponsors and broadcasters have treated female tennis equally to men's and it shows. Tennis has the same system than golf, where players earn depending on which tournaments they participate into and how well they perform. Women in WTA actually earn 32% more on average than male players in ATP, which can be partially explained by the number of players in each division. However, in the absolute top-level, four men recorded higher earnings than the highest female earner. This highlights the fact that the average salary is distorted because there's almost double the number of pro male players compared to women and almost double the number of male players who earned no prize money at all.

The results conclude that even though the women are paid better in relation to men in the sports outside American Big Four and soccer, there still exists way bigger income gaps than in other employment fields. Male sports have been able to form huge commercial power in the past and it will take a long time before women can match the strength and size of it.

4.3 Impact on Politics by the Sporting Industry

This chapter aims to distinguish if previous events on the sporting stage have influenced politics or political decisions, within or between, the United Kingdom and the United States. If so, which of these two cultural demographics are more likely to be swayed politically, by actions in the sporting industry.

Sports diplomacy can be described as "the use of sport as means to influence diplomatic, political and social issues. (Qingmin, Z. 2012) The nature of the sporting industry, through commercialization, technological advancement and pure popularity, has thrust the industry and its' athletes into a position of high political influence. Gone are the days where juniors and professionals alike, turn up for a mere social and competitive outing. Eyes are now fixed on professional athletes and as absurd as it may sound, generate more influence and social responsibility than politicians themselves.

Of the three segments of the sporting industry, Sports Performance and Sports Promotion are the avenues in which political ramifications may occur. Athletes and high profile stakeholders of the sporting industry use social media, commercial events, interviews and even on field antics to portray a certain message or agenda. These agendas have contained racial, sexual, and religious points of view, that have created tension and volatility at a political and government level. Each of these can have both negative or positive effects in a community, which will be evident further in this paper through the use of case study's.

4.3.1 History of Political Involvement in Sport

Sport has been the catalyst for a number of political movements around the globe. Mentioned previously in the paper, was the civil right movement that enabled black people and women to participate in sport events at their own desire. What followed from this unprecedented law, was a lowering of prejudice and negative stereotypes that surrounded females and blacks. These principles and events are entirely reflective of the modern world when speaking of politics and sports. Because these minority groups were now allowed to compete and stand on the same social platform as a white supremacist, it initiated the inclusion of these minorities in many other facets of life. The privilege given to these people to work with remuneration, drive a car and even show their face was the beginning of equality in the western world.

Not only did this remove social and racial prejudice, but was the beginning of sports athletes and figures to be able to gain entrance into the political realm at all. In modern politics, there have numerous amounts of athletic performers who entered politics after retirement, the most notable of these, Arnold Schwarzenegger. Arnold began his sports career in powerlifting and bodybuilding, gaining worldwide exposure through his extroverted personality and incredible physique. He then ran for congress quite successfully, gaining the political votes to become the governor of California. This emphasizes the sheer political favoritism that sports stars acquire when they are seen in a positive public light.

There are also whole organizations that derive from political foundations or are only inclusive of a stable political mindset. This being the Nascar company that holds and monitors the racing of automobiles in the United States. Politically, it is followed and operated by stringent and conservative republicans, which portrays the sport in a 'redneck' manner.

Other notable political figures that feature in sports, that are not directly affecting the U.S. or the U.K. are Vitali Klitschko and Manny Pacquiao. Both professional boxers in their own right, and both incorporating a large political influence in their nation's, the Ukraine and Philippines, respectively. Both professionals are well and truly still active in their sporting professions, but are equally impactful on a political scale as well. Vitali Klitschko is running for president in the Ukraine, while Manny Pacquiao is a registered senator in his home state.

In essence, sport has diversified and manipulated many political systems and agendas through the use of its high profile participants. This leads the paper into rather specific altercations and events that have influenced both the United States and the United Kingdom, in political ways.

4.3.2 Political Ramifications

The high-profile nature that comes with being a professional athlete, today, has both positive and negative repercussions in the field of politics. The ability to direct a certain agenda is enabled, which lure actions that transcends from a sporting arena into people's phones, televisions and minds. This is demonstrated by the case studies below.

4.3.2.1 The Case Study of LeBron James

Due to the sheer pedigree that LeBron James has obtained in terms of international exposure, he is able to manipulate or lead not only a lot of passionate supporters but his team mates also.

Trayvon Martin was killed by a mixed race Hispanic in 2012 in highly volatile and exposed circumstances. The United States, as a country, were split in half in terms of whether the motive of the death was completely racial. Mr. Martin was unarmed at the time yet the accused, was acquitted of all charges on the basis of self-defense. (Mother Jones, 2012)

LeBron James, Basketball megastar, prompted his team mates that in the following match they would wear black hooded jumpers, to show racial unity and an agenda to stop racially motivated attacks in the United States. This message and act of attempting social and political reform reverberated around the globe. It was the catalyst for discussions at homes and work offices in the United States and abroad. The prejudice against the black

race seems to have intensified as black deaths by shooting have been increasing every year since. It must be determined though, whether a message from such a powerful figure such as LeBron James, helped mend the situation, or created further volatility by distancing himself from unity. LeBron further added that there must be justice against these kinds of actions, exemplifying a lack of unity and disregard for people coming together.

The results of LeBron James' actions cannot be quantified purely numerically, although trends and results can be analyzed to somewhat determine the effects. The message of LeBron James was simple and straightforward. Justice must occur and something must be done immediately. This segregated state of mind is completely mirrored by the attitude of social and political events that have occurred since. The public have not unified in dealing with racial attacks, but stood themselves apart in distance, just as LeBron James did in covering himself and his team mates in hooded jumpers.

The sports promotion and sports performance segments were taken advantage of in this scenario. Social media and endorsements were all affected in the sports promotion market segment, but the core of the political agenda was portrayed on the basketball court, in the sports performance market segment.

4.3.2.2 The Case Study of the Premier League and Moeen Ali

The United Kingdom has a different approach on the promoting of political agendas in sports. In the largest football competition on earth, it is completely banned to show any political, religious or racial slogans, statements and actions on the pitch. The reasoning being quite similar to the actions of LeBron James, previously mentioned.

Moeed Ali is an English cricketer, who wore wristbands with slogans referring to the intense battle between Israel and Palestine. These messages contain slogans such as 'Free Palestine'. This created distance and outrage between sporting bodies, officials, players and the general public. As both the board of English Cricket (ECB) and the English Premier League agreed that portraying these segregating messages was a liability for community development, they both put it to a halt immediately.

The Premier League recently changed the rules on pushing political and religious agendas. Players were allowed to have slogans, messages and advertisements under their shirts if they so desired, yet incidents like the Moeen Ali case, caused this all to

change. Again, the avenue the player/s used was the sports performance market segment in order to portray their message. By cutting this segment out completely, in order to promote a message of political importance, there is less emphasis placed on the political importance of sports stars. They are seen as professional athletes and nothing more.

4.3.3 Approach to Political Events

After analyzing the two previous cases, it is already clear and very evident that each nation has differentiating views on how to deal with politics in general and which reactions to take after political and religious motivated events. Forming an idea of which approach adds more value to a nation in terms of community development and social stability is paramount, due to the high level of violence and volatility that may result.

The United States have a robust, yet free approach in allowing players to portray their message, the United Kingdom is in reverse of this, as they banned all content in regards to politics.

The findings are quite reflective of each nation's approach to this edgy topic. The level of tension in regards to political matters in the United States is on a knife point constantly. A free cut-throat approach that knows no boundaries reverberates straight into the public's scheme. When an idol or high profile person commits an act of personal agenda, followers are more susceptible to follow a similar, if not the same, frame of mind. The United Kingdom, by a contrasting token, has taken actions and consequences into their own hands in relation to sport politics. By disallowing any push by athletes or officials to pursue matters, the general public are not swayed by external force or opinion and the chance of incident as a result of political events from the sporting industry, is far less likely than that of the United States.

It is difficult to obtain a positive outcome from promoting political messages and slogans. Somebody will always frame a differentiating belief or opinion in a topic. This in turn creates tension, no matter how vague the agenda may be. Emphasizing, to the United Kingdom that nothing is to be said, is a positive approach to the dilemma in itself.

4.3.4 Likelihood of Political Influence

At the beginning of the chapter, it was stated that if a nation is to be swayed politically, by the sporting industry, then which respective nation is more likely to 'fold under pressure'.

Expanding on what has previously been mentioned, the United Kingdom have ruled out completely, the opportunity to be swayed politically, by the sports industry. The only market segment where this may be possible is the sports promotion segment. Players and officials alike, are not barred from voicing an opinion in their personal lives.

This raises the question of how far they are allowed to go on social media and at promotional events, before they are bringing the game, nation or group into disrepute. Many contractual agreements between professionals, as well as sponsorship deals, contain very precise instructions regarding this topic. If these agreements are not honored, the contract can be terminated.

By stark contrast to the United Kingdom, the United States almost encourage voicing an opinion and 'making a stand'. This is exemplified in the lack of punishment that is given to athletes who create tension and hostility with remarks and actions. Without any procedure in regards to politically motivated actions, in essence, there are no boundaries.

To provide a justified answer to the statement in question, above, it can be established that the United States, as a whole, are thoroughly more likely to be influenced politically by sports stars and high profile officials. The case studies provided are practical examples of how politically motivated events can and will influence the general public. These reasons will arise further in the discussion.

4.4 The Role of Sport in the Health of the People

The professional facet of the sporting industry aids in the stimulation and encouragement of minor and amateur sporting participants. Primarily, it has enormous consequences on the health of these people, who do and do not participate in sporting activities. This chapter aims at providing a view in terms of how sport plays a role in the health of people in three decisive factors. These being physically, mentally and socially.

4.4.1 Defining Health and Role of Sport

Participation in sports is often linked only to physical wellbeing but in reality, "body" and "mind" are often connected. Failure to look after one's physical condition will lead to mental health problems and vice versa. (Mental Health Foundation 2016)

People are less active than they used to and it can be linked to technological advancements, vastly decreased amount of benefit exercise and ageing population. Since the inventions of train, plane and car, technology has continued its pursuit to develop new ways of making people's lives easier. Thus, people have become lazier and the amount of benefit exercise has dropped significantly as people do not cycle or walk to work as much anymore. For example, in the United States, commute by car grew from 67% in 1960 to 88% in 2000, whereas public transport and walking to work have become less popular. (Harvard School of Public Health 2016)

Roughly 40% of American schoolchildren walked or cycled to school in 1969 whereas in 2001, only 13% did so. The United Kingdom has witnessed the same phenomenon as it is more and more common for a household to own second car and labor-saving appliances. (Harvard School of Public Health 2016)

As many people nowadays conserves time by commuting by car, the amount of sedentary activities grows in the form of playing video games and watching television. (Harvard School of Public Health 2016) Similarly, washing machines, microwaves and vacuum cleaner have significantly decreased the overall time and effort spent on doing physical work. (Medical Daily 2012)

According to researchers, major part of the adult population spends daily more than seven hours sitting down. Even more worryingly, people aged over 65 spend more than 10 hours per day sitting or lying down, which makes them the most sedentary age group.

That's why organized sports are in even more important position in health maintenance. As mentioned, the impact of sports is not only limited to physical health. Therefore, this paper considers the WHO's definition of health; "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (World Health Organization 2003) to investigate the role of sports in an individual's overall wellbeing.

4.4.2 Sports and Physical Wellbeing

The traditional understanding of physical health and wellbeing is that an individual is considered healthy if he is not stricken with serious illness. However, through modern medical advancements the definition has evolved and changed the way how physical health is defined nowadays. Today's definition considers everything ranging from absence of disease to fitness level.

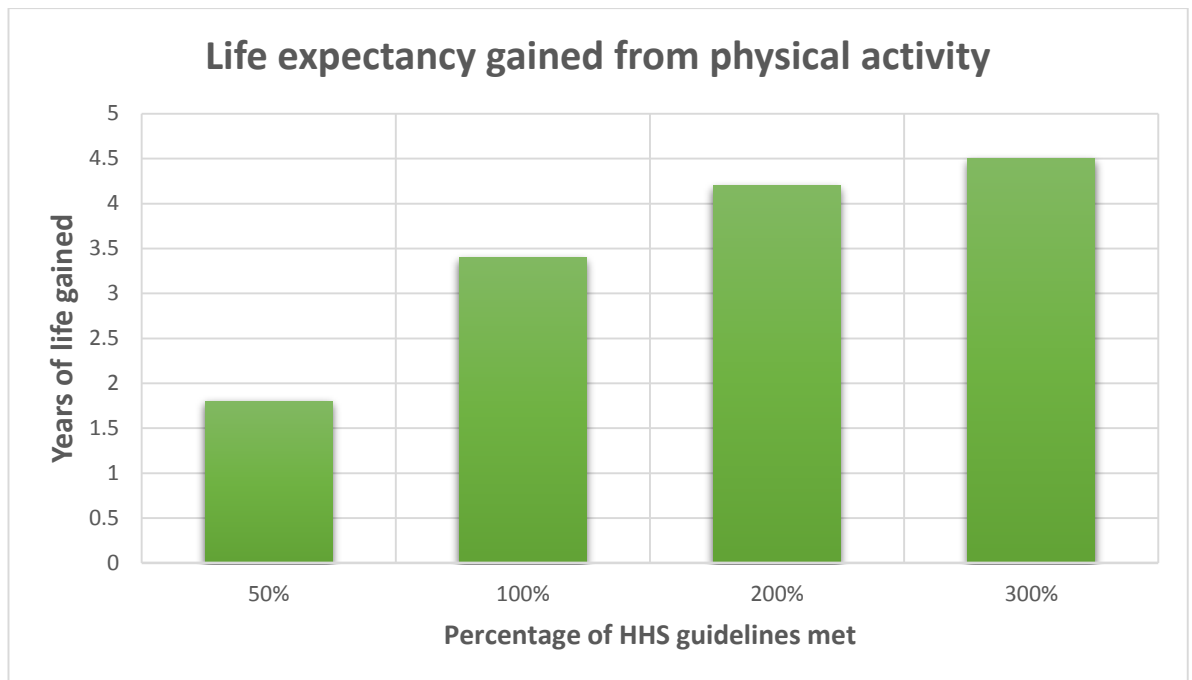


Figure 23. Life expectancy gained from meeting guidelines set by HHS for appropriate level of physical activity

Sports and physical activity are essential for individuals seeking better quality of life and health. The most common objective for casual sportsman is to lose weight but the benefits of physical activity are more far-reaching than is generally discussed. In addition to weight maintenance, high level of physical activity helps to prevent chronic diseases and cancer as well as with the functionality of disabled people, all of which in turn lead to increased life expectancy. To meet the guidelines that the U.S. Department of Health and Human Services has set for people aged between 18 and 64, one would have to perform regular aerobic physical activity for 2,5 hours at moderate intensity per week. As the figure (National Cancer Institute 2012) above shows, by meeting the standards individual could gain almost 3,5 additional years of life.

Already half of the recommended level of physical activity leads to almost 2 additional years of life gained whereas double the recommended level of physical activity provides 4,2 extra years of life. (National Cancer Institute 2012) However, the studies also show that more than 80% of the world's adolescent population is insufficiently physically active meaning that people in the future will struggle with physical health concerns more regularly. (World Health Organization 2016)

In the following subchapters, this paper will investigate the core components of physical wellbeing and the role of sports in preserving them.

4.4.2.1 Weight Maintenance

Carrying too much weight can feel obnoxious and inconvenient at times but the worst part is that it also damages health. While physical activity and healthy diet together form the key to maintain desired weight level, neither exercising nor dieting alone will result in weight loss. (Healthline 2016) This is something that has been widely misunderstood during the past 30 years when the obesity levels have skyrocketed. On one hand, some researchers have inferred that because the physical activity levels have not dramatically decreased, the problem is actually more about what people eat. (The Guardian 2015) On the other hand, other researchers seem to think that one does not have to care about what to eat if he has enough physical activity. (Science Nordic 2012) Both of these views might be true, as there are countless number of methods to lose weight, all of which seem to be based on dieting and exercising.

Anyway, the principle is that either you limit the number of calories you take in through a diet or you burn the extra calories with exercise. The truth is that most weight loss occurs because of decreased calorie intake but evidence also shows that only by being regularly physically active, can one maintain weight loss. (Centers for Disease Control and Prevention 2016)

As mentioned before, advancements in technology has decreased the level of physical activity globally, which in turn leads to obesity. Obesity is a growing social health problem that refers to a state of a human who has higher weight than what is considered healthy for a given height. It is a serious concern because it is linked with poor mental health outcomes, lowered quality of life, and the leading causes of death all around the world. (Centers for Disease Control and Prevention 2016) Particularly alarming is that more and more children and adolescents are suffering from obesity.

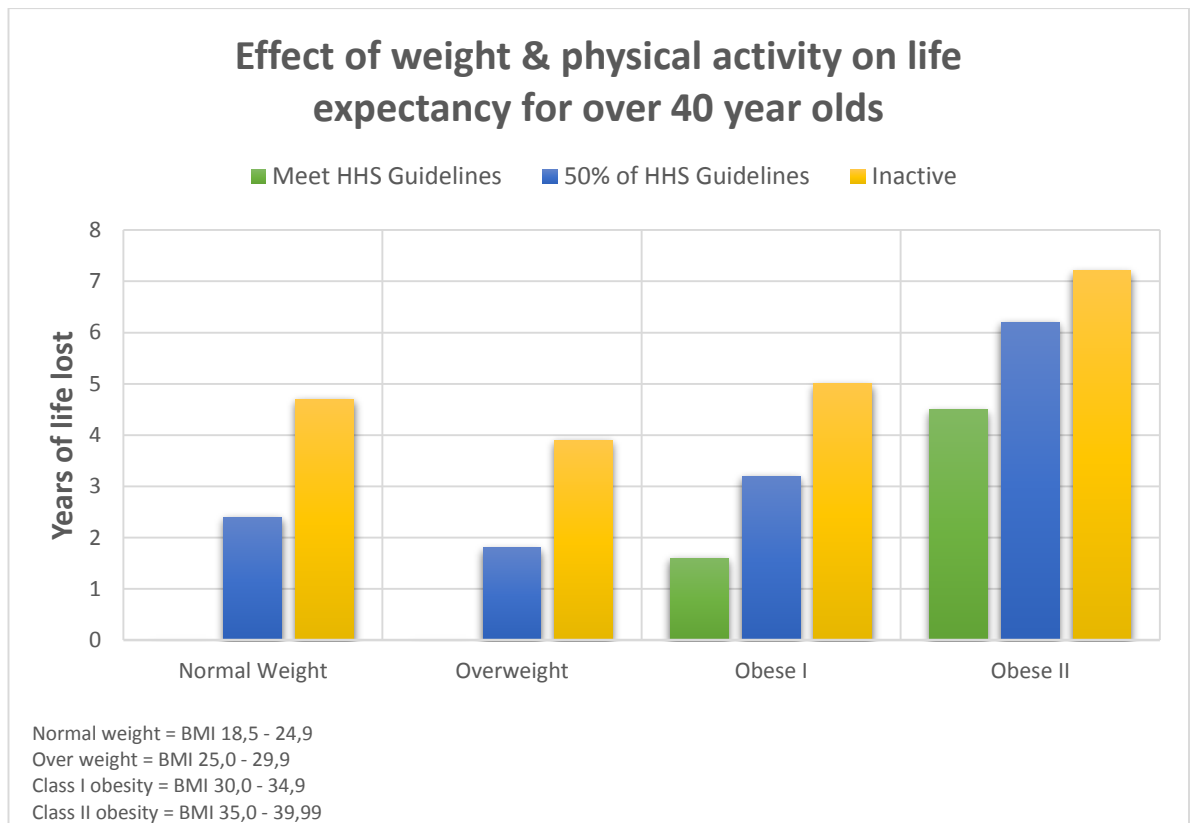


Figure 24. Effect of weight and physical activity on life expectancy for over 40 year olds

As was explained before, people can gain years of life by exercising for a couple of hours per week. However, the figure 24 here shows that, while exercising can mitigate some of the harm caused by obesity, inadequate amount of physical activity will cause people to lose years of life. Seriously overweight people with BMI between 35 and 40, will be in a severe risk of losing almost half a decade even if they would meet the recommended physical activity level. The results also show that there is bigger difference for people who have BMI between 18,5 to 35 to gain or lose years of life depending on their level of physical activity. People in the class I obesity can save 3,5 years of life by exercising sufficiently while normal weight people can live almost 5 years longer. Interestingly, the results reveal that it is better to be a little overweight than normal weight in terms of living longer as overweight people who are either completely inactive or only perform half of the recommended level of physical activity, do not lose as much years than their normal weight counterparts. (National Cancer Institute 2012)

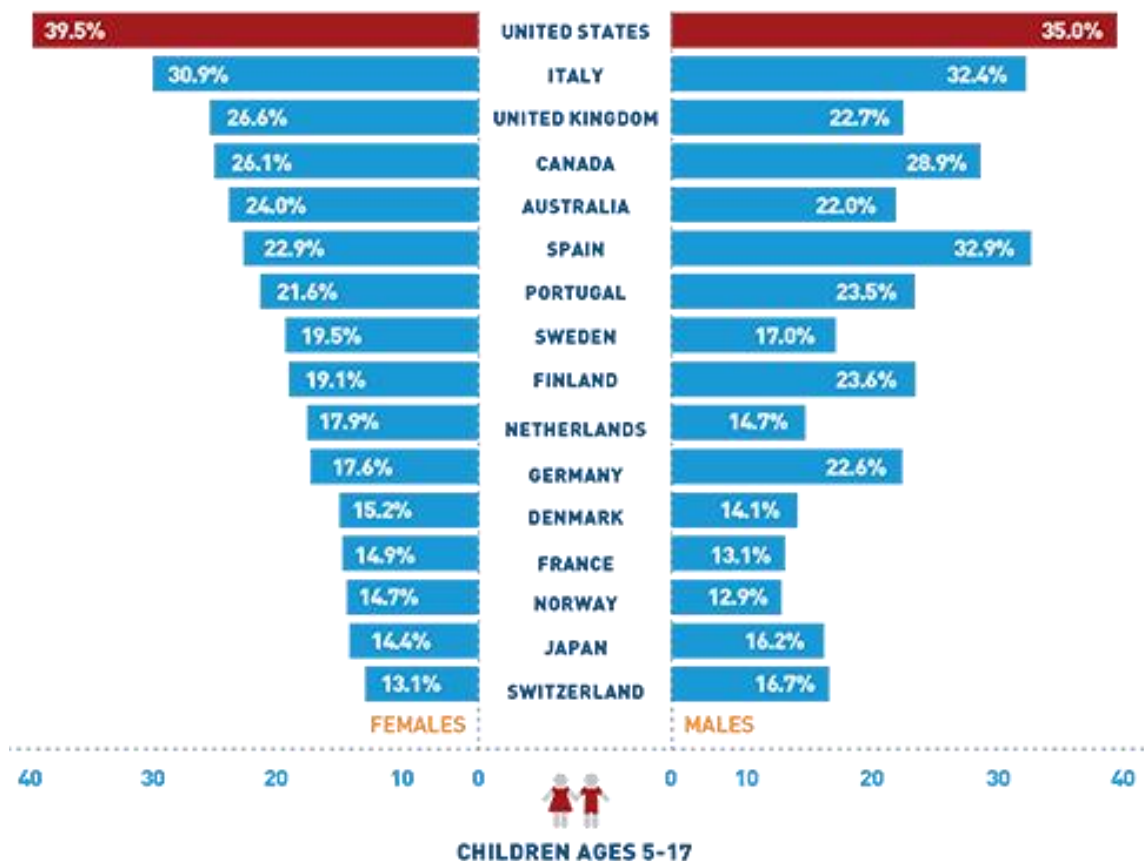


Figure 25. Prevalence of overweight children aged 5-17

As the figure 25 (Lee 2015) shows, the United States and United Kingdom are both in the top end of the obesity ratings on both adults and children. Among children aged 5 to 17, the United States has clearly the largest number of obese people in the whole world, regardless of the gender. What is similar between these countries that in both of them, there is a larger share of obese girls than boys. While the United States leads both categories with 39,5% of females being overweight and 35% of males being overweight, the United Kingdom is third in female obesity ranking with 26,6% but only seventh with 22,7% in the male equivalent.

4.4.2.2 Professional Athletes' Injuries and Post-Career Weight Gain

Stakes are always so high in professional sports that athletes are forced to put maximum effort and their body on the line even if they are not in a top condition. This leads to sports injuries which are defined as “injuries that occur in athletic activities or exercising. They can result from accidents, poor training technique in practice, inadequate equipment, and overuse of a particular body part.” Sports injuries are often divided into two categories: acute and chronic injuries. Acute injuries occur abruptly during playing or exercising whereas chronic injuries are caused by playing a sport or exercising for a long time.

Chronic injuries are the ones that can cause a lot of harm for an athlete's health during and after his career. Both types of injuries are treated the same way. Either through drugs, immobilization, surgery, rehabilitation or rest. However, sometimes chronic injuries cannot be treated or they will keep coming back after a while. (National Institute of Arthritis and Musculoskeletal and Skin Diseases 2014)

As humans as a race keep developing, so do sports. This means that in almost every sport there's more intensity and speed than before, making also injuries more severe even if safety equipment and medical know-how try to prevent them from happening.

Young athletes are often more prone to traumatic and overuse injuries because during periods of increased growth velocity they suffer a decrease in flexibility, coordination and balance which in turn, can hamper their sports performance leading to stress, anxiety and social pressure. (Merkel 2013)

Lately, the most worrying injury type has been the concussion. Most common scenario that can cause an athlete to sustain a concussion is a direct blow to the head which causes the head to accelerate sharply, causing the brain to hit the inner skull. When the head slows down, the brain strikes the opposite side of the inner skull. Only now are concussions getting the public concern they deserve as surgeons and scientists have found out that they can possibly lead to severe neurological damage. In sports, concussions are woefully common as 5-10% of athletes will suffer a concussion in any given sport season. Because the frontal lobes of the human brain continue to develop until age 25, concussions cause life-long physical and mental health concerns for athletes. (Sports Concussion Institute 2016)

Troubles with maintaining fitness and shape is not only limited to regular people but also for professional athletes after they decide to finish their careers. During his career an athlete gets accustomed to eating usually food rich in carbohydrates and when the amount of regular physical activity decreases, he starts gaining weight. What usually happens is that these retired athletes do not take action against fattening until it becomes a problem. This is a very common phenomenon among professional athletes in sports that require huge amounts of body and muscle mass, like American Football or Ice Hockey. For these big guys, it is all about breaking the habit to maintain a good level of fitness and avoid long-term health problems. Athletes in sports where watching one's weight is commonplace, tend to have it easier after their careers in terms of weight control. For these athletes it is tempting to relax a bit after decades of strict dieting and while it is probably somewhat healthy to do so, gaining a ton of weight will cause them the same health problems than it does for the people without athletic background.

4.4.2.3 Prevention of Physical Diseases

It is a scientific fact that physical activity leads to healthier life no matter the age, race or gender. Meanwhile, sedentary lifestyle and physical inactivity are one of the leading causes of death in developed countries, having major influence on the likelihood on one catching variety of cancers, diabetes and heart attacks. (Sustrans 2016)

Regular physical activity can reduce the risk of over 20 chronic conditions, having the biggest impact on the prevention of osteoarthritis (83% reduction), hip fracture (-68%), type 2 diabetes (-50%) and colon cancer (-50%). (NHS 2015)

Diseases caused by physical inactivity and obesity are already a huge economic burden, currently accounting to \$67.5 Billion globally of which more than 40% is attributed to the United States. (Adamczyk 2016) In the United Kingdom they found that taking part in regular sport can save between £1,750 and £6,900 in healthcare costs per person. (Sport England 2016)

4.4.2.4 Sports and Disabled People

According to multiple studies, the health benefits of regular physical activity are the same regardless of whether the person is with or without disabilities. However, there is a huge difference in the participation level of people with disabilities which has caused them to suffer from lower levels of fitness. Those who do participate however, gain huge physical advantages in the form of better blood circulation, stronger muscles and better coordination.

For disabled people it is increasingly important to stay active and participate in physical activity in order to avoid developing a secondary condition related to the primary disability. Participation in sports also boosts energy and grows strength. Sports has also been noticed to help psychiatric patients with depressive disorders by improving their levels of fitness and general mood. This in turn increases the ability to achieve a higher level of independence and quality of life while switching the focus from the disabilities to one's abilities. The rules of sports may need to be altered to fit disabled people but usually these adaptations are kept to a minimum. (Disability Sport & Recreation 2016)

4.4.3 Sports and Mental Wellbeing

Mental health commonly refers to the psychological state of an individual who is functioning at a good level of both emotional and behavioral endurance. Mental health is tightly connected to individual's happiness, physical condition and learning abilities. It is the main driver of how an individual sees life, handles stress and conducts around people. Mental wellbeing is important in every point of life, from youth through adulthood. (MedlinePlus 2016)

Level of physical activity can have huge impact on people on the verge of catching mental illness. Inactivity leads to increased likelihood of personality disorders whereas sufficient level of exercising can not only prevent them but increase the mental strength of people.

Due to the rise of commercialization, the mental strength and emotional wellbeing of an athlete has become important issue in the development of a young athlete. Increased attention and decreased level of freedom can cause stress, anxiety and lowered level of performances, no matter how experienced the athlete is.

4.4.3.1 Prevention of Mental Illness

Mental illness is a condition that can cause serious disorders which can affect your thinking, mood, and behavior. Mental illness can originate from one's genes, family history, life experiences or biological factors. Mental disorders are common but more often than not they can be treated. One of the most efficient ways to prevent and cure mental illnesses is to engage in sports and physical activities. (MedlinePlus 2016)

There is a countless number of different types of mental illnesses but the most common ones are stress, anxiety and depression. Mental imbalance can also stick out as obsessive compulsive disorder, drug addiction, and personality disorders. In 2014, almost one fifth of Americans and one fourth of EU citizens had experienced a mental health disorder. Common warning signs for people on the verge of becoming mentally ill include substance abuse, low energy, feel of helplessness, reluctance to live and going into seclusion. (MentalHealth.gov 2016) In the worst case, mental illnesses can lead to a suicidal behavior. Suicide is the second highest cause of death globally, only behind road traffic accidents. In the developed countries, among young adults between ages of 15 and 29, suicide rate is as high as 17,6%. (World Health Organization Europe 2016)

Studies show that sports are apt to protect against mental health problems because it often lowers stress and increases joy of life. Positive view of life is an important part of an individual's physical and mental wellbeing and it includes the presence of happiness, serenity and interest as well as social ties, and perception of the meaning of life. Additionally, sports teach people to lose and control emotions while increasing a person's self-esteem and resilience. On the other hand, inactivity causes negative impacts on the mental health including lowered focus, memory and multi-tasking ability.

Exercising is important for mental and brain health because it stimulates brain and nerve growth, increases blood flow to the cortex of the brain and helps in the educational development by improving children's concentration, attention and reasoning ability which is particularly important for children suffering from hyperactivity. (Disability Sport & Recreation 2016)

4.4.3.2 Professional Sports and External Pressure

Due to vast increase in sports promotion and economic stakes of success, athletes on amateur and pro level are faced with additional external pressure which can lead to mental problems. Commercialization of sports has transformed sports teams into a big-time businesses striving for win, no matter what it takes. The win at all costs-mentality leads to increased levels of use of doping, other substance abuse and violence, but because there is too much money at stake, eliminating them is unlikely.

Adult-led commercialization aggravates the competitive proclivities of young athletes to risk injuries by raising the economic benefit of winning. (Critelli 2011) All this makes many athletes to lose the pleasure from playing the game they once loved and it can easily become contrived.

Playing sports in a huge global show window where your every move is being tracked through media by hundreds of millions of people not only on the field but also in your leisure time, causes a huge risk for stress and other mental disorders. Everyone is exposed to the risk of stress, but athletes are more prone to suffer from it more than non-athletes, because of the amount they are required to balance, between school and work, practices and games, as well as family pressures and everyday life. (Fullerton 2010)

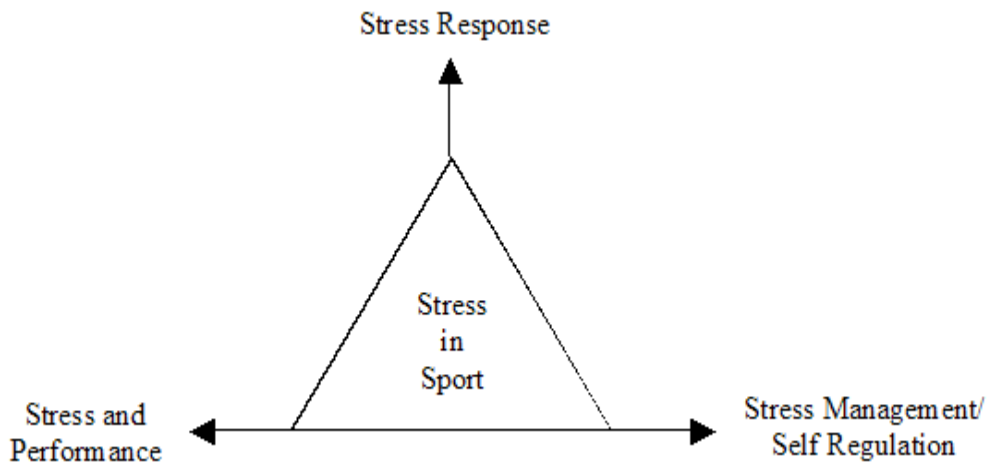


Figure 26. Stress Model

The stress model (Graham-Jones & Hardy 1990) illustrated above describes the relationship between stress factors in sport. Both stress itself and stress response can affect athlete's sports performance whereas stress management can have either positive or negative on it, depending on the success of the actions taken.

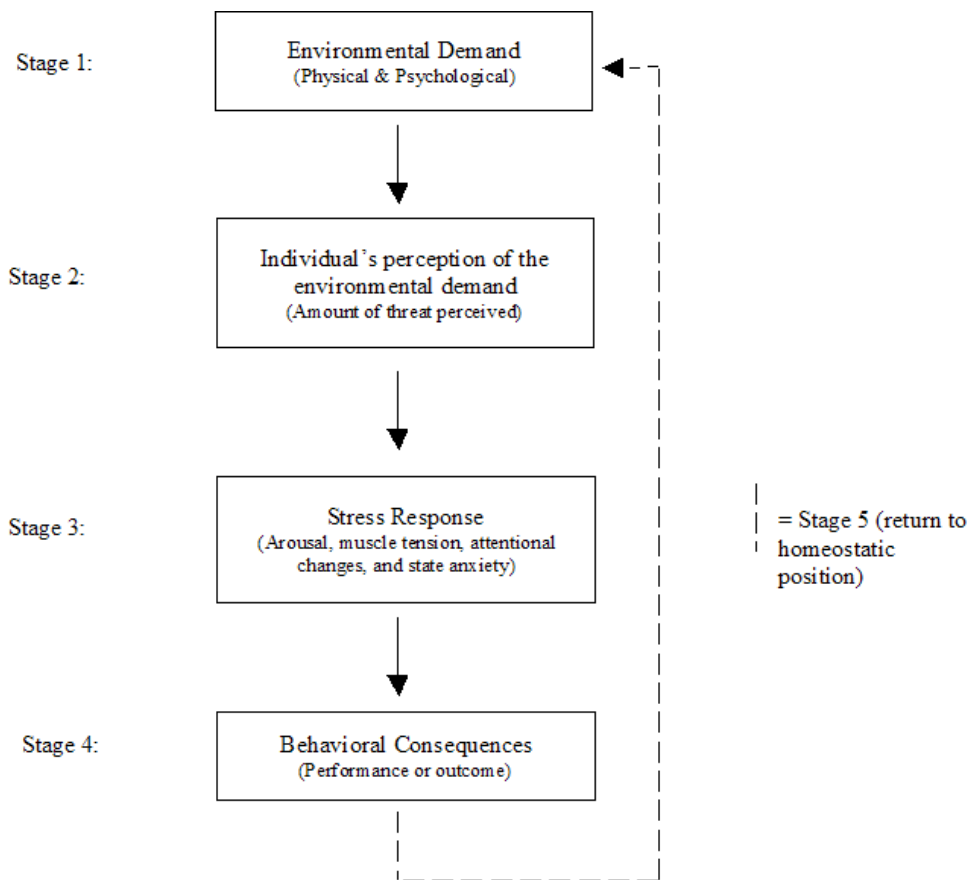


Figure 27. Stress response process

The stress response process (Reilly & Williams 2003) is composed of five stages. First stage refers to the external pressure that is directed to the athlete. Second stage refers to the amount of threat an athlete experiences from the external pressure. Third stage is where the athlete's reaction on the pressure sprouts in a form of e.g. stress or anxiety. Stage four is the behavioral consequences of the stress response to the external pressure whereas the final stage is the return into the initial condition.

There exist multiple different ways for an athlete to respond to stress. The problem is that many of the professional athletes don't know how to handle the situation and are forced to seek outside guidance in order to deal with it. That is why most times the coach is the first person that the athlete turns to when stressed. Then it is up to the coach's expertise to decide how will they try to manage the situation and what are the available resources and possible actions. The best ways for athletes to handle the situation is to participate in pleasant activities, staying positive, train relaxation techniques or get help from a professional. This is one of the reasons why nowadays all big sports clubs have their own sport psychiatrists and mental coaches.

By taking the stress seriously and by being proactive, can the athletes and coaches solve the situation quicker so that the athlete can perform in the best possible level again. However, in case the stress management techniques end up failing, it can result in overstress or anxiety which in turn can lead to overload, burnout and dropout.

4.4.4 Sports and Social Wellbeing

As was mentioned in the paper before, there is a strong connection between physical and mental health. Social and mental health share this same relationship. A strong social network protects a person from mental instability and physic happiness boosts the ability to be comfortable in social situations. (University of Wollongong 2016) Social wellbeing in daily life is shaped by social determinants that refers to a wide set of conditions and systems in place where people are born, grow, live and age. (World Health Organization 2016)

Social wellbeing refers to a state of mind where one senses social inclusion and support. Social connections that include strong communication skills, empathy and a sense of responsibility strengthens social health while negative personality traits such as being introverted, revengeful or selfish will cause unwanted effect on one's social health. (Study.com 2016)

This chapter goes through the relationship between social health and sports by investigating the impacts of engaging in physical activity and organized sports in social integration, education and community safety.

4.4.4.1 Social Integration

The literature on sports stresses the positive effects of participation in the context of social inclusion and integration. Sport activities provide opportunities for marginalized and underprivileged people, such as migrants, refugees or people with disabilities, to interact with other social groups. (European Commission 2014) However, it has been established that “Sporting activities are not a homogenous, standardized product or experience. Different individuals’ experiences of the same activity will be subject to wide variations, as will the effects.” (Bailey 2005)

One thing is clear; as the globalization continues to transform the ethnic background of general people, the role of sport in preservation of peace becomes more crucial. (International Centre for Sport Security 2016) There are not many things that possess as powerful impact on breaking down social barriers and promoting inter-cultural dialogue than sport does. Sport creates physical activity environments where diversity and individual development are encouraged, making them effective platforms for a successful inclusion, for practicing social skills and exploring attitudes. (Bota & Teodorescu & Şerbănoiu 2014)

Sport has a power to unite people regardless of one’s ethnicity, gender and age. One does not even have to perform the physical activity himself as only supporting the same sports club, being a fan, brings people with similar interests together and boosts the social wellbeing of those involved. Fandom gives you a built-in community where you have a common language, where you can safely express emotions and where you can experience success, all of which will give people multiple mental and social health benefits. (Almendrala 2015)

4.4.4.2 Education and Self-Development

According to researchers, physical activity and sports can benefit both health and academic performance of children. (Active Living Research 2015) As was introduced earlier in this paper, physical inactivity has been a growing trend especially among children and adolescents. The results show that the generalizing sedentary lifestyle

causes obesity which can have serious ramifications for youth's cognitive development and school attendance, therefore contributing negatively to a person's chances of reaching his educational potential.

Low educational performance can in turn, have negative repercussions on every other dimension of social health. Criminality is often associated with poor educational performance while it can also contribute to social exclusion by jeopardizing employment opportunities or denying access to information due to illiteracy or missing language skills. (Centre for Leisure & Sport Research 2002, 34-35)

The results concerning the academic development gained from sports and physical activity are undeniable. Regular physical activity offers both short- and long-term benefits on academic performance. Almost immediately after engaging in physical activity, can a child experience improved attention and concentration whereas by participating in physical education and leisure time sports for a longer period of time, the child is likely to gain from enhanced cognitive function improving his memory, reasoning ability, behavior and academic achievement. (Active Living Research 2015)

The stats show that by engaging in sports, an average child can improve his numeracy score by 8% over non-participants. Sports can offer even more gains for children struggling in school, as underachieving youngsters gained 29% increase in numeracy skills and 12-16% increase in other transferable skills by taking part in sports. Additionally, taking part in sports increased attendance rate and progression to higher education while lowering the chances for a drop-out. (Active Living Research 2015) This proves that the future generations should be encouraged to participate in physical education and organized sports by lowering the barriers for developmental physical activity.

Participating in organized team sports will help young people to get used to teamwork which will in turn enhance their communication and leadership skills. Together with learning to respect authorities, these traits will serve as important components in his future educational and work performance.

4.4.4.3 Community Safety and Youth at Risk

The relationship between sports and crime reduction to social wellbeing is a bit more blurred. Although sports programs aimed for youth at risk are fairly common, the results from them are usually either not published or they are unclear. This is mostly because the

programs do not want to compromise the trust they have managed to build between the troubled youngsters and themselves.

Anyway, there are often two popular arguments that are used about the positive repercussions of youth at risk participating in sports. First one is that they are 'kept off the streets' to channel their energy in a more constructive way than criminal activities. The second argument is that sport leads to positive psychological consequences which then reduce the person's tendency to commit a crime. (Centre for Leisure & Sport Research 2002, 44-47)

The positive results of the first argument are more straightforward. Statistics in the United Kingdom report that the country can gain massive economic benefits as the return on investment ratio in sports programs for at-risk youth is estimated at 735% meaning that the country reaps off £7,35 of social benefit for every pound they spend by savings to police and the criminal justice system. The results in the United States point to the same direction. Additionally, huge sports events like Super Bowl drastically cut the number of crimes committed in the whole nation during the event while local teams have the same impact on the local crime rate. (News Berkeley 2014)

The second argument has its advocates and adversaries. Many studies have found that sport programs can enhance self-esteem, organizational and social skills while providing positive role models through coaches and protection factors through which the youth at risk can better resist the pressure to take part in criminal behavior. (Sport England) However, some researchers have not found any link between lowered criminal behavior and sports. On the contrary, quite a few researches showed youth involved in sport were more likely to engage in criminal activities. In addition, some scholars state that actually the evidence implies that the increased self-esteem and self-confidence only increases the probability of the youth being delinquent. (Centre for Leisure & Sport Research 2002, 44)

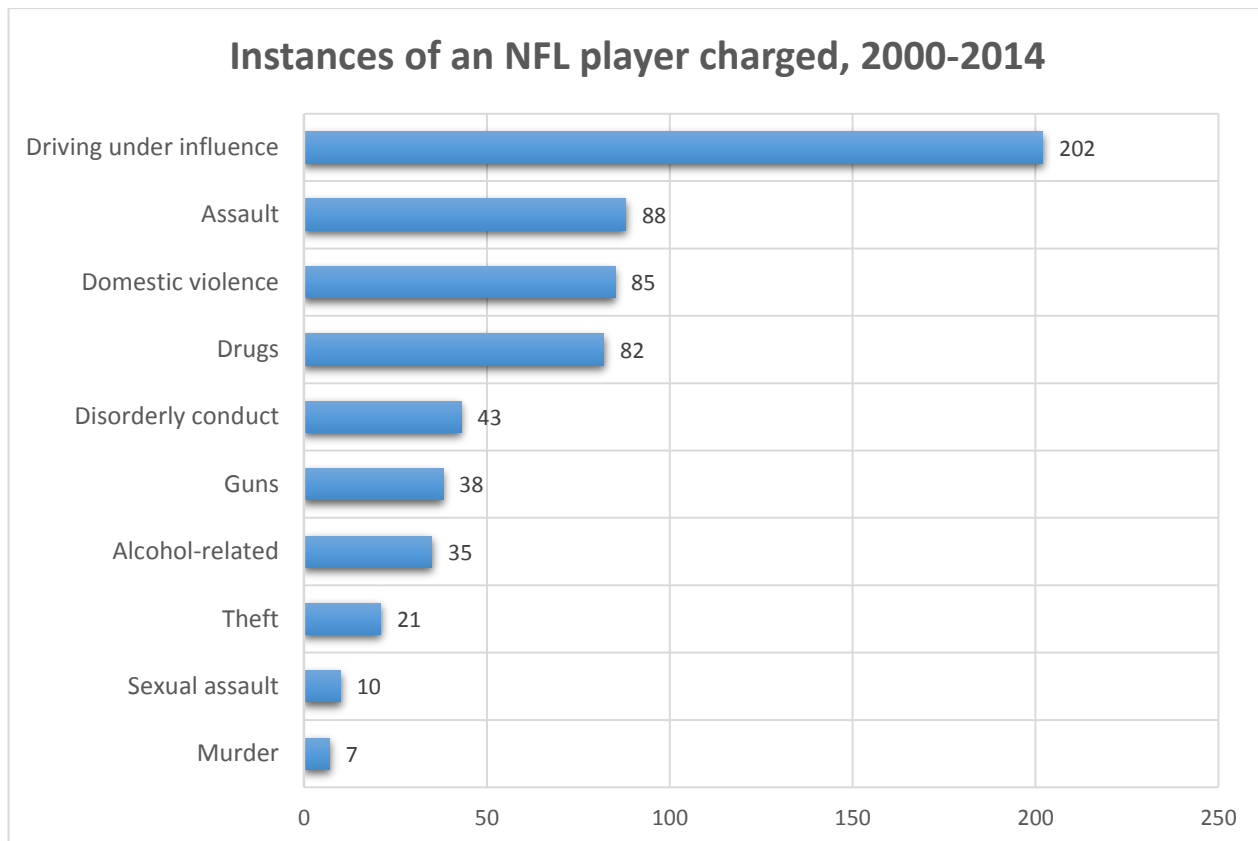


Figure 28. Instances of an NFL player charged between 2000-2014

While coaches often provide an irreproachable role model for the problematic youth, many professional athletes are causing a totally reverse effect. The paper uses the crime occurrence in the American football league, NFL, as an example in the figure 28 to highlight how common it is for professional players to forget that they are global idols and end up in trouble. During the 15 years between 2000 and 2014, the players of the most popular sport of the United States committed well over 600 crimes equaling to more than 40 crimes per year. Most common misdemeanor was driving under influence with over 200 breaches. Other common problems that NFL players caused were mainly related to violence, guns and illegal substances. (Irwin 2014)

It is not realistic to say that organized sport alone can decrease the amount of youth crime but they definitely have an impact by giving the youngsters a positive identity and by helping them to acquire the tools for better leadership, teamwork and self-management under the supervision of capable adults. (Carmichael 2008) With the right policy settings and combination with other programs seeking to address wider social development, sport can be really effective in bringing safety into the communities.

5 Discussion

This chapter analyses the impact of the sporting industry in reference to the four factors used, in the United States and United Kingdom.

5.1 Key Findings

The Paper confirms a relatively large and progressive influence, both negatively and positively, by the sporting industry, on a nation's performance. Through separate facets that measure this performance, it can be established that there are stark similarities but very few conflicting differences between the United States and the United Kingdom, and how the sporting industry influences them respectively. The theory that these main roles of sport actually play an individual role in national performance is proven as key findings back this framework up. The two largest numerical factors, that influence these nations are economically measurable factors and the developing phenomenon of commercialization of the sporting industry. These play a larger role in the direct influence of national performance, rather than political roles and health aspects. The later are predominantly, an indirect consequence of actions by the sporting industry and its stakeholders.

The first investigative question pertained to seek how these economic factors are influenced by the sporting industry. When obtaining a general overview in which to base findings on, a relative visual of growth in the nation compared to growth by the sporting industry, was used. It was shown that sport and sporting revenue is, and will continue to grow at a larger rate than each nation's GDP. This leads the paper to focus on implications of the largest sporting leagues, impact on employment and impact on tourism, from a purely economic standpoint.

The big leagues chapter places emphasis on how the largest 5 sporting leagues on earth influence their respective economy through tax revenue and job creation. It can be concluded that in both economies, the big leagues initiate and provide heavy support for economic stimulation. The big leagues provide some sort of indirect employment to around 25% in the U.K. and 15% in the U.S. It can be established that without these professional sports, unemployment rates would rise substantially, affecting government revenue streams through the requirement of further borrowing, fiscally, in order to compensate for the lack of taxpayer revenue.

Sports employment and sports tourism are both examples of how similar the sporting industry has grown in each nation. People employed in sport have had to compensate for the difference in real growth and employment growth, in both countries, although this is a separate political and social issue. Employment statistics prove they have incorporated positively in each nation as these findings are extremely similar. These figures reignite the fact that the commercial aspect of sport is continuously expanding its strong hold on the industry. Theoretically, the segment of Sports Promotion includes facets such as sponsorship, sponsor events, broadcasting rights and social media aspects, and it can be established that employment demand is high for behind the scenes operations and expanding the industry through technology.

The similarity aspect cannot be exemplified so crucially in terms of tourism. Findings state the United States truly thrives off international sports tourism, although figures for the United Kingdom are still confidently high. The catalyst of this in the U.S is the big four leagues and the international exposure of these leagues is paramount in ensuring this remains a stoic example.

When assembling these findings into a single economic package, it can be noticed that they are intertwined and linked coherently. Growth of the industry affects all possible aspects of economic measurements quite symmetrically. Employment, taxation and tourism findings all grow at a similar linear rate in both the United States and the United Kingdom. When there are no major discrepancies in these findings, it can be concluded that this healthy impact on an economy, at the hand of the sporting industry, is both welcoming and desired.

Although sports provide a stable benefit in terms of economic success, the same cannot be completely said for the commercial implications. The Commercialization chapter places emphasis on the purity of professional sports as well as the impact on professional sports. It is established that the arrival of broadcasting and sponsorships in the industry are the underlying reasons in **why** there has been such a grasping influence on the sports industry. It can also be somewhat concluded that the direct and overall impact of commercialization is mainly negative as it corrupts the purity of sports.

The negativity of the commercial findings intrudes directly into the purity of sports. The negative impact on the purity of professional sports can be identified due to a number of reasons. These being, that these consequences have not increased purity in the industry, but merely decreased it through the intervention of corporate agendas. These corporate

driving forces require sporting stars and high profile figures to perform as employees and advocates for the companies they represent. An example of this is Basketball megastar, LeBron James. Around one third of LeBron's total earnings derive from salary while the rest is sponsorship and endorsement bonuses. Limiting their performance and molding their persona to further increase a commercial image, places limitations on these athletes in terms of on field performances.

These corporate reasons were the catalyst in player value inflation, vast salary increases in both the United States and United Kingdom and the driving force of merchandising sales. These reasons also depicted visual aspects that further emphasized reasoning for commercial growth in sports.

Theoretically, the whole of the commercialization spectacle epitomizes the Sports Promotion market segment. As this segment is the fastest growing of all three market segment dimensions, it reflects all other findings and consistencies of the paper. When referring to the initial investigative question of commercialization it can be seen that these examples and arguments bring light into **how** the commercial environment, impacts sport.

In terms of political ramifications, it can be concluded that, athletes and high profile people do in fact have significant power in terms of political agendas. This was exemplified through two differentiating case studies, of which were situated in the U.S. and the U.K respectively. It was found that due to the high security and prevention policies in place, the United Kingdom and its public are far less likely to be influenced politically by sports stars, although history states that there is influence through personal social media avenues. This was evident in the Moeen Ali and English Premier League case. The United States, however have limited policies in place that prevent stars from voicing their opinion. Again, exemplified by the LeBron James case.

Politics and sports, historically do not go hand in hand and tension usually follows when they are caught up in each other, although many politicians alike, are historic sports figures. Mentioned, were the professional boxers, from the Ukraine and Philippines who are now involved in politics. The fundamental fact being these nations are not completely developed economically, socially and financially. Further proving the fact that politics can well and truly be influenced by sport, all over the globe.

The final research factor of health incorporates the heaviest impact on the general population, directly. The three health dimensions in which had emphasis placed upon

them were the physical impacts, mental impacts and social impacts on a person. It can be concretely concluded that even though these nations have the biggest sporting economies on earth, the physical and mental health are of an extremely poor standard, respective to the rest of the world. A fascinating statement considering the extremity of growth the industry has seen in recent decades.

Although average weight levels are not ideal in these nations, organized and amateur sporting organizations provide positive benefits to all involved. These events create social unity, physical exercise and mental stimulation that reverberate into personal lives, communities and work places. It can be established that of the three health dimensions, organized low level sport has its greatest influence on the social health of people. These events create extreme personal growth in social skills and self-esteem. The findings prove this statement as well as further proving the main roles of sport diagram to be accurate. The social and health aspects of the theory, are key factors in the success of the industry. The positivity and purity of the amateur sporting industry is incomparable to any other industry in the sense that they cannot provide the benefits to communities in the way the sporting industry has done, in recent decades.

It can also be noticed that over an extremely extended period, professional athletes may be worse off than the average person in terms of health. Post career implications are often suffered by these professionals. Weight gain, withdrawal symptoms and the burden of media attention all create hazardous scenarios in terms of mental, physical and social health. People of an average social class who are not exposed to such careers, are not susceptible to these symptoms or effects and therefore have a continuous healthy lifestyle, if they choose to do so.

In reference to the market segment theory, findings show that the sports performance segment portrays and implements a higher health impact than both sports production and sports promotion, combined. This then reverberates into other market segments, through work and social life. But the basis and origin of this physical, mental and social health stems directly from the sports performance market segment.

The sporting industry has displayed ever increasing impacts on the performance of the United States and United Kingdom, through differentiating facets. Whether these impacts are positive or negative, is determined through both numerical and intangible aspects. The initial research question of this project aimed at conclusively determining how the sporting industry impacted the direct performance of a country.

The four factors researched were derived due to the theory of 'the main roles of sport' as well as the 'sports market segment model'. Economic factors, effects of commercialization, political impacts, and health impacts were chosen due to their relation with this theory. The findings proved that these four factors are all comprehensibly linked with one another, in both the United States and United Kingdom. Although these factors are intertwined, commercialization had bizarre results, in the sense that while the others were positive, it was relatively negative. The predominant reason for economic growth, political advancement and health progression due to sport is purely based on the very occurrence of commercialization itself, yet its direct effects on the sporting industry are quantifiably mild at best. This fact should be the catalyst for future research and practical implementation to ensure the sporting industry does not limp into irreversible impurity, greed and ultimately, failure. This is incredibly important in both the United States and the United Kingdom, as the scale and sheer size, compared to other nations, is mammoth.

When the question of how the sporting industry impacts the performance of a nation is asked, it can be concluded that through the development and intrusive nature of commercialization, causes the forcing of other facets of life towards positive outcomes and change. It must be closely monitored however, whether these characteristics continue, or if feasible alterations to the makeup of corporate policy and operation must be changed, for the better of both the United Kingdom and the United States, as well as the sporting industry worldwide.

The research question is best encapsulated by a quote mentioned earlier in the paper. "Commercialization brings mainly economic success but leads to severe threats to the core values and credibility of sport as a driver of social, cultural and educational progress" (kirkegaard). The very means in which it is helping today, may be destroyed tomorrow. The impact on the main roles of sport are crucial in terms of culture and educational progress and with this spectacle, comes great risk to both theoretical foundations as well live events. This quote, is how the sporting industry is affecting the performance of both the United States and the United Kingdom.

5.2 Future Research

It is fair to say that economic factors do not suffer negatively, whatsoever, from the sporting industry, at the time being. The pure positivity or possible negativity of future findings may be the catalyst for further research in regards to its impact on both the United

Kingdom and the United States or from a global standpoint also. Economic events such as the global financial crisis in the mid-2000's created an opposite effect on the growth of the sporting industry. Future economic dilemmas are inevitable due to the unstable economic environment, which may require the research on how these scenarios effect the sporting industry in the future.

Commercial research may be conducted on grounds relative to differentiating theoretical framework and approaches. A thorough paper on one of the sub chapters mentioned may be analyzed specifically and progressive results should occur.

Politically, future events may occur that have catastrophic impacts on both a nation and the industry itself. This may stem from a political perspective such as the U.S. election, or from a sporting perspective such as the LeBron James case. Certain events are encouraged to be microscopically analyzed that have proven to provide major influence in the sporting code. Recommendations are for political and philosophic scholars to further expand on this approach, to gain a completely professional outcome, in regards to the complex relationship between politics and sports.

Further research may be conducted out of the market segment model or the main roles of sport model at different standpoints. These standpoints may focus predominantly on a specific issue or event.

It must be noticed that the ideal and desired conclusion of this paper, was to attain knowledge on just how substantial the sporting industry is, in terms of the performance of the United Kingdom and United States. It is hoped that this paper is the catalyst for further research in this industry, to further stimulate its growth and stability, through theoretical methodology, which should allow practical implementation. The international pedigree that the paper incurred, is also trusted to lure further scholars to complete research on sports, and its effect on world issues.

5.3 Thesis Process and Own Learning

The reasons for sports industry research are to aid the industry in its continued growth and realize what factors are causing positivity and what factors may be a burden to national performance. To successfully acquire this knowledge, a process in which information could be collected and analyzed fluently, is required. This process was

successful in providing proficient data, analyzing this data and finally, presenting this data. A visual of the thesis process is available in chapter 3.2 of this paper. Difficulties occurred in regards to the fact that two authors worked on this paper. Ensuring continuity in data collection and presentation was a large issue that was overcome through communication and professionalism.

It is due to the previous reasons that personal knowledge and experience was acquired also, for both authors. Communication skills, knowledge of the topic, and scholarly skills were all developed thoroughly and can be used in future research tasks, whether related to the sporting industry, the United Kingdom or the United States.

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Appendices

Appendix 1. Overlay Matrix

Investigative Questions (IQs)	Theoretical Framework	Results
How are economic factors affected by the sporting industry?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.1
How and why has the sporting industry impacted commercialization?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.2
Does the Sporting industry have effects on political issues?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.3
How does the Sports Sector affect the health and social aspect of people?	- Main Roles of Sport - Sports Market Segment Model	Chapter 4.4