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COMMITTEE ON CULTURE, SCIENCE, EDUCATION AND MEDIA

Sports policies in times of crisis

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Introductory memorandum

1. Scope

1. The extraordinary events of 2020 and the still uncertain path of the Covid-19 pandemic have caused the most significant disruption to the worldwide sporting calendar since World War II. For over a year now, the entire sports ecosystem has been turned upside down, with severe consequences on the sport movement, from grassroots to professional level, and the sustainability of the European model of sport and the integrity of sport.

2. The suspension of competitions and cancellation of sporting activities along with mobility restrictions and lockdowns have caused enormous loss of revenue, cash flow difficulties, unemployment and lack of financial support to athletes and coaches from private sponsors, government grants, scholarships and traineeships, posing new and increasing moral and physical threats to athletes along with serious vulnerabilities to sports integrity.

3. Amongst the hardest hit is grassroots sport, which has been brought almost completely to a standstill. European sport largely relies on a fabric of small non-profit clubs and associations which play a key role in allowing so many citizens to take part in affordable sport activities and to enjoy sport and physical activity on a daily basis, while nurturing local participation and community belonging and playing an indisputable social, educational and cultural role. These small clubs and associations are the backbone of European sport. However, being non-profit by nature and thus without any reserves, they are at the greatest risk of shutting down due to the crisis, which could have a number of long-lasting impacts on the economy and society.

4. The new waves of the pandemic and the slow rates of vaccination are alarming and give grounds to serious concerns about the wellbeing of people affected by the sanitary crisis. Sport could help soften the negative effects on the crisis through mechanisms that can contribute to people's health, socialisation, education and a general sense of mental and physical wellbeing. It is therefore of utmost importance that sports gets the necessary attention from governments when considering anti-covid measures.

5. The sport industry has economic and social strengths that could help tackle the economic crisis caused by the pandemic. In the EU alone, the sports sector accounts for 2.12% of the GDP and 2.72% of total employment, representing around 5.67 million jobs.² Sport also uses more intermediate goods than an average sector, and thus generates important revenues in other industries. Therefore, there is a special interest in protecting jobs in sport as an industry with a strong impact in terms of employment and its share of GDP. A recent EU study estimated a 15% loss (€47 million) of direct sports related to GDP and a 16% loss of sports related jobs (845,000) in 2020.³

¹ Document declassifié par le Comité le 26 mars 2021.

² Position paper on the impact of the COVID-19 crisis on the sport sector, April 2020.

https://www.euoffice.eurolympic.org/files/position_paper_COVID-19%20final_revision.pdf.

³ Mapping Study on measuring the economic impact of COVID-19 on the sport sector in the EU,

https://ec.europa.eu/sport/news/mapping-study-measuring-economic-impact-covid-19-sport-sector-eu_en, published on

6. Having to cope with the multitude of pandemic-related emergencies in the health, educational, financial, economic sectors, very few governments have taken relevant, comprehensive and robust measures in urgent support of sports, which puts at risk the survival of the already weakened activity of many clubs, and which might lead to the collapse of the sports associative fabric of our countries, with all the serious consequences that this will imply.

7. Parliaments can play a significant role in overseeing and putting pressure on the governments for introducing robust cross-sectoral sports policies in time. These policies need to be co-ordinated at pan-European and global levels. It is for this reason that I decided to bring up this issue urgently in the Parliamentary Assembly,⁴ and I have recently participated in launching a similar motion in my own parliament,⁵ following two other motions for a resolution that had already been approved on the setting up of a Fund to Support Sport⁶ and on the resumption of sports activity and gradual normalisation of competitions in the context of a pandemic.⁷

8. With the pandemic set to linger on for some time to come, the entire sports ecosystem (including governing bodies, competition organisers, clubs, owners/investors, athletes, broadcasters, sponsors, suppliers and fans) will need to find new ways to deal with mitigating the damaging impacts of the crisis, preserve the sustainability of the European sport movement and make sure sport continues to deliver its benefits to individuals and to society.

9. I intend to build up my future report on the three dimensions of crisis management: **response**, **recovery** and **overcoming** the crisis. The report will look at the impact, the measures already taken and the future challenges for both professional and grassroots sport, the sport industry and sport as physical activity and wellness. The chapters below outline the principal focus areas.

2. Responses to the Covid-19 pandemic

10. From the outbreak of the sanitary crisis in March 2020, European public authorities, sport governing bodies, supporters' organisations and other sport stakeholders have tried to control damage while complying with the serious sanitary restrictions. At the outset, most European countries reacted with the same restriction on public gatherings, social distancing, border closures or restrictions, cancellation of flights, isolations, quarantine and curfews. In the first wave of lockdown, the majority of states cancelled or postponed all indoor and outdoor competitions, training camps and closed gyms and training centres. By the summer of 2020, several of the competition and training restrictions were alleviated.

11. The responses to the second wave of pandemic in autumn 2020 have been more diverse, relating to country-specific evolutions. However, all states are in the same situation of uncertainty, which is becoming the new "norm". They all have to face the same challenges of having to simultaneously minimise operational disruption, maintain athlete's performance levels, manage public (spectator) expectations, support physical activity during the pandemic and beyond, and plan for the reopening of sports events and for a future that, both in the short and long term, may look very different from the past.

12. In the preparatory work for my report, I intend to follow up on the various measures and coping mechanisms taken by national policymakers and their efficiency, possibly through a questionnaire, in view of mapping best practices.

13. The long-term impact of Covid-19 on **European professional sport** is still largely unknown; however, few sectors have experienced such wide and immediate negative impact in their value chain as the sport sector has. The consequences are numerous:

- **Lost revenue:** organisations unable to provide services to citizens, such as training and competitions, raising money through tournaments, organising events, seminars, training camps, races, etc. They have

27 November 2020.

⁴ See PACE Doc 15189 of 26 November 2020, <https://pace.coe.int/en/files/28887>.

⁵ *Pela inclusão do desporto no acesso aos fundos do Plano de Recuperação e Resiliência e do Quadro Financeiro Plurianual 2021-2027*, <https://www.parlamento.pt/ActividadeParlamentar/Paginas/DetailIniciativa.aspx?BID=110381>.

⁶ *Recomenda ao Governo a criação de um fundo de apoio ao desporto*, <https://dre.pt/home/-/dre/155939061/details/maximized>

⁷ *Recomenda ao Governo medidas com vista à retoma da prática desportiva e normalização gradual das competições em contexto de pandemia*, <https://dre.pt/home/-/dre/156547106/details/maximized>.

also lost a significant part of the regular income that comes from different types of fees, e.g. membership, licensing, participation or subscriptions.

- **Athletes** have not only lost a year and thus certain financial benefits, but also their coaches and their ability to train and compete, with implications for their income. For some, this represents the loss of an opportunity to gain in status and secure funding from private (sponsors) and public sources as well (on local, regional and national levels). *Athletes* have also lost their important sources of financial support (e.g. scholarships, traineeships) because of the decrease in revenue.
- **Cash flow difficulties:** organisations have fixed costs that they have to pay regardless of the loss of revenues.
- **Unemployment:** layoffs of employees, athletes, coaches and other workers, especially those whose salaries depend on the above-mentioned income sources; none of the jobs in the sport sector are safe today.
- **Freelancers - self-employed persons** often operating in the gig economy, who are no longer able to provide services (e.g. trainers) have fallen under the radar when it comes to different types of public support for the preservation of jobs in enterprises.
- Organisations **have lost a significant part of their unpaid workforce**, i.e. volunteers who are restricted to their homes or have limited mobility.
- **Industries that are directly and indirectly related** to sport are seeing that a lot of the current business models are failing and feel the need to change their business strategies over both the short and long term. This affects a large number of jobs and entrepreneurs.⁸

14. Furthermore, related retail and sporting service industries, e.g. travel, tourism, infrastructure, transportation, catering and media broadcasting, have been badly hit, with travelling restrictions making it difficult for athletes to compete and spectators to participate in the few sporting events that do take place.

15. The impact of Covid-19 is not less significant on the **physical activity and well-being** of European citizens, and in particular on most deprived or vulnerable groups, bringing to light the **pre-existing socio-economic inequalities**. The disease is indeed a 'great leveller', or a magnifying glass, exposing and exacerbating deep-rooted poverty and inequality.⁹

16. Because of the closure of gyms, stadiums, fitness clubs, pools, dance studios, physiotherapy centres, spas, parks and playgrounds, most individuals are not able to actively participate in their regular sporting activities outside their homes. Under such conditions, many tend to be less physically active, have longer screen time, irregular sleep patterns as well as worse diets and sedentary routines, resulting in weight gain and loss of physical fitness. Low-income families are especially vulnerable to negative effects of stay at home rules as they tend to have sub-standard accommodations and more confined spaces, making it difficult to engage in physical exercise. This lack of access to regular sporting or exercise routines may result in challenges to the immune system, physical health, including by leading to the commencement of or exacerbating existing diseases and multimorbidity that have their roots in a sedentary lifestyle. Lack of access to exercise and physical activity can also have mental health impacts, which can compound stress or anxiety that many will experience in the face of isolation from normal social life.¹⁰

17. The global community has adapted rapidly by creating **online content** tailored to different people; from free tutorials on social media, to virtual classes in which the whole family can participate. Such online offerings serve to increase access to instructors or classes that would otherwise be inaccessible. On the other hand, this has further aggravated the already significant inequality and digital divide and the risks of unmonitored and technically unsupervised physical activity. It is of the utmost importance that the different online physical activity modules that are currently being deployed comply with gender equality, non-discrimination, safety and quality standards, and be available to all.

18. The closure of schools and education institutions has also impacted the **sports education sector**, sport education being a powerful means to foster physical fitness, mental well-being, as well as social attitudes and behaviour while populations are locked down. While we may hope for policy-makers to prioritise sport and physical activity, given its undisputed positive social and physical outcomes, if governments are left alone, the

⁸ The list has been compiled by 44 sports stakeholders, including European sports federations as well as 18 European National Olympic Committees, together with leading think tanks who signed a multi-stakeholder *Position Paper on the Impact of the Covid-19 Crisis on the Sport Sector* in April 2020, raising awareness on the main issues and impacts that organisations and individuals are facing: https://www.euoffice.euolympic.org/files/position_paper_COVID-19%20final_revision.pdf.

⁹ Jonathen Grix, Paul Michael Brannagan, Holy Grimes & Ross Neville (2021) The impact of Covid-19 on sport, *International Journal of Sport Policy and Politics*, 13:1, 1-12, <https://doi.org/10.1080/19406940.2020.1851285>.

¹⁰ [The impact of COVID-19 on sport, physical activity and well-being and its effects on social development | DISD \(un.org\)](https://www.un.org/development/desa/policy/2020/04/20200401_The%20impact%20of%20COVID-19%20on%20sport%20physical%20activity%20and%20well-being%20and%20its%20effects%20on%20social%20development%20|%20DISD%20(un.org).pdf).

mounting national debts are likely to mean further cuts rather than investment in sport provision, at the expense of those most reliant on community provision for their access to participation opportunities, and the significant social return on investment that often flows from it. It is therefore of the utmost importance that the European governments and donor organisations explore new avenues in order to maximise their impact and reach, so as to enable low-income families and their children to take part in sport activities during the period of Covid-19 restrictions. Sport in Europe has an underpinning role of bringing people together, contributing to social stability and promoting sporting activity at all levels. Even if in times of crisis the revenues from competitive top-level events that usually benefit grassroots sports diminish, solidarity and social cohesion should remain at the heart of resilience mechanisms to overcome the crisis.

3. Recovery mechanisms

19. In these unprecedented circumstances it is essential for sport governing bodies and governments to establish quick and adequate support and a clear action plan to mitigate the adverse impacts of the current Covid-19 crisis on the sport sector.

20. The signatories of the Position paper coordinated by the European Olympic Committees EU Office¹¹ have highlighted the following support measures:

- Ensuring the sport sector is eligible to funds for the **protection of jobs, employees and self-employed** against the risk of dismissal and loss of income.
- Lightening the **rules relating to state aid**, as is already the case in other sectors, with a view to allowing tax breaks for entities and organisations that promote sport activities.
- Stimulating **innovation programmes** (industrial modernisation) for sport enterprises to address the current societal challenges.
- Providing **loans to ensure the liquidity** of sport clubs and other associations through existing EU financial instruments (e.g. European Investment Bank) or newly created instruments as a response to this crisis.
- Redirecting **certain EU and national funding streams** and notably the European Structural and Investment Funds toward actions promoting the wellbeing of citizens including through sport and physical activity.
- Setting up **public and private solidarity funds** for grassroots sport clubs and associations and their employees, including outsourced coaches and freelancers – self-employed persons.
- Creating **new funding opportunities** as innovative ways to promote sport and physical activity in times when people are restricted to their homes.
- Helping **schools and physical education teachers** to continue training pupils through digital means that are effective and safe (and stimulate innovation), i.e. through funding, guidelines, best practice cases, internet price concessions.
- And ultimately, stimulating a **healthy active lifestyle in the working population**, both those working at home and at the office by introducing innovative solutions to stimulate physical activity.

21. The European Union has already presented a number of measures to mitigate the socio-economic impact of the pandemic, most notably through the emergency European Recovery instrument (Next Generation EU) together with reinforced long-term EU budget for the period 2021-27. Both the European Commission and the European Parliament have taken important political steps to ensure that sport is considered as a priority and will be eligible for support under the Next Generation EU programme.

22. The European Commission is also currently discussing possibilities to reallocate some of the European Structural and Investment Funds to address the consequences of the crisis. It is crucial to support and stimulate a sustainable sport sector (both public and private) in the context of the European initiatives *Support to mitigate Unemployment Risks in an Emergency* (SURE), *Coronavirus Response Investment Initiative* (CRII), and *Coronavirus Response Investment Initiative Plus* (CRII+) as well as other initiatives at national and European level.

23. The European Parliament, in its recent *Motion for a resolution on the impact of COVID-19 on youth and on sport*,¹² urged member States to support sports from the national funds, EU structural funds, and recovery and resilience national plans, as well as the EU Health programme. It warned that financial aid must not be limited to major spectator sports only; recovery measures are of utmost importance for the grassroots sport.

¹¹ See footnotes 1 and 5, <https://www.euoffice.euolympic.org/blog/eoc-eu-office-coordinates-multi-stakeholder-covid-19-position-paper-asking-eu-support-sport>.

¹² European Parliament Doc 2020/2864(RSP) of 4 February 2021, https://www.europarl.europa.eu/doceo/document/B-9-2021-0115_EN.html.

The adopted document also asked the Commission to develop a European approach to tackle this and include short and long-term measures aimed at helping the sector cope with the pandemic in the upcoming EU Work Plan for Sport (2021-2024). It underlined that **it was nevertheless the responsibility of the EU member States themselves to include sport and physical activities in national recovery and resilience mechanisms in order to benefit from these measures.**

24. In contrast to the relative abundance of the EU aid instruments available (though not always used) in support of mitigating the impact of the crisis on the sport sector, I am seriously concerned by the **limited access of the non-EU member States of the Council of Europe to similar support funds or international solidarity mechanisms.** Considering the looming dangers related to a multiple speed “exit” from the pandemic within Europe, I propose to look more thoroughly into this worrying matter.

25. I also deem to study the solidarity mechanisms and additional support systems allocated from sport governing bodies to both professional and amateur sport to support member associations in coping with the Covid-19 pandemic, along with the capacity of grassroots sport organisations and other small clubs to apply to these funds.

4. Overcoming the crisis

26. If every crisis is an opportunity in disguise, the Covid-19 pandemic has a number of lessons for governments to learn. There is little doubt that this crisis has been instrumental in revealing both poor governance, policy failure, integrity flaws and a number of pre-existing fault lines, in particular in the manner in which the upheaval has disproportionately hit the less well-off.¹³ But the unique circumstances are also an opportunity to innovate, to rethink and reassess priorities in the long run, which I intend to explore further.

27. To highlight already a few key lines of priority action, first, governments would have to **review their investment decisions** in sport towards a **more equitable share spent on grassroots sports**, but also in their own way to look upon **sport as an important cross-sectoral contributor to the health and well-being of individuals and communities**, and a **driver for social inclusion, gender equity, sustainable development, innovation, digital transition and green transformation.**

28. The Covid-19 pandemic has been a **game-changer**: the sanitary crisis has provoked a major disruption in the way sport is organised, practiced and enjoyed, with still yet unknown consequences, but it should also be used as an **opportunity to learn, improve and emphasise the important role that sport** can play in strengthening the resilience of people, governments, and organisations to this and future crises.

29. Undoubtedly, **slowing down the spread of Covid-19** to manageable levels is an absolute priority for any government. The postponements and cancellations of competitions and remote working are expected to **fundamentally change the way the sport industry will operate in the future.** Sport will always continue to play an important role in society in the future and it could even contribute to slowing down the spread by adding intensified scrutiny and even stricter protocols. For the moment, sport stakeholders tread a fine line between prosperity and protection of global health.

30. Notwithstanding the recent reassurances by IOC President Thomas Bach¹⁴ that the rigorous sanitary protocols applied at sports events have so far worked well and sports events have not been the driver of the pandemic, the Tokyo 2020 Olympic Games, if going ahead, as well as many other international sports events will be a **challenge between safety and ambition.**

31. The uncertainties around the spread of Covid-19 will constitute major **challenges for the planning of sports competitions**, notably the events with spectators, in the future, with competition planning having to integrate possible postponements or cancellations due to new outbreaks and all the commercial, financial, insurance, employment and psychological consequences of these postponements and cancellations.

32. In addition, as regards professional sport, the Council of Europe survey of summer 2020¹⁵ highlights the serious concerns that many governments have expressed over the **safe return from closed-door matches to competitions with full stadiums** respecting all the fast-evolving sanitary measures, the **lack of common**

¹³ Jonathen Grix, Paul Michael Brannagan, Holy Grimes & Ross Neville (2021) The impact of Covid-19 on sport, *International Journal of Sport Policy and Politics*, 13:1, 1-12, <https://doi.org/10.1080/19406940.2020.1851285>.

¹⁴ Speaking at the 137th IOC Session on 11 March 2021.

¹⁵ The impact of COVID-19 pandemic on policies and practices on safety, security and service at sports events, Report of the Standing Committee on the European Convention on Spectator Violence and Misbehaviour at Sport Events and in particular at football matches, T-TV(2020)14, 26 October 2020.

(European or worldwide) health and distancing standards (face masks, testing, vaccination, etc) and **clubs' financial problems**.

33. I will look further into these concerns and the action necessary. It is obvious already now that an enhanced effort of **solidarity and cooperation between all key stakeholders** on these challenges is the priority without which there will be no fast exit from this crisis. Global issues need global responses. Therefore, this crisis would need to be **globally coordinated through an integrated and multi-agency approach**. I consider the Council of Europe with its long-standing multi-stakeholder cooperation experience to be an ideal platform for sharing experiences and agreeing on joint action in Europe.

34. All in all, governments will have to ensure that the health and well-being of citizens remain the utmost priority through the pandemic. That's why **investing in sport and health-enhancing physical activity** is more important than ever. In order to achieve a sustainable, healthy Europe, sport and physical activity must be brought much higher on the political agenda and into the heart of all pandemic-generated policies.

5. Working methods and provisional timetable

35. In my work, I will draw on several sources, including but not limited to the reports, statements, political papers, press releases and other texts by the Council of Europe relevant bodies, notably EPAS; data provided by member States themselves and by international organisations (European Union, the United Nations agencies, INTERPOL/EUROPOL); sport governing bodies (IOC, FIFA, UEFA, European National Olympic Committees, International and European sports federations); relevant information published by NGOs, analyses and research by think tanks such as the European Observatory of Sport and Employment and renowned European universities and research centres in the field of sport.

36. I plan to hold two or free focused hearings with a number of organisations active in the field of sport and sport policies, the first of which is scheduled on 26 March 2021, with the participation of the European Olympic Committees, the European Parliament and the Portuguese National Olympic Committee.

37. I am also counting on the co-operation of the Council of Europe's intergovernmental area and on the support of fellow members to kindly provide meaningful and comprehensive information regarding the organisation, management and extraordinary policy initiatives in the field of sport in their respective countries during the Covid-19 pandemic and, where deemed convenient, any other recent crises in their countries.

38. In the preparation of my report, I will seek, subject to the committee's approval, the assistance of Mr Joao Paulo Almeida, Director-General of the Portuguese Olympic Committee, to help me develop further the specific themes I have outlined herein and supporting me by preparing a background report on these issues concerning the sport policies during and after the crisis.

39. The timetable will be set depending on developments concerning the Covid-19 pandemic. On a preliminary basis, the expert's report could be presented to the committee at its meeting to be held on 21 May 2021.