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The financing of sports in some European Union countries

Adrian Miroslav MERKA^{ID}

Department of Sports Management, Faculty of Physical Education and Sports, National University of Physical Education and Sports of Bucharest, 140 Constantin Noica Street, Bucharest 060057, Romania, e-mail: adrian_miroslav@yahoo.com

Viorel COJOCARU^{ID}

Department of Sports Management, Faculty of Physical Education and Sports, National University of Physical Education and Sports of Bucharest, 140 Constantin Noica Street, Bucharest 060057, Romania, e-mail: secretariat@unefs.ro

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Abstract: In Romania, the financing of sports, particularly sports clubs, is predominantly sourced from public funds (whether from the state, county, or local budgets), depending on the regulations in force. This research focuses on the study of European and national sports policies and the various forms of financing for sports clubs. Sport is a fundamental human right, recognized by major international organizations and addressed by European sports policy, which has been gradually implemented over decades. Every society needs to prepare to acknowledge sport as a right for every individual. Generally, in most European countries, societal preparation for sports practice is more intensive and varied compared to Romania. In Romania, reforms in the sports sector lag significantly behind those in other countries and fall short of Romanian expectations regarding sports. Additionally, financial resources are often insufficient. The legislation needs to be revised, addressing both the methods of financing and the sources of these funds. Increased involvement from both the private sector and the government is necessary; otherwise, the quality of sports will deteriorate, and those excelling in sports may choose to compete in other countries or clubs where conditions and financial support are more favorable. Compared to the situation in Romania, the synthesis of sports club financing across different European countries reveals a significant disparity. Most European countries have recognized that sport is a key driver of economic development and have long-established programs to support and develop community sports initiatives.

Keywords: financing, legislation, fund, sport club

Introduction

Regarding the educational gap in sports in Romania, it is essential to acknowledge that the policies of clubs, sports associations, and even competent ministries often rely on external pressures rather than on an understanding of market demand or the existence of a coherent strategy for sports development through appropriate investments (Stan, 2007).

From an economic perspective, sport significantly impacts other key areas of society, such as social inclusion and promoting a healthy lifestyle. In Romania, the financing of sports, particularly sports clubs, is predominantly sourced from public funds (whether state, county, or local budgets) depending on the regulations in force. Sports clubs also rely on sponsorships and applications for budgetary funds allocated by local or county councils, as well as private equity (Shibli et al., 2012).

In Romania, the analysis of the applicable legislation reveals that financing primarily comes from public authorities, with a smaller portion provided by sponsors or private funds.

Funding in Belgium

Public funding for sport in Flanders involves funding from towns and sports federations. In Flanders, towns are the primary public investors in sport, responsible for 73% of regular public funding for sport (Késenne et al., 2007). In 2017, the sports department was the fifth largest expenditure for Flemish towns, accounting for 4.9% of their budgets. Local administrations place a strong emphasis on subsidizing voluntary associations, with sports clubs estimated to receive €16.3 million in subsidies from local governments (Thibaut et al., 2015).

It is important to note that indirect subsidies, such as logistics and public service provision, though common, are not included in these figures. Subsidies from local administrations account for 8.6% of sports clubs' revenues (Scheerder & van Bottenburg, 2010). Késenne et al. (2007) estimated that approximately 85% of public funds are allocated to grassroots sports, while 15% support elite sports.

The Sports Federations Decree of 2017 provides two main subsidy channels for recognized sports federations. Federations can qualify for general grants to support their staff and running costs in exchange for fulfilling core tasks such as organizing competitive and recreational sports, supporting sports clubs, providing information, and promoting sports disciplines. Grants are awarded based on membership numbers and a set of quality criteria, including the scope of the federation, quality of supply, and good governance (Dolles et al., 2013).

This combination of quantitative and qualitative funding criteria allows the government to monitor the results of sports federations. Additionally, federations can apply for special policy actions (e.g., youth sports, accessible sports, innovation, summer camps, elite sports) for optional funding (Scheerder et al., 2013).

Funding in Spain

In Spain, sports funding primarily comes from public budgets, distributed among various authorities: the Consejo Superior de Deportes, Comunidades Autónomas, and local public authorities. Funding for competitive sports,

infrastructure, and sports development is drawn from government tax revenues. Unlike some European countries, Spanish sports funding does not heavily rely on lottery money. The primary sources of income are current taxes and tributes (Puig et al., 2003).

Other sources of money indirectly support sports and represent a small percentage of total income. Diputaciones Provinciales (associations of local councils) receive funds from these sources for local sports development. Similarly, professional soccer leagues receive lottery money to fund infrastructure development and safety at soccer fields (Ibsen et al., 2015).

The broad mission of sport allows for public funding through alternative budget lines. For instance, in Catalonia, the regional tourism department sponsored a golf tournament considered a tourist attraction. In addition to treasury funds, Spanish sport also features a mixed financing system based on collaboration between public authorities and private capital. Notable programs include:

The Asociación de Deportes Olímpicos (ADO) program, which targets elite sport development, mainly for Olympic sports, and is currently funded with €9.37 million for 486 grants distributed to 421 elite athletes and other development initiatives.

The Ayuda al Deportista Objetivo Paralímpico (ADOP) program, aimed at developing Paralympic sports, with an initial budget of €7.3 million, now increased to €10 million thanks to new sponsors.

Spain has approximately 44.509 sports clubs. Depending on the number of sports they offer, these clubs are affiliated with one or more of the 600 regional or territorial federations operating in each autonomous community. People engaged in sports represent 37% of the total population aged 16 to 75, with 21.2% practicing sports in clubs. Gender differences exist (28.5% of men and 15.1% of women practice sports in clubs). Despite diverse forms of sports practice, this does not necessarily indicate a weakening of the importance of clubs (Scheerder et al., 2011).

Spanish sports clubs predominantly developed after the 1980s, coinciding with the establishment of a public sector aimed at serving the population. The development of sports clubs was influenced by the need to position themselves relative to public bodies emerging at the time. It involved defining which aspects of public life each organization should serve and finding appropriate methods of collaboration for implementing sports policies and services for the population.

The relationship between clubs and the state must be understood in the context of Spain's social perception of the state's hegemonic role in public life, particularly post-Franco and during the early years of the transition to democracy (Burriel & Puig, 1999). This reflects a general perception of the need for public authorities to take a dominant position at certain times.

Funding in the Netherlands

The Dutch government invests in sport and uses it to achieve broader goals, such as influencing societal lag, promoting health and social cohesion, and creating a dynamic society. It also supports Dutch athletes waving their country's flag at international events and promoting Dutch sporting culture.

The Ministry of Health, Welfare, and Sports is a significant source of funding for sports, providing grants and guarantees for sports-related matters such as health and welfare. The government also invests in sports infrastructure. For instance, coaches for performance athletes and gifted athletes receive direct funding from the government (Schwarz et al., 2018).

At the local level, sports development is supported through various programs and projects, with towns providing major complementary support for sports activities, especially for sports spaces (Ferkins et al., 2012). The government's involvement in sports is not constrained by a rigid legal framework but is guided by the "Public Welfare Law" of 1994, which serves as a general framework for regulating sports across different administrations.

The Public Welfare Law mandates that town authorities handle executive matters, such as facilitating sports activities and maintaining sports spaces. Provinces support these executive matters and act as intermediaries between local and national administrations (Vos et al. 2015).

Municipalities are obligated to promote sports, stimulate participation from certain groups, support local sports clubs, and oversee rural and urban development, including building and maintaining sports facilities and organizing special sports promotion projects in neighbourhoods and schools. They are also responsible for promoting performance sports and organizing top sports events (Felfe et al., 2016).

Funding in Romania

In Romania, the financing of sports, particularly sports clubs, is primarily sourced from public funds - whether state, county, or local budgets - according to the regulations in force. This funding is based on the Physical Education and Sports Law No. 69/2000 and subsequent amendments.

Order No. 664/6 of September 2018 concerning the financing of sports projects and programs from public funds outlines that public utility sports programs eligible for funding include:

- Program P1: Promotion of performance sports
- Program P2: Sport for all
- Program P3: Maintenance, operation, and development of the material base
- Program P4: Rediscover the sheep
- Program P5: Romania on the move

The budget of the Ministry of Youth and Sports also allocates funds to sports federations for their operational activities (Ferrell et al., 2018).

Methodology

The study was conducted with the help of a questionnaire, to gather opinions about the situation of sports in Romania, with the aim of making a comparison between our country and other EU countries.

The research focused both on the study of European and national sports policies and on the forms of financing in sports concerning sports clubs. We know that sport is a fundamental human right, recognized by major international organizations, and European sports policy has been gradually implemented over several decades.

The questions presented in the applied questionnaire were as follows:

1. *What is your opinion about the financing of sports in Romania?*
2. *What proposals do you have regarding the improvement of sports financing?*
3. *What should be the financial support from local and county public administrations for your club?*

Results

To these questions, all the answers are summarized below (Table 1, 2 and 3), for the purpose of analyzing relevant opinions from directly involved individuals regarding the current situation in the field of sports, specifically about its financing.

Table 1. Responses received for question 1

<i>"What is your opinion about the financing of sports in Romania?"</i>	
✓	The funding system is very weak, in some cases almost non-existent.
✓	The funding from the state is insufficient.
✓	Funding sources should be much more substantial and targeted by value categories, especially among children who are very talented and valuable but get lost along the way because they do not have sufficient funding sources to propel them.
✓	The government should be much more involved, as in the case of other EU countries.
✓	The funding system in Romania ranks among the lowest compared to other countries in terms of methods and level of funding.
✓	There are too few funding sources to achieve performance in this field.
✓	The funding system is chaotic; the funding from private sources and state budgets is not clearly defined or quantified, and because of this, it is not possible to conduct a correct analysis of the situation regarding the established or achieved objectives.
✓	Most small clubs are financed by town halls or local councils, without any other help.
✓	In some cases, there are no substantial funding sources, only occasional or small amounts.

Table 2. Responses received for question 2

<i>"What proposals do you have regarding the improvement of sports financing?"</i>	
✓	Substantial involvement of the private sector through the creation of facilities by local and central administrations.
✓	Creation of necessary levers for investments from the private sector.
✓	Establishment of clear laws regarding sponsorship or requests to certain large-profit companies to sponsor sports.
✓	Establishment of effective and easily applicable sponsorship frameworks.
✓	Supplementing existing aid to further develop the sports sector.
✓	More consistent financial involvement from the state in achieving performance and early education of children to achieve good results later.
✓	Creation of a more dynamic mechanism or clearer eligibility programs for sponsorships.
✓	Support from the government by covering certain fees or arbitration costs through county associations.
✓	Redirecting a percentage of profit taxes owed by large companies towards sports.
✓	Amending the sponsorship law to attract larger amounts of money for the sports sector.
✓	Sports funding should be directed towards infrastructure and clubs with youth and junior centers where more investment is needed.

Table 3. Responses received for question

<i>"What should be the financial support from local and county public administrations for your club?"</i>	
✓	Providing financial resources for the implementation of accessible and long-term projects at the club level.
✓	Local administration should invest more in sports infrastructure or component systems.
✓	Funds should be allocated from projects at the beginning of the year to enable necessary calculations for purchases during the year.
✓	Greater and consistent financial involvement from town halls, which often finance clubs differently based on various criteria.
✓	More consistent financial support from both local budgets and private sources.
✓	Allocation of a fixed annual percentage for sports from local budgets.
✓	Increasing the minimum funding threshold from state sources.

Based on these collected data, we can state that the local administration should invest more in sports infrastructure or component systems through consistent financial involvement from town halls, which finance sports clubs differently, because education or training policies for youth and sports play an important role in the knowledge-based economy, and these factors support economic growth and employment (Sruneanu, 2018). Therefore, it would be advisable to supplement the existing aid to further develop the sports sector (Breuer et al., 2015).

The enormous differences between the policies and visions in the field of sports in European Union states compared to Romania make the gap in results increasingly larger.

The preparation of society, in general, for practicing sports in most European countries compared to our country is evidently different (Eric et al., 2017). In Romania, reform in the field of sports is far behind compared to the desires and expectations of Romanians, and funding sources are often lacking.

The lack of investments in sports infrastructure, underfunding of sports, poor training regarding management and marketing techniques that must address these fields, make us look with distrust towards the future of Romanian sports in general.

A comparative test of the activities and achievements of some clubs from Western European states and some from Romania will reveal a harsh reality: the existence of those major differences in terms of the amounts by which they are funded, which also demonstrates the economic, social, and sports quality differences between Romania and many other European countries.

From this, we see that, regarding the financing of sports clubs, greater attention must be paid to the financing of sports clubs by commercial companies or legal entities, which is done in accordance with the Sponsorship Law and the Fiscal Code.

Discussion

If we synthesize the responses received from some sports club presidents, coaches, or individuals who are physical education teachers, we can observe a general dissatisfaction among them regarding the functioning mechanism, funding sources, or the level of state involvement in the field of sports.

Many of them highlighted various gaps in the system, starting from deficiencies observed at the lowest level to much higher levels, and the unanimous opinion

declared was that there are serious problems concerning this branch of sports, and if the situation is not corrected at the national level, the state of the sports system will become increasingly disastrous.

From the methods of financing to the sources from which they originate, there is a need to regulate legislation, as well as to increase the level of involvement from both the private sector and the state, because otherwise, the quality of sports will deteriorate more and more, and those who perform will prefer to leave for other countries or clubs where conditions are more suitable for sports activities and where they are financially supported much more.

We can tell that the main attributes of a manager are foresight, organization, coordination, training-triggering action, and one of the main functions of the manager is to prospect the future and initiate the necessary measures for the realization of an efficient activity.

Authors like Frederick Taylor scientifically analyzed management activity for the first time, with all its components and the most important elements of the management system, especially the organizational structure, evoking a series of rules and principles of scientific management that should form the basis of financing activities in any country.

Compared to other countries presented, the situation in our country is not at all brilliant, and in the absence of urgent and specific regulations, it will worsen in a few years (Russell et al. 2015).

Conclusion

Following the synthesis conducted on the financing of sports clubs and sports in general across different European states and the analogy with Romania, we see an enormous gap. Most European states have understood that sport in general is an engine of economic development for society and thus began many years ago to develop programs to support and develop the community from a sporting perspective.

In Romania, these decisions were taken only to a small extent and were largely left to the discretion of the population, which led to a major imbalance in terms of results. Furthermore, it was not understood that sport is no longer just an activity necessary for maintaining the health of the body, but it is often a business that operates on two correctly activated levers: one based on attracting fans and the other on generating competitiveness, performance, and benefits.

All these require adequate funding sources, and the delay in reform felt at the level of the entire Romanian society or the extension of the transition period will greatly slow down the restructuring and modernization of Romanian sports.

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