The Economic Implications of Countryside Recreation and Sports: A Review

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Abstract
Countryside recreation in rural economies is often overlooked or misunderstood, and links to tourism and leisure day visits cause confusion. For rural economics and interactions with environmental resources and regional regeneration, an appreciation of countryside activities is important. Lack of cohesion within the sector and between key actors means co-operation for mutual benefit is often displaced by sub-sector rivalry, especially between active sports, countryside recreational groups, and conservation organisations. Little wider economic benefit of countryside recreation and sports is effectively recorded or attributed and lack of over-arching collaborations compounds this.

Consequences of these issues are that benefits do not flow to the extent they might, and investment to trigger future economic impacts from recreational use of the environment is limited. This paper reports a first attempt to place this unappreciated sector into a coherent whole and assess its economic impacts in the broader national accounting system. Tentative values are given and issues raised, with tensions between and within stakeholder groups, competition between actors, and within organisations between professionals delivering core objectives and business entrepreneurs. Stakeholder analysis and action research with organisations provides insights into the implications for future developments.

More recent stagnation and recession in the economy have combined with changed political directions and priorities to threaten further the development of, and benefits from, countryside recreation, tourism, leisure and sporting activities. There are significant issues in terms of infrastructural investment and economic benefits not being co-located. Capital investment generally flows from the public purse but the direct economic benefits are to the private sector. In an age of public austerity, this is a major barrier to future economic and entrepreneurial development.

Keywords: countryside recreation, rural economic impacts, rural entrepreneurs

Introduction
Countryside recreation and related sport and tourism have long been of interest (Bromley, 1999; Cooke, 1994), and relationships to rural economics heightened with crises such as the 2001 Foot-and-Mouth Disease outbreak (Countryside Agency, 2001). This paper is based on a study commissioned by the Central Council of Physical Recreation to investigate available evidence of the economic impacts of countryside sport and recreation. It follows work to define and evaluate outdoor leisure and wildlife leisure (Beard et al., 2000; Rotherham et al., 2000), and major reviews of countryside management (Rotherham et al., 2006a; 2006b; 2006c). The work involved investigation, collation and interrogation of studies on economic impact, from national research where ‘countryside’ factors were important, to local studies of specific sites.
and projects (Rotherham et al., 2006d; 2006e). Authors like Roberts & Hall (2001), Leiper (1999), Compton & Shuster (2001), and Rotherham et al. (2004a, 2004b) considered interactions between rural economies, tourism and recreation, and approaches to economic evaluation.

**Background and Methodology**

**The core questions & research methods**

The research focused on a key question “how important is the countryside recreation and sport sector and its component industries?” A number of subsidiary questions were also developed:

1) How large are countryside recreation and sports activities in relation to the wider economy?
2) What is the economic impact of countryside recreation and sport? 3) How many jobs depend on this sector?
4) What is the scale of voluntary and community involvement?
5) What is the scale of activity compared with that other related areas such as advertising, media, clothing and footwear manufacture, equipment manufacture etc?
6) What does the sector or its component industries contribute to Government finances or to meeting other targets?
7) What are the local or regional impacts and its contribution to rural life and communities? 8) How does the sector relate to other agendas such as health and quality of life?

The work involved major reviews of published literature and unpublished data and information sources. Information was interrogated for datasets and sources, methodologies and transparency, and robustness of interpretation. Work involved a major stakeholder study with CCPR members and 500+ local authority countryside services across Britain. The research used extensive questionnaire surveys, face-to-face and telephone interviews with expert stakeholders, focus groups, and workshops, case study research over several years, and action research.

**Results**

**The key findings: definition and size of the countryside recreation and sports economy**

The review took a broad approach to countryside recreation and sports. Noting issues of recognition and definition it presented solutions to fundamental problems of economic activity assessment, by placing economic impacts in nationally recognised assessment frameworks with good practice transferable from sport and tourism. The latter provide useful context and comparison with sport having £13 billion per annum of consumer expenditure, tourism £53 billion annual turnover and creative industries £60 billion (Gratton et al., 2004; 1999; 2000). The value of countryside recreational and sports organisations showed a minimum annual economic turnover of £850 billion. The *Leisure Day Visits Survey for England, Wales and Scotland* (2002-3) (Countryside Agency (2004), indicated annual spending of £17 billion through countryside leisure. *Working for the Countryside - A strategy for rural tourism in England 2001-2005* (2001) showed rural tourism in England valued at £12 billion per year; much of this generated by countryside recreation and sports (Countryside Agency, 2000; 2001). This is broad, active sector has significant individual and corporate organisational memberships like
the Wildlife Trusts with 47 county level partner organisations, 150-200 support groups, and 500,000 individual members.

The key findings: what is the associated economic impact?
There have been attempts to identify and define countryside recreation (e.g. Glyptis, 2001; Sharpley, 1996), but few assessments of wider economic impacts. Available data indicate that countryside recreation and sport, whilst difficult to define, and poorly documented, economically important. Most studies give money spent by visitors at attractions or participants in activities. Some assess indirect and induced impacts of economic activity. This review assessed the annual financial turnover of a sample of countryside recreation and sports organisations which generated £850 million. The overall figure is much larger and increased by indirect and induced effects. Economic impacts are calculated from measures of additional participant, spectator, competitors, official, media, and associated commercial enterprise expenditure. Conversion of additional expenditure to local income and jobs uses multiplier analysis. Sport’s £13 billion per annum consumer expenditure, was 1.8% of the UK Gross Domestic Product in 2000, and employed 450,000 people, or 1.6% of the UK’s total workforce. Rural tourism’s annual value of £12 billion supported 380,000 jobs. With £17 billion per year spent through countryside leisure activities in England, Wales and Scotland (Countryside Agency, 2001), the overall economic impact of countryside recreation and sport is certainly at this level. Specific studies (Christie & Matthews, 2003) show countryside recreational walkers on trips in England spent £6 billion each year, generating £2 billion and supporting 245,000 full-time jobs.

Specific aspects of the associated economy are important. For example, outdoor clothing and equipment sales grew from £25 million (1980), to £1 billion+ (2000) (Beard et al., 2000). Economic impacts depend on location of production, marketing, sales, supply chain management, local sourcing and spatial scales of economies (local, regional, or national). With current data, this evaluation is not possible, but specific studies give impacts and a useful starting point. The South West Coast Path generates £300 million per annum; countryside recreational walking supporting 7,500 jobs (Christie & Matthews, 2003). Informal recreation in the English West Midlands brought £420 million to the region, with £80 million from casual horse riding alone (Land Use Consultants & Lumsdon, 2004). The Mortimer Trail cost £60,000 in development and £10,000 annual management, but returns £183,000+ per annum or 15% to 30% of trade in local tourism businesses. Countryside recreation and sports employment impacts are massive with over 250,000 fulltime jobs, many in rural areas with limited job opportunities. The sampled organisations alone directly employed 10,500+ people. They blend voluntary, public and private sectors. Many organised activities are run by the voluntary sector and most organisers are unpaid. The research found that voluntary sector contributions indicate government voluntary sector investment gives returns of £30 value per £1 spent. Nevertheless, they give more to communities than just direct economic benefits. Many people participate, others watch, and most participants are amateurs. Relevant to key government strategies and targets, they aid rural regeneration, improve health, productivity and quality of life, contribute to health care savings, reduce crime and vandalism, and change perceptions of localities or communities to grow inward investment.

None of the reviewed studies attempted any overall estimates of economic or
employment impacts in the target economy (UK, Britain, region, or location). Double or multiple accounting is a problem. Whilst it is not valid simply to sum the various datasets to produce overall figures, this research manipulated datasets to indicate minimum, conservative values. Some national surveys indicate acceptable annual values of English countryside leisure of £12 billion, and around £17 billion per year for rural tourism in England, Wales, and Scotland combined. These give a 'feel' for impact levels however crude the estimation. The economic value of countryside recreation and sports must be between £15 billion and £25 billion, with Exchequer VAT revenue (14.6% of GDP) around £2.2 billion to £3.7 billion *per annum*. This is perhaps 1.8% of the National Economy valued at £1,099,886 million (2003). Whilst this is a generalised estimate, it is conservative in not including induced impacts or employment tax revenue. The real value to economy and Government revenue is considerably higher.

The research identified issues that affect assessment and monitoring of impacts of the sector. The first step in more effective evaluation of the economic impacts is to effectively define the sector, the players, stakeholders, and the spatial location and place these within the *National Accounting* system. Through the adoption of associated segments of economic activity, a more full and valid economic appraisal framework can be established. This is set out in Figure 1 and raises logistical issues.

![Diagram](image)

*Figure 1: A proposed framework for economic analysis of countryside recreation and sports.*

There are lessons learnt from the Leisure Industry Research Centre and Cambridge Econometrics with reports on 'sport' considering issues transferable to countryside recreation and sport. Geographic and spatial context are important since validity and ease of economic impact assessment varies with the spatial definition. There are three core groupings: private (commercial) sector, public sector and voluntary sector. With public-private partnerships these definitions blur, but help focus and organise information. The private sector is a major player in countryside recreation and sport provision, but selective about its activities (only those that are profitable), or the components of an activity (such as retail sales) they engage with. They frequently use existing capital resources and rely on those in common ownership. Some big private sector organisations such as water companies are major providers, for example, Severn Trent Water plc with Carsington Water, a major countryside recreation and sports facility with over a million annual visitors generating £15 million+ for the local
Public or voluntary sector investment in resource infrastructure may generate income via countryside recreation and sports visitors and participants, but economic benefits flow to private sector businesses. Cost and benefit are often not co-located and public sector outgoings can be substantial. For example, Rother Valley Country Park, a major public-private restoration project in South Yorkshire, had mixed capital funding. With a wide portfolio of countryside recreation and sports, but with high overheads and low revenue it runs at a loss despite having 600,000+ annual visitors. The region’s biggest tourism or leisure attraction employs 80 people directly and brings £6 million+ directly to the local economy (Rotherham & Cartwright, 2000; 2001). With the current economic downturn, local authorities are forced to maximise financial gains from facilities. Since the 1970s, there have pressures on local government budgets that affecting support for countryside recreation and sports. In countryside recreation and sports, and associated education and training, the contribution of the Voluntary Sector is massive. These organisations have large numbers of employed professionals, of volunteers, of members and participants, and often of spectators. The associated economic activity is clearly highly significant, and we provide figures to exemplify this (e.g. Egan & Rotherham, 2001).

The key findings: underlying trends

The recent demographic shifts and the associated trends in British society are well known. In the next decades, these are likely to intensify with fewer children and the population under sixteen years falling. These trends raise important possibilities. While there may be fewer children, they are likely to have more money spent on them and on their hobbies. In particular, the affluent over 50s with time on their hands will be increasingly open to new challenges and different leisure opportunities, the so-called ‘grey pound’ will be increasingly important.

Discussion
Policy, strategy, and investment
This research demonstrates the importance of countryside recreation and sport with major benefits of social cohesion, community engagement, health and fitness. The activities are of economic importance at every level from local to national; this is a vibrant sector and with a capacity to grow. There are implications for policy in both sports and in countryside recreation and it is important to maximise impacts by engaging better with local people and local supply chains. Education is important and barriers such as insurance and liabilities should be diminished, not made worse. Recruiting good professionals into the sector is important and government should be aware that this links directly to long-term rural recovery. However, the profile and awareness of the sector have not been effective because of the broad range of different organisations and interests that make up this industry. Accounting for and assessing them is difficult. The lack of overall profile, means decision-makers and policy-makers do not recognise the economic importance of the sector. Often its growth potential is not supported. For Government, it is important to recognise the need to grow countryside recreation and sports activities within a sustainable framework. With moves to create rural areas supported by mixed economies of agri-environmental farming and tourism, countryside recreation and sport are keystones.
Based on The Henley Centre’s analysis (Defra & The British Horse Industry Confederation, 2001), affluent, time-pressured consumers seek activities to improve their wellbeing. They spend money on what Henley describe as ‘quick-fix’ happiness boosters, which become important opportunities. Increased tourism short-breaks mirror this and provide opportunities for countryside recreation and sport. Whilst these complex influences will continue, overall trends are positive; leisure, sports, and tourism economies growing alongside the environmental industry. This provides further markets for countryside recreation and sports. With increased affluence expenditure has moved from goods to services, and then to experiences; average British households spending £3,500 per year on experiences like holidays, sports training and lessons, and music, and £2,210 on material goods. Henley suggested that by 2010 75% of household expenditure would ‘lifestyle and fun’ in the ‘Experience Economy’. With moves to better work-life balances, people invest time and money in leisure. This is encourages countryside recreation and sport to flourish, but with competition from mainstream leisure and sports facilities offering greater sophistication and service.

Maximising impacts and growing the sector
This research indicates the potential for successful growth with increased quality of life and wealth at many levels, though the latter is affected by the downturn of recent years. Particularly with current issues of economic decline, there are important challenges if growth and development are to continue. These have direct economic impacts, which are important for the rural economy and Governmental aspirations for rural renaissance. Research indicates that countryside recreation and sport activities are important for public health and emotional well-being, and reduce spending on healthcare. With fitness levels falling and obesity rising, taking part in countryside recreation and sport helps reverse these trends, and benefits the economy. Evidence from the Black Environment Network also shows a latent demand for many of these activities amongst black and ethnic minorities. The so-called ‘black pound’ has massive potential presently overlooked.

Maximising impacts
Countryside recreation and sport contribute to local economic regeneration and social cohesion. This is true in remote rural regions, but also in the urban fringes and urban centres. There are major opportunities to support farm diversification and small businesses in tourism, leisure and associated catering sectors (Rotherham et al., 2005). However, countryside recreation and sport are a part of the leisure economy, competing for a share of consumer spending on sport and leisure. Henley conclude that ‘consumers have more money and a greater desire for experiences that boost their wellbeing, yet are increasingly time pressured and thus are looking for time-efficient ways to enjoy their leisure time’. However, to generate economic impacts through countryside recreation and sports, there must be ‘opportunities to spend’. Without this, the impacts are minimal. To raise levels of economic impacts it is necessary to increase levels of participation, and opportunities to spend by those who do participate. This is a vital message for both organisers and for strategists. Countryside recreation and sport need a long-term strategy to address the capacity for increased contributions to national and particularly rural economies in a context of sustainable development. A diagrammatic representation of the core components of
such a vision is given in Figure 2. A Strategic Conceptual Framework for countryside recreation and sports.

Figure 2: Proposed strategic conceptual framework for countryside recreation and sports.

Conclusions
The research highlights major issues in terms of the identity and recognition of countryside recreation and sports. This presents serious barriers both in the way that the 'industry' identifies to and with itself, and then in terms of how it presents to the outside world. Our study indicates the significant contributions made to society in many ways, but particularly emphasising the economic benefits. Key findings are presented in Table 1.

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<th>Some headline findings from the research</th>
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<td>i. Countryside recreation and sport account for significant consumer expenditure, GDP, and employment;</td>
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<td>ii. Major countryside recreation and sport events generate significant impacts on local economies;</td>
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<td>iii. Countryside recreation and sport can help drive and support rural economic regeneration;</td>
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<td>iv. Countryside sport and recreation organisations and informal participation make big contributions to rural economies and foster social capital through direct impacts of activities and indirect effects of employment and related services.</td>
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<td>v. Active participation in countryside sport and recreation is a significant area of formal volunteering, and this has social and economic value</td>
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vi. Much economic impact is through the sales of associated goods / equipment / clothing; the ‘opportunity to spend’ is critical in securing economic benefits;

vii. The countryside recreation and sport goods sector is dependent on research and development; technology; product design; and innovation; and many key players in this sector are UK-based;

viii. Retail outlets become part of the inherent attraction of a countryside recreation location;

ix. The economic impacts are accounted in the national economy but neither attributed nor recognised as resulting from countryside recreation and sport activities.

Table 1. Some headline findings from the research

Alongside the undoubted positives, the review and the action research note weakness in the rigour of evidence bases and the lack of coherence in gathering, interrogating and presenting information. There are basic issues of a lack of ‘joined-up’ thinking or of genuine collaborations and partnerships beyond individual vested interested of particular stakeholder groups. Action research and stakeholder observation suggested serious problems in achieving coordination across the sectors and in maximising or recognising economic and social impacts. Organisations are keen to claim the benefits in applications for grant-aid, but rarely have in place effective monitoring, accountability or plans to maximise impacts. Key organisations still regard other groups in associated sectors as competition and not collaborators, to the overall detriment of shared interests and resources. This is both between key sectors and within federations for example when CCPR demanded that our review (Rotherham et al., 20006d; 2006e), took off-road motorcycling as an example of good sustainable countryside activity. This was their chosen case study preferred to that of the Ramblers’ Association (Christie & Matthews, 2003) on economic benefits of walking. With this level of internal political advocacy and competition, there seems little likelihood of the wider collaboration needs across the wider industry. The other major issue for the stakeholders is the separation between economic cost and benefits in provision of countryside recreation and sporting opportunities and resources. With local authorities and agencies under increasing financial pressures there will be a major temptation to cut the provision of countryside services and infrastructure. Whilst this will save money for that player, the ultimate result will be falling revenues and deteriorating resources across a region, together with a failure to meet central government targets on healthy lifestyles and green infrastructure.
References


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