

The Rising of Indonesia Soccer that Contribute to National Income: The Multiplier Effects

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Abstract. The rising of national football achievements of the Indonesian National Team can be seen from winning the gold medal in the football branch at the Asean sporting events. Indonesia is also trusted by the world football organization FIFA to conduct the U17 world championship in October 2023. Economic growth of Indonesia (as the G 20 countries) in 2022 is 5.3% will stimulate other sectors including the most popular sport, namely football. Football, as a popular sport in Indonesia, contributes to state revenue. The multiplier effects have risen as the sports activities of the creative economy sector are conducted. That sector has become the basis for the establishment of sports businesses as the main integral part of the development of the sports industry. In the field of sports, several things can be indicated as a multiplier effect for state revenue, namely: 1.Sport performance, 2.Sport Production, 3.Sport Promotion. Football sport will circulate money that comes from ticket sales, transportation for spectators watching football, sales of food and drinks, merchandise from clubs participating in competitions, advertising in stadiums and on the shirts of teams participating in football, as well as advertisements on television, and sponsors who play the competition. This study conduct qualitative method in investigating the multiplier effects results from the rising of Soccer Competition that contribute to the increasing income and economy growth.

Keywords: Economic Growth, income, multiplier effect

I. Introduction

Sport can develop the country's economy and sport has also become a leading industry that contributes to foreign exchange in developed countries such as America, Britain, Germany, France, Italy, Korea and China (Priyono, 2012). Football has undergone a change from a "noble sport" where playing is only for entertainment or hobby reasons, turning into an industry that can generate money (Oprean & Oprisor, 2014). Football as an economic commodity has no less potential in the country. According to a study by PT Liga Indonesia Baru (PT LIB), the economic value of League 1 competition can reach IDR 3 trillion, drive the accommodation, transportation and merchandise sectors, and absorb around 112,000 workers (Kontan, 2021). With the predicted potential, domestic football events still require more organized development in order to create a more significant multiplier effect. Some followers of football clubs in Indonesia show fanaticism which can be seen from the number of followers on social media managed by each club. This is suspected to show a significant relationship between club revenue performance and activities that have the potential to generate profits. The chart below shows the number of followers of several national football clubs



Figure 1. Chart of Fans followers in social media

Source: Bolasindo, 2018

The government already has the latest strategic legal basis governing the National Sports Grand Design through Presidential Regulation Number 86 of 2021. This presidential regulation was made with the aim of advancing a sports-based national economy and developing the sports industry in the form of business activities in that field. This regulation is supported by the establishment of 14 national achievement priority sports, the majority of which rely on accuracy and technique. Apart from that, there are also three other sports that are considered as industrial sports, one of which is football. This shows that the

development of football has also become a concern of the government considering the high interest of the wider community, even though it is not possible to achieve it in the near future.

There are several essential efforts to optimize the economic potential of domestic football. First, the government can prepare incentives for investing in football infrastructure and developing early childhood football. These incentives can be in the form of tax deductions or other support in the form of cooperation between the government and business entities (PPP). It is hoped that this football investment will attract investors to participate in providing quality coaching facilities in Indonesia. Thus, the sport of football can become an industry that has the potential to gain profits that will contribute to state revenues. In order to be able to meet the needs of consumers in the field of sports, the sports industry is a provider of products or services to satisfy the needs of consumers in the field of sports (Smith, 2008: 14). Second, the government through Kemenpora and assisted by PSSI can spur the development of quality and tiered competitions. The competition factor is needed as a continuation of the coaching results that have been passed. The competition that is built can also be tiered at various age levels starting from the grassroots level. Both from amateur football, to the highest level in professional football. In addition, competition must be equipped with strict standards in order to maintain the quality of competitive coaching. Third, football stakeholders also need to improve the quality of human resource competence, both in terms of the football profession and in terms of club and national team management. This point is crucial for encouraging clean and professional football management so as to increase the certainty of a better expected return on investment for investors. PSSI and professional clubs can take advantage of technological advances to engage soccer fans in Indonesia who are quite fanatical. This opportunity can be translated through the creation of a digital platform that provides a one stop solution as a platform for branding and optimization of main revenue streams, such as digital advertising (adsense), merchandise, tickets, and other creative industries with a football theme. Based from the phenomena above, researchers are interested to investigate the multiplier effect of the rising of National Football Competition in Indonesia that contribute to national income.

II. Literature Review

The area that is the main focus of this research discussion lies in the national football sports event which is directed at capitalizing economic opportunities to advance the country's economy. The theoretical review will discuss national income, the multiplier effect, product segments in the sports sector

National income

National income is the final amount of goods and services produced by an economy in a certain period of time, which is calculated based on market value. The resulting national income data can be used to make predictions about the country's future economy. These forecasts can be used to conduct business, plan future economic activities, and develop economic plans to realize future developments. National income can be used to determine the economic structure of a country. This can be seen from the contribution of each economic sector to national income. National Income can also be used to take and formulate actions deemed necessary. For example, in the agricultural sector, various policies can be developed for food supply, fertilizer industry, irrigation, and so on. In addition, national income can be used to show and compare individual economic activity over a certain period of time. This relates to the movement of the flow of economic life.

Economic growth

Economic growth is an attempt to increase the value of GDP or GNP, regardless of the impact on society. Meanwhile, economic development is an effort to increase GDP or GNP accompanied by changes in the quality of life of the community. Economic growth is marked by an increase in per capita income.

Multiplier effect

An economic multiplier measure an economic impact that simply recognizes the interconnections between the networks of interdependent activities. When a change takes place in one part of such a network, its effects spread throughout the whole system

Sports Industry Segment

According to Parks, et al. (1998), there are three segments of the sports industry, namely:

1. Sport performance / sports performance, this segment has a variety of products. such as school sports, fitness associations, sports camps, professional sports, and city sports parks.
2. Sport Production / sports production, this sports production segment can be given examples such as basketballs, tennis balls, sports shoes, swimming pools, and other sports equipment,

3. Sport Promotion / Sports Promotion. This segment can be in the form of merchandise such as t-shirts, or clothes with logos, print and electronic media

III. Research Method

This study uses a qualitative method by analyzing secondary data related to national football club income, income from football sports events in the last 4 years (2020-2023). The data used comes from research journals, online media news and social media which have a lot to do with the activities of organizing national football which contribute to national income. This research collects data from various reading sources such as books, articles, literature, scientific journals, and other sources that are in accordance with the theme of intangible asset accounting. After the relevant data has been collected, the researcher identifies relevant data for use in research and studies previously conducted research journals related to the contribution of the football industry to state revenue. Researchers also use data triangulation. This technique can increase validation, reliability, dependability and confirmability (Creswell & Poth, 2018). The triangulation technique used in this study includes triangulation of data sources.

IV. Results and Discussion

Football and National Income

From the results of BPS data research, Indonesia's gross domestic product among the G 20 countries in 2022 is ranked 15th in the world with a total of USD 1.04 trillion, while Indonesia is in the top position, namely no. 14 is Mexico with the amount of 1.22 Trillion USD. Meanwhile, the position below Indonesia is Saudi Arabia with 0.78 trillion. The first sequence is the United States with a total of 20.49 trillion, while the G20 countries with the second lowest GDP are South Africa with 0.37 trillion USD. Analysis related to the Economic Growth of the G20 countries with growth in 2022 from BPS data shows that Indonesia is in 2nd place with an economic growth of 5.03% while in 1st place is India with an economic growth of 6.01%. Meanwhile, the economic growth of the G20 countries is the lowest at no. 20 are the Netherlands with a growth of 1.9%. From the total Gross Domestic Product, Indonesia is ranked 15th in the world with high economic growth. This is the capital for further developing the sport of football because football is a sport that is popular with the people of Indonesia and the world.

Several football clubs in Indonesia have demonstrated revenue potential and this is a demand for the existence of a club with the status of PT. Indonesia requires that all Indonesian football clubs have the status of Limited Liability Company legal entities (Kristiyanto, 2016). Under these conditions, the club is required to be independent and optimize revenue from various aspects such as sponsorship, television broadcasting rights, match tickets, merchandise and player sales (Kristiyanto, 2016). Below are some of the national football clubs with the highest market value.

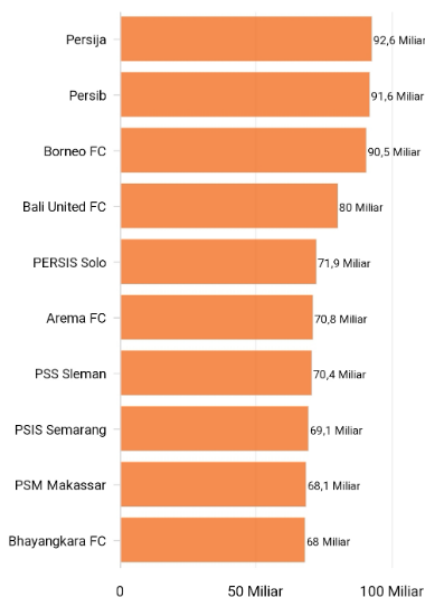


Figure 2. 10 Indonesian League 1 Football Clubs with the Most Expensive Market Valuation
Source:katadata.com

Football is considered capable of supporting the wheels of the economy, especially when managed properly. The projection of the big economic prospects of this sport can also be seen in the BRI League 1 2022-2023 season which has kicked off. This is relevant to the predictions made, as stated by Mohamad Dian Revindo that the return of the highest caste of the Indonesian football competition has the potential to create large economic value compared to the competition before the pandemic.

"It could even exceed IDR 2.7 trillion like before the pandemic. This is because the enthusiasm of the audience and fans remains high. People's mobility is gradually returning to normal so that they can encourage spectators to come to the stadium. The TV entertainment business and digital channels are getting stronger, and the economy is recovering."

The multiplier effect of the national football competition has gained much enthusiasm from the fans of lots of Football club in Indonesia. Great fans can attract lots of spectators to watch the Indonesia 1st League Football competition in 2023. The 1st League of football competition has also estimated to bring back the national income (as before pandemic) since this competition is predicted to stimulate success compared to other competition among Asia countries such Singapore, Vietnam, Laos, Myanmar. The chart below performs the forecasted revenue produced from some nations' Football competition.

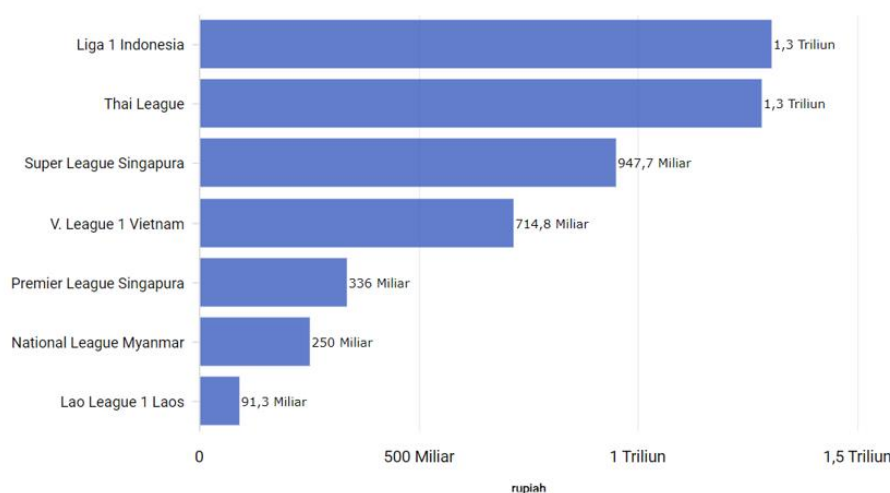


Figure 3. Estimated Valuation Value of the Southeast Asian Football League
source: katadata.com

The implementation of the Football League 1 competition will provide significant economic value because this activity has a very diverse multiplier effect, for example, the stretching of SMEs around the competition area selling food and drink, merchandise, transportation providers, and so on. Domański. and Gwosdz (2010) explained that Multiplier effects occur when one type of economic activity affects another not only in local development but also in regional even national economic development. The top football competition in Indonesia rolls on from year to year with a prestigious event, namely Liga 1. The success of Liga 1, as happened in 2019, has a multiplier effect which includes several aspects as follows:

Table 1. Revenue gained from the 1st League in 2019

1	Description	Amount
2	Ticket	Rp171, 82 billion
3	Audience expenses ontransportation	Rp 85,91 billion
4	Expense on food and beverage	Rp 85,91 billion
5	Fans Merchandise	Rp. 300 billion
6	Competition Advertising	Rp 180 billion
7	Television advertising	Rp.354 billion
8	Club sponsors	Rp 180 billion.

Source: CNN 2019

The success of League 1 in previous years has added the optimism for the implementation of the 2023-2024 League 1. First, the season will start again in July 2023 with the announcement of BRI as the main sponsor of BRI Liga 1. The main reason for BRI returning to sponsorship for three consecutive years

cannot be separated from the company's mission is to continue to create economic value and social value in the community. Second, from an economic standpoint. According to a 2020 survey from the University of Indonesia's LPEM, the economic turnover of the Liga 1 competition is projected to create a turnover of between IDR 2.7 and IDR 3 trillion in one year. However, based on the results of the latest research conducted by the BRI Research Institute in June 2023, as stated by BRI Director Sunarso, the implementation of the BRI League 1 has the potential to create a greater velocity of money (economic output) for the Indonesian economy, reaching around IDR 9 trillion.

"From this money circulation, an economic added value (GDP) of IDR 4.8 trillion can be created, additional household income for workers of IDR 1.8 trillion, potential indirect tax revenue for the government of IDR 721 billion, and around 44,000 job opportunities created"

League 1 was held by implementing a number of breakthroughs as an effort to improve the quality of competition, namely:

1. Use of Video Assistant Referee (VAR) technology to improve match quality.
2. PSSI through PT Liga Indonesia Baru (LIB) invited referees from Japan to provide referee training.
3. Maintaining the conduciveness of football in Indonesia by urging football fans in Indonesia to maintain security ahead of the 2023-2024 BRI League 1 season.

The transformation of Indonesian football has also occurred within the PSSI organization, especially regarding governance so that the implementation of the BRI League 1 can gain public trust. Deputy General Chairperson of PSSI, Zainudin Amali stated that "Because whatever is done, if the public doesn't believe it, it will be difficult to get support". The development of the sports industry, especially sports tourism, needs serious attention in order to be able to create an advanced and more transformative society, namely an advanced society both structurally and culturally. The structural dimension is reflected in efforts to transform a society that used to be agrarian into an industrial society that is supported by two main strengths, namely a strong industry supported by tough agriculture which includes mastery of technology and has strong competitiveness in entering the global market (Priyono, 2012).

V. Conclusion

The development of football in Indonesia requires the collaboration of all parties/stakeholders. This collaboration requires passion and hard work to develop the economic potential in football. National football can become an industry that is increasingly sustainable and has a positive effect on the welfare of the parties involved, and not just as a means of entertainment. Developing the Indonesian football industry requires a lot of improvements in football and also large amounts of funds for competitions. With this effort, there will be an economic effect on the community which absorbs labor to run the football competition. The number of sponsors will also increase. With more and more events in the field of football, the economic effect for the Indonesian state will also increase.

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