



INSURANCE POLICY INTEGRATION AND CAPACITY DEVELOPMENT IN SPORTS; A CATALYST FOR POVERTY ERADICATION

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Abstract

The study examines insurance policy integration and capacity development in sports as a catalyst for poverty eradication in Lagos State, Nigeria. The objectives of the research are to: identify how insurance policy can lead to poverty eradication for people in sports in Lagos State; and] find out the influence of capacity development in sports on poverty eradication in Lagos State, Nigeria. The population of the study consisted of all athletes in Badagry Local Government Area (LGA) of Lagos State. The study adopted purposive sampling technique to select one hundred 100 athletes from three different wards in the LGA based on the kind of sport they play. Data were collected through structured questionnaire which was administered on the respondents and statistically analyzed using Chi-square, in order to test the formulated hypotheses at 0.05 level of significance. The result of the findings shows that there is a significant influence of insurance policy on poverty eradication for people in sports in Lagos State (Calc. $X^2 = 53.541 > \text{Crit. } X^2 = 21.026$, $df = 9$, $P < 0.05$). It also revealed that there is a significant influence of capacity development in sports on poverty eradication in Lagos State (Calc. $X^2 = 41.325 > \text{Crit. } X^2 = 21.026$, $df = 12$, $P < 0.05$). Results revealed that sport is an instrument of social change that can be deployed to eradicate poverty. Based on the findings, Recommendation were made it was suggested that Integrated insurance policies should be put in place to prevent sport athletes falling into poverty and that Sport initiatives should be developed to raise and generate funds for poverty programmes, as well as assist in raising awareness and facilitating the mobilisation of needed resources to alleviate poverty through partnerships with local and international bodies.

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Introduction

Insurance is a financial arrangement and risk management tool that involves the transfer of the financial burden of a potential loss or damage from an individual or entity to an insurance company in exchange for the payment of a premium (Black & Skipper, 2000). It is an agreement where, for a stipulated payment called the premium, one party (the insurer) agrees to pay to the other (the policyholder or his designated beneficiary) a defined amount (the claim payment or benefit) upon the occurrence of a specific loss. Australian Sports Insurance (2012), cautioned that, before one subscribes to the insurance premium, the person should understand the policy benefits in a given situation. Obviously, every sports person, be it athlete or official need be covered with sports injury insurance while playing the sport. This simply enables the injured participant to have certain benefits so stipulated in insurance policy underwriting. The essence of insurance is to guarantee that someone is interested in carrying your risk with professionalism (Ibikunle, 2018).

Throughout modern times, athletes have long used sports as a means to get out of a life of poverty. Sports have long proven to be a route out of poverty into a life of fame and fortune. While many young people aspire to succeed in sports as a means to change their lives, it's not always reliable (Goldman, 2011). Putting viable insurance policies in place is a sure means of providing support for athletes. For instance, in today's realm of sport, athletes are constantly raising the intensity when competing in their chosen discipline. This puts an enormous pressure to push themselves to their physical limits, meaning an injury or accident will never be entirely avoidable. Therefore, it is vital to understand the solutions available to protect competitive athletes, ultimately ensuring they get a fair settlement should anything occur. Professional athletes cannot afford to leave themselves open to risks like this doing so would be almost as hazardous as a gladiator not carrying a shield into the arena (Gallagher, 2020). Thus, Ibikunle (2018) canvassed the adoption of modern analytical, scientific, technological, methodical and effective administrative driven sports management aiming at contributing positively to the safety of lives and property of stakeholders in sports.

The long-lasting effects premature career termination can have on an individual, their lives and the people around them can be overbearing. Not only are hard-won careers snatched away, but prospective earnings and subsequent lifestyles vanish with them too. Thus, there is the necessity for sport managers to consider the purchase of an integrated insurance package that covers the full life time of their professional athletes so they do not to fall into economic distress during and after their career. For instance, life annuity which is one of the insurance packages that covers certain expenses of an athlete for as long as he lives. Other insurance packages that could be considered for professional athletes are: disability income insurance which replaces all or a portion of an athlete's income should he or she become disabled. Health insurance pays benefits to help offset the costs of medical care, hospitalization, dental care, among others (Akintayo, 2010). Insurance packages contribute to emotional support that athletes need throughout their career as it is this kind of support that help athletes to overcome obstacles and develop resilience.

United Nation General Assembly 2017, views capacity development as “the process by which people, organizations and society systematically stimulate and develop their capacities over time to achieve social and economic goals” (UNGA, 2017, p.12). Effective capacity development efforts are generally those that build upon existing capacity rather than starting anew with each successive project, that are widely-inclusive in their management, and that foster a higher degree of ownership. Through capacity assessment, the capacity of a group, organization or society may be reviewed against desired goals in order to build a better understanding of what capacities are needed, why they are needed, and who they are for



(UNGA, 2017). Successful capacity assessment is contingent on understanding the obstacles that inhibit stakeholders from realizing goals and identifying those areas where capacity enhancement will have the greatest potential.

According to the United Nations Office for Disaster Risk Reduction. (2019), the domains of capacity development include:

1. Leadership: Leaders provide vision and build competence and integrity. Leadership development programmes, partnership and coalition building, and identifying and supporting champions of change are all measures that support leadership capacity.
2. Institutional strengthening and development: This includes strategic planning or reform; policy dialogue; legislative actions; and organizational effectiveness measures.
3. Knowledge: This involves building and enhancing individual and organizational awareness and knowledge. This may be supported through a combination of methods and channels including classroom-based education and more informal methods like social marketing, on-the-job learning, coaching, and mentoring. Organizational- level actions may support information gathering, sharing, and dissemination.
4. Accountability: Building accountability into systems, structures, and processes helps stakeholders to individually and collectively establish and act on expectations, to monitor progress towards goals and objectives, and to learn from and adjust according to outcomes. Accountability in capacity development might include creating or strengthening public sector oversight, creating coalitions and networks, and conducting public information campaigns.

Capacity development in sports can facilitate eradication poverty. This is because sport advocates have highlighted such potential in developing a sense of community and building bridges between people, developing individual character and the social life skills needed in society, promoting social mobility for individuals in order to leave poor living conditions for better ones, and averting from destructive behaviour (Coakley 2002, 2011)

It is against this background that this study examines insurance policy integration and capacity development in sports as a catalyst for poverty eradication in Lagos State.

Statement of Problem

Sport has grown beyond being a source of entertainment only. Apart from the business side of sport which is directly linked to economic development, sport is crucial to maintaining a healthy, active lifestyle. Participation in regular sport activity is part of the solution to addressing chronic illness and improving mental health. Community facilities like sport fields, leisure and recreation centers are key settings for improving general health and quality of life and enhancing social support through connecting communities (Wang, Wu & Wu, 2013). This study contends that good health reduces poverty as the resources that should be expended on settling medical treatment bills for an individual could be used for more productive economic activity.

It is important that those who are at the centre of making sport an interesting endeavour, that is, the athletes, are taken care of during and after their professional career in order to prevent them from any chance of falling into poverty. Thus, the study explores the instrumentality of an integrated insurance policy to achieve this goal. Furthermore, the viability of sport for poverty eradication is under-explored in Nigeria as a result of lack of awareness and understanding about the importance of integrating insurance policies in sports, inadequate Infrastructure and resources, Limited institutional support, risk aversion among insurance providers, resistance to change and traditional mind sets resistance from athletes, sports



organizations, and other stakeholders to embrace innovative approaches such as insurance integration and capacity development can impede progress in poverty reduction initiatives.

Most studies on sport have mostly been carried out to look at the inherent importance or significance of sport while little is done to investigate its role on poverty eradication. In the light of this, this study examines insurance policy integration and capacity development in sports as a catalyst for poverty eradication in Badagry Local Government Area of Lagos State, Nigeria

Purpose of Study

The purpose of this study is to examine insurance policy integration and capacity development in sports as a catalyst for poverty eradication in Lagos State, Nigeria with the specific objective to:

1. Identify how insurance policy can lead to poverty eradication for people in sports in Lagos State, Nigeria
2. Find out the influence of capacity development in sports for poverty eradication in Lagos State, Nigeria.

Methodology

The study employed the descriptive-survey research design. It made use of the primary data source by adopting the use of self-administered questionnaire as an instrument of data collection in order to determine the viability of insurance policy integration and capacity development in sports as a catalyst for poverty eradication in Lagos State, Nigeria. The population of the study consisted of all athletes in Badagry Local Government Area of Lagos State, Nigeria. It is estimated that there are 1000 athletes in the LGA.

The study adopted a 10% sample size using the purposive sampling technique to select 100 athletes from three different wards in the LGA based on the kind of sport they play. Thus, the sample size consists of 40 athletes in football, 40 athletes in basketball and 20 athletes in racing. A questionnaire which was validated by experts in sports management and with reliability index of 0.78 was used to collect data for the study. Data gathered were quantitatively analysed using both the descriptive statistic of percentage and inferential statistic of Chi-square to test the formulated hypotheses at 0.05 level of significance.

Results

Table 1: Distribution of Respondents by Gender

Gender	Respondents	Percentage%
Male	67	67.0
Female	33	33.0
Total	100	100.0
Age Limit	Respondents	Percentage %
15 – 20	32	32.0
21 – 25	39	39.0
26 – 30	18	18.0
31 years above	11	11.0
Total	100	100.0
Kind of Sport	Respondents	Percentage %
Football	40	40.0
Basketball	40	40.0
Racing	20	20.0
Total	100	100.0

Table 1 shows that out of 100 athletes-respondents to whom the copies questionnaire were administered, 67 respondents representing 67% were male while 33 representing 33% were female. This indicates that majority of the respondents who participated in the survey were male. The variation in the gender of the respondents is due to the nature of the football sport which is highly dominated by male.

The age distribution of the the respondents shows that 32% represents respondents within the age range of 15 and 20years; 39% within 21 and 25years; 18% within 26 and 30 years; and 11% within 31 years and above. This shows that the entire respondents are mature and can give adequate response to the question items. As per the kind of sport the respondents actively engage in, 40% play professional football; 40% are into basketball; and 20% are into racing.

Research Question 1: How can insurance policy lead to poverty eradication for people in sports in Lagos State?

Table 2: How can insurance policy integration can lead to poverty eradication for people in sports **N= 100**

S/N	Statement	SD	D	A	SA	Mean	Decision
1.	Generally, athletes do not fall into poverty.	17 (17%)	24 (24%)	30 (30%)	29 (29%)	1.9	disagree
2.	Sport managers usually put in place effective insurance policies to protect athletes under them.	16 (16%)	20 (20%)	34 (34%)	30 (30%)	2.6	agree
3.	The ability of sport managers to care for the welfare of athletes under them improves athletes' lives during their professional career.	20 (20%)	23 (23%)	25 (25%)	32 (32%)	2.7	agree
4.	With integrated insurance, athletes stand a lesser chance of falling into poverty after their professional career.	10 (10%)	15 (15%)	33 (33%)	42 (42%)	3.1	agree
5.	There is the need for an integrated insurance policy to mitigate the effect of future economic distress for athletes.	11 (11%)	12 (12%)	40 (40%)	37 (37%)	3.0	agree
Grand Total/Mean		74 (14.8%)	94 (18.8%)	162 (32.4%)	170 (34.0%)	2.7	

Table 2 shows that the respondents disagreed that athletes do not fall into poverty with a mean score of $1.9 < 2.5$, below the set benchmark. Similarly, the respondents disagreed that their sport managers usually put in place effective insurance policies to protect athletes under them with a mean score of $2.0 < 2.5$, below the set benchmark. However, the respondents agreed that the ability of sport managers to care for the welfare of athletes under them improves athletes' lives during their professional career with a mean score of $2.7 > 3.0$, above



the set benchmark. The respondents also agreed that with integrated insurance, athletes stand a lesser chance of falling into poverty after their professional career with a mean score of $3.1 > 2.5$, above the set benchmark. The respondents also agreed that there is the need for an integrated insurance policy to mitigate the effect of future economic distress for athletes with a mean score of $3.0 > 2.5$, above the set benchmark.

On the whole, the grand mean score of 2.7 which is equivalent to the statistical average mean of 2.5 indicates that insurance policy integration can lead to poverty eradication for people in sports.

Research Question 2: What is the influence of capacity development in sports for poverty eradication in Lagos State?

Table 3: Influence of capacity development in sports for poverty eradication N= 100

S/N	Statement	SD	D	A	SA	Mean	Decision
1.	There is the need to develop sport managers' capacity for using sport to eradicate poverty.	19 (19%)	21 (21%)	22 (22%)	38 (38%)	2.8	agree
2.	Enhanced individual and organisational awareness can evoke sport people to contribute to poverty eradication within their communities.	11 (11%)	13 (13%)	41 (41%)	35 (35%)	3.0	agree
3.	Strategic planning and policy dialogue in sports are essential for harnessing the benefit of sport for poverty eradication.	10 (10%)	16 (16%)	35 (35%)	39 (39%)	3.0	agree
4.	There is the need for governments to facilitate enabling environment for harnessing revenues in sport for poverty eradication.	12 (12%)	14 (14%)	34 (34%)	30 (30%)	2.6	agree
5.	Sport athletes require mentoring on social entrepreneurship for effective poverty eradication initiatives.	8 (8%)	13 (13%)	44 (44%)	35 (35%)	3.2	agree
Grand Total/Mean		60 (12.0%)	77 (15.4%)	176 (35.2%)	177 (35.4%)	2.9	

Table 3 shows that the respondents agreed that there is the need to develop sport managers' capacity for using sport to eradicate poverty with a mean score of $2.8 > 2.5$, above the set benchmark. Similarly, the respondents agreed that enhanced individual and organisational awareness can evoke sport people to contribute to poverty eradication within their communities with a mean score of $3.0 > 2.5$, above the set benchmark. Also, the respondents agreed that strategic planning and policy dialogue in sports are essential for harnessing the



benefit of sport for poverty eradication with a mean score of $3.0 > 2.5$, above the set benchmark. The respondents also agreed that there is the need for governments to facilitate enabling environment for harnessing revenues in sport for poverty eradication with a mean score of $2.6 > 2.5$, above the set benchmark. They also agreed that sport athletes require mentoring on social entrepreneurship for effective poverty eradication initiatives with a mean score of $3.2 > 2.5$, above the set benchmark.

Above all, the grand mean value of 2.9 which is above the statistical 2.5 benchmark indicates that capacity development in sports can influence poverty eradication.

Test of Research Hypotheses

Hypothesis one: There is no significant influence of insurance policy on poverty eradication for people in sports in Lagos State.

Table 4: Chi-Square results of influence of insurance policy on poverty eradication for people in sports in Lagos State, Nigeria

Variables	Df	L.S	X ² Calc	X ² Crit	Remark	Decision
Insurance policy integration	12	0.05	53.54	21.03	Sig	Ho ₁
Poverty eradication						Rejected

(Calc. $X^2 = 53.54 > \text{Crit. } X^2 = 21.03$, $df = 12$, $P < 0.05$)

Findings from the test of hypothesis one shows that x^2 Cal (53.54) is greater than x^2 Tab (21.03) given 12 degrees of freedom at 0.05 level of significance. Thus, the null hypothesis which states that “there is no significant influence of insurance policy on poverty eradication for people in sports in Lagos State” is rejected. Therefore, there is significant influence of insurance policy integration on poverty eradication for people in sports in Lagos State, Nigeria.

Hypothesis Two: There is no significant influence of capacity development in sports for poverty eradication in Lagos State.

Table 5: Chi-Square results of influence of capacity development in sports for poverty eradication in Lagos State

Variables	Df	L.S	X ² Calc	X ² Crit	Remark	Decision
Capacity development	12	0.05	41.33	21.03	Sig	Ho ₂
Poverty eradication						Rejected

(Calc. $X^2 = 41.33 > \text{Crit. } X^2 = 21.03$, $df = 12$, $P < 0.05$)

Findings from the test of hypothesis two shows that x^2 Cal (41.33) is greater than x^2 Tab (21.03) given 12 degrees of freedom at 0.05 level of significance. Thus, the null hypothesis which states that “there is no significant influence of capacity development in sports for poverty eradication in Lagos State” is rejected. Therefore, there is a significant influence of capacity development in sports for poverty eradication in Lagos State, Nigeria.



Discussion of findings

Findings from the test of hypothesis one indicates that there is a significant influence of insurance policy integration on poverty eradication for people in sports in Lagos State, Nigeria. This finding corroborates the view of Mahmoud et al. (2022) which considered insurance of sport athletes as an obligation on the club or sports institution in order to ensure that the good health of the athlete is preserved. Likewise, athletes' economic standing requires that insurance policies are in place to avert their falling into poverty after their career. Ojoye (2017) averred that athletes need personal insurance as well as accident, health and sickness insurance. These will protect them against serious diseases that can terminate their lives and career-threatening injuries. They also need insurance for their expensive equipment and also life assurance against sudden death.

Findings from the test of hypothesis two shows that there is a significant influence of capacity development in sports for poverty eradication in Lagos State, Nigeria. This is in tandem with the view of Lindsey and Chapman (2017) that through adequate capacity development of actors and stakeholders in sport, sport can be used as a platform to speak out for the realisation of human rights, including the right to an adequate standard of living, the right to social security and the equal rights of women in economic life, which have direct impacts on the goal to end poverty. Sport can also be used as a platform to campaign for socio-economic progress and raise funds to alleviate poverty through partnerships with local and international bodies.

Conclusion & Recommendation

The study affirmed that insurance policy integration is essential to eradicate poverty for people in sport. The study contends that effective insurance policy will help athletes recover economically and health-wise in the case of loss of property and life-threatening injuries or any other eventuality. This will also save athletes, especially at the club level, from the neglect that some of them suffer when they face economic, social or health challenges.

Similarly, there are many benefits to derive through capacity development in sport; it influences international and community development, promote health and also stimulate economy. Sport influences physical and mental well-being and enriches the quality of life as a whole.

Therefore, effective insurance policy and capacity development should be seen as tools of social change capable of eradicating poverty for athletes and in the general society.

Based on the findings of the study, the following recommendations become imperative:

- i. Integrated insurance policies should be put in place to prevent sport athletes falling into poverty.
- ii. Sport is a productive industry with the ability to lift people out of poverty through employment and contributing to local economies. Thus, as part of capacity development, sustainable sport tourism should be upheld to promote livelihoods, including in host communities of sport events.
- iii. Training the Coaches and guiding the activities of members should be encouraged to increase productivity in sports organization.
- iv. Sport values such as fairness and respect can serve as examples for an economic system that builds on fair competition and supports an equal sharing of resources. Reinforcing competencies and values such as teamwork, cooperation, fair-play and goal-setting, sport can teach transferable employment skills which can support employment readiness, productivity and income-generating activities.



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