

SOCIOCULTURAL AND ECONOMIC IMPACTS OF EVENTS ON LOCAL COMMUNITY

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Abstract: *The number and variety of events have increased significantly in recent years. People, who want to participate in events, are able to find a wide opportunity to select the events regarding their preferences, tastes and interests. On the other hand, growth in event industry causes negative and positive impacts on local community, visitors and environment. Events are the organizations to influence a huge number of people about political, economic, environmental, cultural issues and particularly raise awareness and create sensitivity in specific issues and influence their lifestyle. To provide an effective impact on local community and educate them with the aim of events, smart sustainable event design is needed and plays crucial role. Therefore, it is important that organizers should improve sustainable design in event planning process which considers people, planet and to reduce negative impacts for sustainable development. This paper reviews the available literature on events and sociocultural and economic sustainability and to provide context. The purpose of this paper is to understand why sustainability should be implemented into events. This study explores the impacts of sociocultural and economic aspects in events that could promote sustainability.*

Keywords: *Sociocultural sustainability, economic sustainability, local community, events*

1. INTRODUCTION

As events and festivals become increasingly popular, research interest in their economic and sociocultural impacts on host communities and abroad has grown substantially. While researchers that explore the economic impacts of events are mostly interested in the economic benefits and opportunities that events provide with the host communities, researchers that investigate the sociocultural impacts of events and festival are mostly interested in understanding the perceptions of host communities about the staging of events and festivals. Research in this area can be split into some categories firstly by regarding the types of impacts being considered -i.e., economic/sociocultural, secondly by the nature of events -i.e., cultural/sports events, and, finally, by the width & scope of events -i.e., large, global events/small, local events. Studies that measure economic impacts of events usually report the calculations of costs and benefits of events on the host community, job creation opportunities that come from event hosting, financial investments that are made on event locations and so on. Studies that investigate the sociocultural events, on the other hand, usually measure the enhancement of the host city's image in the world and national pride and the sense of cultural cohesion felt by host communities. This paper explains major methodological approaches to the study of events from the economic and sociocultural perspectives. This study summarizes the findings of some studies that are conducted on the economic/sociocultural impacts of large/small, cultural/sports events.

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2. METHODOLOGICAL APPROACHES IN THE STUDY OF ECONOMIC IMPACTS OF EVENTS

There are two major methods that are used by researchers to measure the economic impacts of events [1]. These are input–output modelling (I-O), and computable general equilibrium (CGE) modelling. I-O modelling tries to represent the bulk of effects that are caused by an initial demand shock. Despite the fact that it is the most widely used method to measure the economic impacts of events, there are some researchers who contend that I-O modelling exaggerates the impact caused by the initial change in demand [2]. It has been argued that CGE models represent the behaviors of key stakeholders in an economy more realistically than I-O models [3]. Accordingly, it has more realistic assumptions about the economical structure and it can generate more realistic results than the I-O model.

2.1. ECONOMIC IMPACTS OF LARGE CULTURAL EVENTS

A study that utilized the I-O method has assessed the economic impacts of events that ensued the declaration of Spanish city Salamanca as the European Capital of Culture in 2002. The study has found that the overall economic impact of events has been €701.5m [4] of which, 61.99% has been related to the event itself, “understood as a concrete cultural creation and its associated consumption”; and the remaining 38.01% has been related to the new cultural establishments and equipments meant to the use of tourists. The authors concluded that, aside from the cultural and social benefits, there are many economic benefits to be gained from organizing such a festival.

Another study has examined the economic impact of Sundance Film Festival 2017 on the host state Utah’s GDP, employment, wages, and state and local tax revenue [5]. It has found that 71,600 people (52% of which were from out of the state) attended the festival. Out-of-state attendees spent approximately \$124 million in Utah during the festival. The festival has contributed \$151.5 million to the Utah GDP in total. It has created 2,778 job opportunities for the residents of Utah. It has generated \$79 million in Utah wages. And, finally, the state and local tax avenues were up to \$14 million in total.

It seems that, when we take these two studies into consideration, we can comfortably conclude that large cultural events most often brings clear economic profits to host communities.

2.2. ECONOMIC IMPACTS OF SMALL CULTURAL EVENTS

A study that examined the economic impacts of Finland’s Kaustinen Folk Music Festival on total output, demand, wages, employment, national and regional taxes has found that this event contributed to the local economy by varying degrees on all areas that have been considered [6]. For example, while the study have found out that the festival can be a good investment for the local municipality which has generated €65,600 in the year the study conducted, a significant rise from €40,365 in other years, the festival has only employed 27 people from the community, which is a low number.

Another study from the researchers at University of Central Florida has measured the economic impacts of annual Zora! festival on the local community of Eatonville [7]. It has found out that a money input of \$372,175 from festival attendees circulated to become \$767,179 for local community when the multiplier effect was taken into account. As this was an annual event, the authors noted, a similar amount of income would likely to be generated in the following years.

The authors have also offered some other ways to generate income such as holding a farmer's market in the festival area to encourage the development of economy of Eatonville.

Taken together, these findings suggest that there are many economic benefits to be gained from holding even small cultural events and festivals.

2.3. ECONOMIC IMPACTS OF LARGE SPORTS

A paper assessed the economic impact of the 2008 Beijing Olympics using the CGE modelling [8]. While the findings showed that the event brought economic benefits to the local people, the contribution to the Beijing economy was small compared to the total GDP of Beijing. More specifically, the Beijing Olympics estimated to have brought welfare gains of \$119 million from Olympic International and \$59 million from national visitors in 2008. Considering that the total GDP of Beijing was \$178 billion for 2008, the event only accounted for 0.1% of the GDP of Beijing. However, it should be noted that this paper only examined the event tourism expenditures, other expenditures and investments were specifically excluded. The authors concluded by pointing at future studies that might examine the other demand shocks brought by the Beijing Olympics such as investment on construction and infrastructure related to the event.

An earlier study has examined the economic impacts of 2002 FIFA World Cup in South Korea using the I-O model [9]. Calculating the portion of tourists not related to the event, the researchers have found that 57.7% of tourists during the event were either directly or indirectly came for the World Cup. Using this data, the researchers have found that the economic impact of the World Cup has been \$1.35 billion of output (sales), \$307 million of income, and \$713 million of value added for South Korea. Furthermore, it has been found that the foreign tourists attracted to the World Cup has spent 1.8 more compared to the non-event related foreign tourists, suggesting that organizing a major sports event yields more economic profit than attracting tourists otherwise.

Unsurprisingly, large sports events generate a lot of income. However, if we count the total income as a percentage of the total GDP of a major city, it seems that the figures for additional income generated by major sports events don't look so impressive.

2.4. ECONOMIC IMPACTS OF SMALL SPORTS EVENTS

A recent study assessed the economic impact of World Cup ski-jumping events in Norway during the winter of 2012-2013 [10]. The study found that the overall economic impact of World Cup events in ski-jumping was less than NOK 9 million. Although the event was international, the impact on the region's economy was modest. Considering the fact that most stakeholders who promote hosting events put arguments stressing the economic benefits of hosting events researchers argue that not all events "pay off" as such, and those stakeholders should consider new arguments other than economic ones when promoting an event. These arguments may instead focus on intangible benefits of hosting events such as civil pride and community integration that may be felt from hosting events in the region.

An earlier study from the UK has examined the economic impacts of four small-scale swimming events [11]. Results suggested that if secondary expenditure options are available during the event, the event has the potential to generate indisputable economic benefits to the host community. Specifically, the study has found that a total of £80,000 was generated over 8

days of competition, though the total income was distributed unevenly between each day. While commercial accommodation was the single most important factor of the expenditure, food and drink, shopping and souvenirs were also responsible for some portion of the total expenditure.

Apparently, these two studies suggest that small scale sports events don't provide many economic benefits for the host community. The most benefits that can be obtained may be found in sociocultural benefits of these events.

3. METHODOLOGICAL APPROACHES IN THE STUDY OF SOCIOCULTURAL IMPACTS

One model researchers mostly use to measure the cultural impacts of events is Festival Social Impact Attitude Scale (FSIAS) [12]. This model focuses on (1) identifying the impacts by using the perceptions of residents and (2) the deliberation on the cultural benefits for the host society. Another prominent model that researchers use is Social Impact Evaluation (SIE) [13]. Researchers measure the social impact by grouping it into five different categories: impacts in community, leisure, infrastructure, health and safety, and cultural impacts [14].

3.1. SOCIOCULTURAL IMPACTS OF LARGE CULTURAL EVENTS

One interesting study has looked at the sociocultural impacts of the events that ensued the declaration of Liverpool as the European Capital of Culture in 2008 on the socially marginalized communities [15]. Using quantitative and qualitative data from four neighborhoods in Liverpool, the researchers found out that there were three aspects of sociocultural impacts which could enhance the quality of life of the host communities: participation and interest in cultural activities, accessibility and inclusion effects of cultural events, and enhancement of sense of local identity.

A more recent study has looked at crosscultural differences in locals' attitude toward large-scale music festivals in Serbia (Exit Festival) and Hungary (Sziget Festival) using the Festival Social Impact Attitude Scale (FSIAS) [16]. The results suggest that national culture significantly influences locals' perception of festivals.

To sum up, while national culture significantly influences the host cultures' perception of large-scale events and festivals, there are many sociocultural benefits to be gained from hosting a festival or event.

3.2. SOCIOCULTURAL IMPACTS OF SMALL CULTURAL EVENTS

One study from Turkey examined the validity of FSIAS instrument, as well as measured the locals' perceptions of the Foça Rock Festival [17]. Researchers have found out that (1) when convergent and discriminant validities of FSIAS are achieved, the construct validity is achieved, and (2) locals perceived the social benefits of the festival positively. However, negative social impacts reported by residents included the increase in traffic congestion, pedestrian traffic, ecological damage, garbage and overcrowding.

Another study focusing on the sociocultural impacts of small cultural events on rural societies offered moving the discussion of sociocultural impacts from the negative/positive categorization to a discussion that recognizes differing social constructions of those impacts or the "shades of gray" [18]. Accordingly, the article stressed that there is a lack of a quantifiable

social impact tool that assesses themes such as trust and respect, breaking down social barriers, releasing stress and tension, forgetting hard times, being affiliated with success and so on.

3.3. SOCIOCULTURAL IMPACTS OF LARGE SPORTS EVENTS

A study measured the pre- and post-event perceptions of residents toward a major sports event called 2007 Tour de France in Ghent [19]. Results showed that residents' perceptions changed over time. Whereas cultural and city-image benefits in pre- and post- tests showed that these benefits increased residents' willingness to hold the event in the future, excessive spending and mobility factors diminished it.

A study that tried to capture residents' perception of Beijing 2008 Olympic Games reached at similar results to the ones that have been just mentioned. More specifically, Zhou and Ap (2008) [20] found that the majority of residents perceived the impacts of 2008 Olympics very positively especially in areas that are related to the social-psychological, urban developmental, and economic developmental factors. However, residents' perception toward some social life impacts, especially overcrowding and higher prices, were mixed. While some respondents reported to have embraced the negative impacts such as these, others just tolerated them.

3.4. SOCIOCULTURAL IMPACTS OF SMALL SPORTS EVENTS

A 2011 study analyzed Barbadians' perceptions of the impacts of International Cricket Council (ICC) and Cricket World Cup (CWC) 2007 on Barbados [21]. Analyzing pre- and post-perceptions of the Barbadians on hosting ICC and CWC together, researchers found that while Barbadians perceived it as a benefit to have a venue for cultural exchange, to gain economic benefit and cultural development; most Barbadians conceived the increase in traffic congestion and pollution, price and construction costs negatively. While most Barbadians expected that the costs of hosting CWC would outweigh the benefits, they reported that benefits outweighed the costs in post-perception tests.

The final study in this review focused on the tourism-related behaviors of fans who followed the University of Florida football team in the fall of 1999 [22]. While the surveys showed that fans mostly spent money on food and shopping when attending the games, their main motivation was to see the game. Main sociocultural impacts of following their team were observed to be the positive sense of being good fans, being "pilgrimages to the Mecca of Gator (the name of the football team) football". The authors also noted that the fans were more likely to engage in traditional tourist behaviors when not attending the games.

4. CONCLUSION

As the number and variety of cultural and sports events increase day-by-day, so does the research interest in their economic, sociocultural, psychological, urban-developmental impacts. Research that focus on the economic impacts of cultural and sports events mainly point at their benefits that reflect in host communities' total GDP, employment opportunities and increased investment. Researchers who investigate the sociocultural impacts of events, on the other hand, mostly reach at results that show that hosting a festival or event fosters community cohesion, local belongingness, and also their ability to create venues for cultural exchange. However, not all research shows positive economic and sociocultural impacts of events and festivals. For example, most residents surveyed in summarized studies complain about increased traffic congestion, overcrowding and increased prices. While these negative impacts are mostly offset

by positive impacts of hosting events and festivals, it is clear that policy makers and public officials should take host communities' perceptions about events into account when organizing future events.

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