

AN ANALYSIS ON SOCIO-ECONOMIC IMPACTS OF INTERNATIONAL SPORTS EVENTS

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ABSTRACT

The analysis on the socio-economic impacts of international sports events elves into the consequences of hosting major events like cricket, football, volleyball, and rugby on the country's economy, infrastructure, and community engagement. By focusing on cities such as Kandy and Colombo, the study aims to offer a comprehensive understanding of how these events shape the local socio-economic landscape. Through a qualitative approach involving semi-structured interviews with 12 stakeholders and an extensive literature review, the research examines theoretical frameworks and practical implications to assess the effects of international sporting events on Sri Lanka's economy, infrastructure development, and community involvement. Data collection involves gathering insights from key stakeholders involved in organizing these events and conducting a thorough review of relevant literature to complement the interview findings. The analysis concentrates on identifying both the positive and negative impacts of these events on Sri Lanka, including their contributions to economic growth through increased tourism, job opportunities, and infrastructure investments, as well as challenges like financial risks and environmental issues. The research identifies a key positive impact as increased economic activity in developing economies. However, the study also acknowledges negative social effects. To address these, the research recommends strategic stakeholder engagement to enhance positive economic outcomes and sustainable practices, such as proper regulation and maintenance of existing facilities, to ensure long-term benefits. Limitations include the sample size of stakeholders and the focus on specific cities. Future research could explore a broader geographical scope and larger sample size to strengthen the generalizability of findings to international sporting events across developing economies.

Keywords: International sport events, Socio-Economic impacts, Value chain analysis, Stakeholder mapping, Developing economies

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Abbreviations: SEI: Socio-Economic Impacts; IS: International Sport; SLTDA: Sri Lanka Tourism Development Authority; HRM: Human Resource Management; VCA: Value Chain Analysis; CA: Content Analysis

INTRODUCTION

International sports events have become significant drivers of socio-economic development in many countries, offering opportunities for infrastructure enhancement, economic growth, and community engagement (Xiang, 2023). Sri Lanka, with its rich sporting heritage and diverse cultural landscape, stands to benefit greatly from hosting major international sports events. Although scholars have attempted to measure the economic gains that result from hosting a mega-event since the 1980s (Fourie & Gallego, 2010), major studies are conducted in quantitative analysis. Existing studies on the socio-economic impacts of major international sporting events rely primarily on quantitative methods, such as bibliometric analysis, to assess global trends (Dimitrovski, 2021). However, scholars have highlighted the need for a qualitative approach to understanding the socio-economic impacts of major international sporting events. Previous studies on the socioeconomic effects of significant international sporting events in Sri Lanka have largely neglected the potential effects of popular sports such as football and rugby and have focused more on cricket (Solberg & Preuss, 2015). Thus, it is very necessary to make known the contribution of other sports in the socio-economic outcomes of this country.

SPORTS TOURISM

With the development of the society and the improvement of peoples' living standard, sports tourism gradually becomes one of the most important parts of the popular healthy lifestyle and also it is one of the fastest growing market segments in the tourism industry. Sports tourism generally refers to travel to participate in, watch, and travel to sports-related destinations. "Sports tourism is a type of tourism activity which refers to the travel experience of the tourist who either observes as a spectator or actively participates in a sporting event generally involving commercial and non-commercial activities of a competitive nature" (World Tourism Organization). Sports tourism is not only one of the simple forms of tourism, which is also a thrifty field that makes the tourism industry and sports industry develop together. Sports tourism is just at its beginning stage, but it is increasing and better to improve the peoples' participation consciousness and supply a good opportunity to develop the sports tourism industry.

Travel undertaken for the purpose of engaging in particular sports events such as Cricket World cup, SAARC games, and football competitions (Wickramaratne & Kumari, 2016). Football, volleyball, rugby, and crickets are the most popular sports in the world right now. International spectators have been attracted to popular sporting events in big numbers. Today, in the 21st century, both sports industry and tourism industry are growing together but the sports industry is still in its early stages. The growth of the sports

industry can be increased by people participating more in sports related events.

Sports tourism can be divided as three types. Those are active sports tourism, nostalgia sports tourism and sports event tourism. Active sports tourism is a kind of tourism in which tourists' main reason for travelling is to actively engage in sports or athletic activities. Marathons, Golf tournaments, rock climbing and adventure races are some examples for active sports tourism (Wickramaratne & Kumari, 2016). Nostalgia sports tourism involves travelling to famous sports-related attractions. Visits to various sporting places of fame such as tennis and the baseball hall of fame in Cooperstown, New York. Furthermore, and sports museums and sports venues (Earl & Hall, 2023). Sports events Tourism is the specialized sector of tourism where people go primarily for the purpose of attending or participating in sporting activities. This covers a wide range of activities and dimensions, from spectating at huge global events like the Olympics or the FIFA World Cup, to participation in regional marathons or local cycling races. The detailed effects of sports event tourism are explored in this report. The sport tourism industry has developed recently for a few reasons. Among them are the following, the popularity of both domestic and international sporting events, a growing awareness of the health benefits that can be obtained from active sports participation; governments and leaders starting to recognize the importance of sport for national and international relations; and the fact that athletes are always mobile and have improved communication skills thanks to advancements in global infrastructure and technology (Rathnayaka & FERNANDO, 2020). Cricket, watersports, rugby union, football, auto racing, netball, volleyball, baseball, and basketball, power lifting are the most popular top 10 international sports in Sri Lanka. Even though the most popular and the most-watched game during the last few decades in Sri Lanka is cricket (De Silva, 2018).

KEY STAKEHOLDERS IN TOURISM AND SPORTS EVENTS

The tourism industry thrives on collaboration between various stakeholders. These stakeholders, as defined by Freeman, (1984) are any group or individual who can affect or is affected by tourism's growth? Tourists, the consumers, rely on tourism businesses to provide experiences and products. The host government plays a vital role in regulating and supporting tourism development, while the host community, the residents of the tourist destination, are directly impacted by tourism activity. In the world of sports, successful execution is dependent on maintaining relationships with numerous stakeholders (Harry Solberg , Rasmus Storm, 2024). Event organizers, who fund and own the event, work with host governments to provide infrastructure and support. Promoters encourage interest, whereas sporting organizations set the rules and regulations. Sponsors provide financial and promotional support, and the event once again has an influence on the host city. The media coverage is critical, and of course, the participants,

athletes, and teams, are at the heart of the event. Sports events may be successful if their stakeholders are adequately managed (Brochado , 2022).

CHALLENGES OF HOSTING SPORTS EVENTS

International sporting events have both advantages and disadvantages (Gursoy & Lee, 2006). While events can improve community pride and cultural identity (Waite, 2003), they can also drive up prices and strain local resources (Brown, 2000). Financing these events can be problematic, particularly for less popular sports that struggle to get sponsors (Lee et al, 1997). Furthermore, a shortage of competent labor and poor infrastructure in Sri Lanka might provide difficulties (Navarathne, 2017). Another challenge is balancing ticket pricing and attracting spectators (Sharma, 2010). Overall, careful planning and stakeholder management are essential for fixing these problems.

CONSEQUENCES OF HOSTING SPORTS EVENTS

Hosting sporting events can have both economic advantages and disadvantages (Sun, 2023). Positive outcomes include improved tourism income, employment development, and the expansion of small enterprises (Wickramaratne & Kumari, 2016). However, these advantages may be limited (Theodoridis & Kraemer). Negative impacts on society might include community displacement as a result of infrastructure development (Wickramaratne & Kumari, 2016). Environmental problems include habitat degradation and pollution caused by building operations.

MATERIALS AND METHODOLOGY

The primary objective of this research is to investigate the socio-economic impacts of international sports events held in Sri Lanka. Through a qualitative approach that includes semi-structured interviews with key stakeholders and an extensive literature review, the study seeks to analyze the theoretical frameworks and practical implications of hosting major sporting events in the country. By examining the positive and negative impacts of these events on Sri Lanka, including their contributions to economic growth, job creation, and infrastructure development, the research aims to provide a nuanced perspective on the overall impact of international sports events. Furthermore, this study aims to identify the stakeholders involved in organizing international sports events in Sri Lanka and elucidate their roles and responsibilities. By understanding the diverse range of stakeholders, such as government agencies, sports organizations, sponsors, and local communities, the research seeks to highlight the importance of collaboration and effective stakeholder engagement in event management. Additionally, the study aims to investigate the challenges and opportunities encountered when organizing international sports events in Sri Lanka, with a focus on developing strategies to enhance positive economic impacts and address potential social challenges. For stakeholders in the sports industry, including event organizers, sponsors, and government entities, this research offers valuable insights into the socio-economic implications of hosting international

sports events in Sri Lanka (Horne & Manzenreiter, 2004). By providing a comprehensive analysis of the impacts of these events, the study equips stakeholders with the knowledge needed to make informed decisions regarding event planning, resource allocation, and community engagement strategies. Moreover, the research offers practical recommendations for leveraging the positive outcomes of international sports events to drive sustainable development and foster long-term benefits for the country. The research population includes all stakeholders who organize and contribute to international sporting events in Sri Lanka. This involves a broad range of participants, including community members, event organizers, volunteers, spectators, government ministries, sports organizations, media, and sponsors. These stakeholders may have a direct or indirect role in the events.

The sample size for this study includes 12 key stakeholders from Kandy and Colombo. These stakeholders are chosen from various sectors likely affected by the events, including fans, local residents, national federation executive members, local media coordinators, community volunteers, transportation providers, tour operators, local government agencies, local business providers, and event organizing companies. The primary data collection method used in this research is semi-structured interviews (Figure 1).

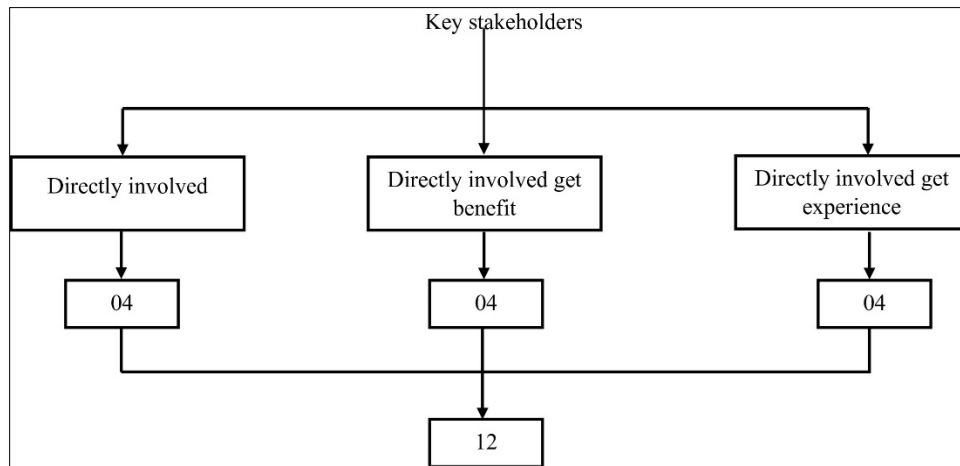


Figure 1. Sampling framework of the research.

RESULTS AND DISCUSSION

The collected data is analyzed using three main methods such as, stakeholder mapping, content analysis, and value chain analysis.

Stakeholder Mapping

Stakeholder mapping focuses on identifying the connections and impact of key stakeholders based on structured interviews. The primary stakeholders identified include event organizers, local residents near event venues, transportation providers, tour operators, government authorities, sports organizations, businesses, and community representatives. Stakeholder

influence and interest were assessed via interview responses, which aided in the development of the stakeholder mapping study. Stakeholders were classified according to their influence and interest levels (**Tables 1 & 2**).

Table 1. Influence and Interest level of key stakeholders.

High Influence, High Interest	Event Organizers, Local Residents, Government Authorities
High Influence, Low Interest	Transportation Providers, Tour Operators
Low Influence, High Interest	Community Representatives, Sports Organizations
Low Influence, Low Interest	Businesses

Table 2. Scoring System for Stakeholders in International Sporting Events, Sri Lanka.

Stakeholder	Influence (1-5)	Interest (1-5)	Justification
Event Organizers	5	5	Primary decision-makers, oversee all aspects, vested in success.
Local Residents	4	5	Significant influence on approval and outcomes, deeply impacted.
Government Authorities	4	4	Involved in logistics, infrastructure, and permissions (procedural role).
Transportation Providers/Tour Operators	4	3	Impact attendee flow, less on main event planning, interested in maximizing opportunity.
Sports Organizations	3	4	Participate in athlete involvement and planning, strong desire for sports development.
Community Representatives	2	4	Advocate for local interests, limited influence on major decisions, desired for community benefit.
Businesses	1	2	Limited influence on planning, interested in marketing/sponsorship opportunities.

This stakeholder mapping exercise, visualized through a scatter plot, provided a clear representation of stakeholder influence and interest. This facilitated the development of targeted engagement strategies and ensured a thorough understanding of stakeholder dynamics within the context of organizing international sporting events in Sri Lanka. In **Figure 2**, stakeholders listed on the x-axis and their level of influence on the y-axis.

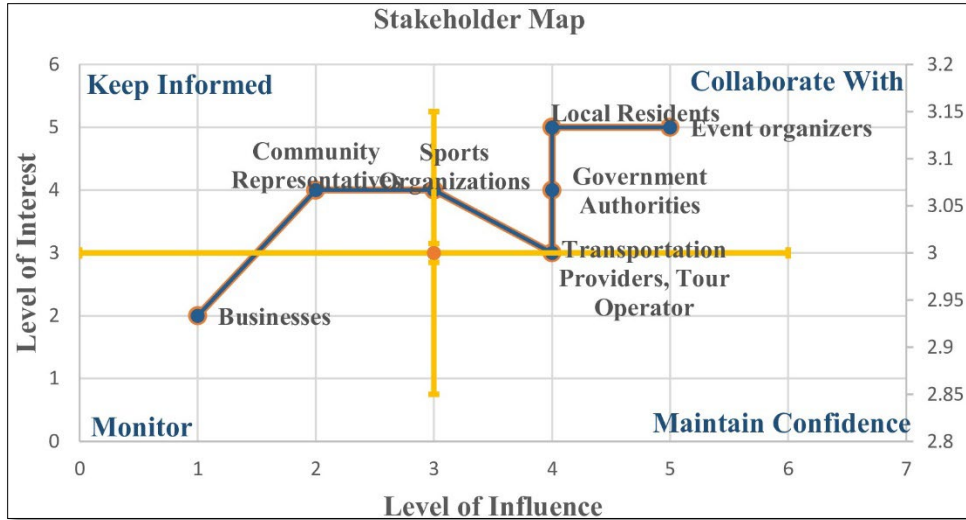


Figure 2. Stakeholder Mapping.

The stakeholders are divided into four categories based on their level of influence, they are:

- **Monitor:** These stakeholders have the lowest level of influence. The project team should keep them informed about the project but does not need to collaborate with them closely.
- **Maintain Confidence:** These stakeholders have a slightly higher level of influence than those in the "Monitor" category. The project team should keep them informed and address any concerns they may have.
- **Collaborate With:** These stakeholders have the highest level of influence. The project team should work closely with them throughout the project.
- **Keep Informed:** These stakeholders have the lowest level of influence.

Value chain analysis

While stakeholder mapping identified the key actors involved in organizing international sporting events, a value chain analysis would provide a more comprehensive understanding of their primary and supportive activities. By delineating the interconnected stages that contribute to successful event execution, this analysis offers valuable insights (**Figure 3**).

Firm Infrastructure		Event planning, volunteer management, inventory management		Primary
Human Resource Management		Coordinating with local businesses, marketing assistance		
Technology		Promoting events on social media		
Procurement		Collaboration with event organizers		
Inbound Logistics	Outbound Logistics	Operations	Marketing, sales & Service	Supportive
Attending events, supporting local businesses	Advocating for initiatives that promote local businesses	Ensuring smooth event operations	Enhancing the attendee experience.	

Figure 3. Value Chain Analysis.

Content Analysis

This study utilized content analysis to analyze interview responses regarding the socio-economic impacts and challenges of organizing international sporting events in Sri Lanka. Through inductive analysis, some categories and potential areas for improvement were identified. These categories formed the framework for coding the data.

Category 01: Infrastructure Development

This category explored the impact of events on local infrastructure and long-term community benefits. Here are some relevant responses from stakeholders.

Local Media Coordinator & Federation Exco Member said, “Investing in football infrastructure has a two-fold benefit. Firstly, improved facilities will attract more high-profile international events to our country. Secondly, hosting these events will bring economic benefits through improved infrastructure and the ability to host more events.”

The local resident said, “Improved facilities will surely boost tourism and economic growth in our area. There will also be new job opportunities created, which is great, and the overall infrastructure improvements will benefit everyone here.”

Category 02: Economic Growth

This category analyzed the economic benefits of hosting events, including revenue increase for local businesses and job creation. These are some relevant responses from stakeholders.

Local Media Coordinator & Federation Exco Member said, "My primary focus is on creating jobs and boosting revenue for local businesses. Additionally, I believe hosting international events will enhance our reputation in the long term, leading to continued interest in hosting such events, which will further benefit our economy."

The local resident said, "I'm particularly excited about the recent developments that are bringing more revenue to our local businesses, like hotels, restaurants, and shops. It's fantastic to see them thriving. Additionally, hosting successful international events has really boosted our community pride and spirit. There's a real sense of energy and excitement in the air these days."

Category 03: Community Engagement

This content assessed the level of community involvement in event planning and the social impacts on local residents. These are some relevant responses from stakeholders.

Local Media Coordinator & Federation Exco Member said, "I'm committed to empowering local residents to take pride in their community's role in hosting international events. By fostering these events, we can create lasting connections and partnerships between the community and event organizers, which will pave the way for future collaborations."

The local resident said, "The best part about getting involved in community events and projects is how it brings people together. You get to know your neighbors better, work alongside them for a common goal, and create some lasting friendships. It also puts our community on the map! Sometimes, these projects get noticed by people outside our area, and that can bring recognition and even resources to our town."

The coding process, crucial for managing large volumes of qualitative data, involved assigning codes to interview segments (Cohen, 2017). These codes categorized information based on pre-defined subjects. Additionally, sub-categories emerged organically during coding, offering a more nuanced understanding (Table 3).

Table 3. Sub-categories.

Sub-Category	Description	Positive Impacts	Negative Impacts	Recommendations
Infrastructure Development	Needs of various sports, sustainability, community & tourism use	Improved facilities, economic opportunities	Maintenance costs, environmental concerns	Strategic planning for long-term use
Economic Growth	Diversifying income, local job creation, long-term gains	Increased revenue, economic development	Financial risks, potential displacement	Revenue diversification strategies, community engagement
Community Engagement	Accessibility & inclusivity, youth development, social benefits	Increased participation, social cohesion	Exclusion, lack of long-term benefits	Inclusive programs, capacity building, volunteerism

This analysis revealed the interconnectedness of these concepts and their combined contribution to the overall success of such events. The findings demonstrate that international sporting events in Sri Lanka generate

significant socio-economic benefits linked to the identified categories. Well-developed infrastructure attracts major events, while strategic post-event management ensures long-term sustainability. Economic growth flourishes through increased tourism, business opportunities, and job creation. Additionally, community engagement fosters social cohesion, cultural exchange, and local pride. By promoting inclusivity and accessibility, events create a sense of unity and diversity. Finally, the long-term social legacy of events strengthens volunteerism and social responsibility.

CONCLUSION

International sporting events present a significant opportunity for economic growth, infrastructure development, and community engagement in developing economies, using Sri Lanka as a prime example. Hosting these events necessitates substantial investments in sports facilities, transportation networks, and accommodation. However, these upgrades leave a long-lasting legacy, attracting future events, fostering a national sporting culture, and improving the overall event experience for attendees. Economically, sporting events function as tourism magnets, attracting visitors who spend money on hotels, restaurants, and transportation. Sri Lanka can leverage these events to showcase its unique culture and products to a global audience, further stimulating job creation across various sectors. Beyond economics, sporting events foster a sense of community pride and national identity when locals actively participate as volunteers, organizers, or attendees. To maximize these benefits, Sri Lanka should prioritize stakeholder collaboration, including government agencies, private businesses, volunteers, and local communities. Open communication and active engagement with stakeholders are crucial for optimizing the financial and infrastructural advantages of hosting sporting events, ensuring a successful and impactful experience for both international audiences and Sri Lankan citizens.

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