

Perceptions on Economic Impact from Public Funded Event

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Abstract

Official celebrations and big events that are publicly funded have to be beneficial to the host and its surrounding. This paper aims to examine public perceptions on the economic impacts of those events to the host and its surroundings. The objectives of the study were achieved by conducting questionnaires survey through face-to-face interview and Internet survey. The results show that the public funded events help in assisting the local in obtaining temporary employment, supporting local trades, reviving local economy, increasing hotel occupancy, and providing new area of employment. However, the researchers found that its fail to create permanent employment and extending shopping hours in the event locality.

Keywords: *event, celebration, event impact, economic impact*

INTRODUCTION

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Malaysia Day and Governor's birthday celebrations are held yearly in Sarawak which also celebrated in different location or division. As these celebrations or events are financed through public funds, therefore, it does have to be well-organized and administered as to meet its targeted objectives and public expectation.

The purpose of this study is to find out the benefits of these events and the study also will explore the perceptions of the respondents on the economic impacts of those events. The areas cover are provision of employments, support on local trade, and opportunities of creating new businesses. These areas are chosen to show the relevancy of the events and how it benefited to the host and its surrounding. The demography of the respondents is also including finding their perception on the impact on each area.

LITERATURE REVIEW

Celebration activities in Malaysia arise from religious, race or ethnic, dignitaries, groups or individuals or government activities. The frequencies of these celebrations also depend on the nature of the events. Some of them are held only once, annually, once in two years or even with a longer gap. In addition, some celebrations held only on rare occasions to mark a significant event such a general election victory. Regardless of its purpose, those events need to be well-organized, well-funded, and administered to ensure its success and public satisfaction is meeting.

An event is a unique activity, occasion or ‘happening’ with unique objectives and, hence, unique outcomes and impacts (Sharpley et al., 2011). Their impacts can either be positive or negative to the destination and the surrounding community. Accordance to Liu (2014), the event needs to produce some significance economic and socio-cultural impacts. Due to these impacts, the events should provide opportunities for the surrounding community to participate, to developed their skills and attitude through volunteering and social activities, and also to foster the development of cultural and environmental (Irshad, 2011). On the other hand, Sharpley et al. (2011) noted that not all impacts are in a positive direction. Therefore, O’Mahony (2017) suggested that the events are only powerful platforms and delivering positive impacts on the economy when it's has been planned well.

Economic Impact

Events and festivals are commonly believe to deliver several positive impacts to the host communities and its have become one of the growing popularity methods in attracting the visitors to an area (Dwyer, Forsyth, & Spurr, 2005). Events may impact host community through various means such as bringing foreign exchange earnings, income, and employment opportunities (Etiosa, 2012).

Spending on the events and festivals by the visitors may also provide several significant economic benefits to the host. For instance, the events could deliver greater economic benefits to the local and suppliers in provision of services, food, beverages, and attractions. Local vendors, artisans, craftspeople, restaurateurs, hoteliers, and innkeepers may make a large portion of their annual income during the course of an event (Irshad, 2011).

Special events that described by Allen et al. (2011) in Etiosa (2012) as specific rituals, presentations, performances or celebrations that are well planned and carried out to mark the special occasions or achieve particular social, cultural or corporate goals

and objectives. These special events range from national days and celebrations, civic occasions, cultural performances, major sporting fixtures, corporate functions, trade promotions, and product launches.

According to Dwyer, Forsyth, and Spurr (2005), special events are now highly sought after in many countries, regions, and cities, internationally. They are generally seen as leading trends to increase economic activity and to boost job creation through the net increase in demand for goods and services. Governments are often preparing to offer generous funding incentives to attract events and to allocate large expenditure to upgrading the facilities needed for the events. Internationally, government-funded events corporations are prepared to enter expensive bidding wars to secure footloose events. It is recognized that there may be other perceived benefits from events such as “putting a city on the map,” facilitating business networking, and civic pride.

Economic impact studies provide a good tool to estimate the influence of particular events on the economy. The results of economic impacts are useful in making decisions and may assist developers and local politicians to justify public funds by citing the economic benefits of the events such as creating employment, income generation, and helping territory spatial organization (Irshad, 2011). According to the guidelines report by Research Resolutions & Consulting Ltd. (2007), event and festival organizers are often called upon to make estimates of tourism-related economic impacts to justify their requests for support from private and public sector sponsors.

Economic impact studies provide a dollar-value assessment of an event, attraction, business or industry (Miller, 2007). This is the total amount of additional expenditure generated within a defined area, as a direct consequence of staging the event. For most events, spending by visitors in the local area and in particular on accommodation is the biggest factor in generating economic impact. However, spending by event organizers is another important consideration. “Economic Impact studies typically seek to establish the net change in a host economy – in other words, cash inflows and outflows are measured to establish the net outcome” (<http://www.eventimpacts.com/impact-types/economic>).

METHODOLOGY

This descriptive study aims to find out public perception on the economic impact of the events organized by the Sarawak State Agency towards its destination and its surrounding community. This study was conducted on the Sarawak’s Governor’s

Birthday Celebration on 9 September 2017 held in Kuching and the Malaysia Day celebration held in Sibul on 16 September 2017.

A convenience sampling techniques was employed and the survey study has been conducted through self-administered face-to-face method and also through Internet. Only one questionnaire was designed in English to gather the public perception on the economic impact of the events together with the information on the demography of the respondents.

Demographic Profiles

Demographic characteristics include gender, age, race, education level, occupation, and residency of respondents (geographic region).

Perception on Impacts

The perceptions of the respondents on the economic impact from the event are measured using the five-point Likert Scales ranging from Strongly Disagree (1) to Strongly Agree (5) as to measure the respondents' agreement with the statements provided.

Data Collection

All questions or variables in the questionnaires were adopted from the previous empirical studies; hence, it was opted that no pilot testing to be conducted. The survey has been conducted during the TYT's birthday celebration held in Kuching and Hari Malaysia celebration held in Sibul. Enumerators were trained to understand the questionnaires and to manage the interviews with the supervision of the researchers.

The sample size of 1592 for this study is undoubtedly valid to draw conclusions on public opinion on issues discussed as it is consistent with the practices of other well-known researchers such as those from the Pew Research Centre in USA and Merdeka Research Centre of Malaysia.

Data Analysis

The complete and usable questionnaires were validated and analyzed using IBM SPSS version 19. Descriptive statistics and cross tabulations were also performed to investigate the research objectives. The SPSS outputs are reprocessed using Microsoft Excel 2013 to generate better presentation of results.

FINDING AND DISCUSSIONS

This study has covered two major state events celebrated in 2017 by Sarawak State Government organized by the State Protocol and Public Relations Unit (Unit Protokol dan Perhubungan Awam Negeri) of Sarawak Chief Minister's Office. The celebrations include Governor's Birthday (Tuan Yang Terutama Yang di-Pertua Negeri's Birthday) celebrated on 9th September in Kuching and Malaysia Day (Hari Malaysia) celebrated in Sibu on 16th September.

Demographic Profiles

The demographic characteristics of the respondents' covers in this study are gender, age, education level, ethnic, occupation, and places of residence (see Table 1).

Table 1: *Demographic profiles*

Profile	Frequency (n)	Percentage (%)
Gender		
Male	796	50.00
Female	796	50.00
Age		
13-15 years old	123	7.7
16-25 years old	388	24.4
26-35 years old	495	31.1
36-45 years old	186	11.7
46 -55 years old	309	19.4
56-65 years old	73	4.6
Above 65 years old	18	1.1
Education Level		
Primary	88	5.5
Secondary	672	42.2
Certificate	191	12
Diploma	293	18.4
Bachelor Degree	280	17.6
Masters Degree	62	3.9
PhDs	6	0.4
Ethnic		
Malays	557	35
Chinese	330	20.7
Ibans	302	19
Melanau	244	15.3
Bidayuh	102	6.4
Orang Ulu	27	1.7

Others	30	1.9
Occupation		
Students	347	21.8
Public Sector	474	29.8
Private Sector	395	24.8
Self-employed	148	9.3
Unemployed	189	11.9
Retirees	38	2.4
Place of Residence		
Sibu	788	49.5
Kuching	412	25.9
Mukah	72	4.5
Miri	59	3.7
Sarikei	46	2.9
Samarahan	45	2.8
Others parts of Sarawak	118	7.4
West Malaysia	48	3
Foreigners	5	0.3

A total of 1,592 usable questionnaires were obtained for both events where 1,544 were obtained via face-to-face interviews and 48 questionnaires were obtained from on-line surveys. There was an equal ratio of male and female respondents. Respondents from the age group of 26 to 35 years old made up the biggest proportion (31.1%) followed by the age group of 16 to 25 (24.4%), 46-55(19.4%), 36 to 45 (11.7%), 13 to 15 (7.7%), 56 to 65 (4.6%) and the remaining 1.1% represents 65 years and above.

Malays formed the biggest portion of the samples (35.0%), followed by the Chinese (20.6%), the Ibans (19.0%), the Melanaus (15.3%), the Bidayuhs (6.5%), the Orang Ulus (1.7%), and 1.9% was from other races. This pattern of ratios could probably be due to the concentration pattern of respondents where they lived within the vicinity of the event venues.

Next, the education background of the respondents was ranging from primary to PhD. The secondary school level formed the biggest group which accounted for 42.3%, followed by Diploma (18.4%), Bachelor's Degree (17.6%), certificate holders (12.0%), Primary School (5.5%), Master's Degree (3.9%), and PhD holders (0.4 %).

The respondents were came from various working categories which the public sector employees made up the biggest number (29.8%), followed by private sector (24.7%), students (21.7%), unemployed (11.9%), entrepreneurs or self-employed (9.3%), and retirees (2.4%). This pattern of output where the public and private sectors made up more than half of the respondents could probably be due to those working in these sectors were taking the opportunity to relax and enjoy the two public holidays.

The present places of respondents' residence are from all over Sarawak, Sabah, West Malaysia, and others. Those residing in Sibuh made up the biggest group accounted for 49.4% followed by Kuching (25.9%), Mukah (4.3%), Miri (3.6%), Sarikei (2.8%), Samarahan (2.7%), and other parts of Sarawak (7.2%), West Malaysia (2.9%), and others (0.1%).

Perception on the Impacts of the Event

The respondents' perceptions on the economic impact of the event were assessed using the five-point Likert Scale which 1 for Strongly Agree, 2 for Agree, 3 for Neutral, 4 for Disagree, and 5 for Strongly Disagree. To ensure fairness as well as to avoid from respondents being carried away while answering, some of the questions were arranged in the negative tone and their answers later were reverted to positive manner. The scores from the individual criteria of the economic impact scales were summed up to assess the overall positive perceptions towards the event organized by the state agency.

Economic Impacts

The economic impacts of the events within the scope of this study are employment opportunities, trade, and business opportunities. These scopes are further detailed into individual questions as following:

- Provide temporary job opportunities
- Support local trade
- Revive local economy
- Increasing in hotel occupancy rate
- Provide new area of employment
- Provide permanent job opportunities
- The event will lead to extended shopping hours in the event area

The perceptions of respondents on the criteria is summarizes in Table 2.

Table 2: Perception on economic impacts

Variables	Perception on economic impacts					
	Strongly Agree (A)	Agree (B)	Total Agree (A+B)	Neutral	Disagree	Strongly Disagree
Provide temporary job opportunities	36.43%	47.36%	83.79%	12.31%	3.58%	0.31%
Support local trade	30.90%	52.64%	83.54%	14.82%	1.57%	0.06%

Revive local economy	23.18%	59.42%	82.60%	13.57%	3.64%	0.19%
Increasing in hotel occupancy rate	38.44%	43.97%	82.41%	13.44%	3.83%	0.31%
Provide new area of employment	22.17%	54.46%	76.63%	15.70%	6.78%	0.88%
Provide permanent job opportunities	7.04%	36.24%	43.28%	28.45%	23.43%	4.84%
The event will lead to extended shopping hours in the event area	7.85%	25.63%	33.48%	22.24%	36.31%	7.98%
Overall	23.72%	45.67%	69.39%	17.22%	11.31%	2.08%

The overall perceptions scores for economic impacts resulted from the events are 23.72 % for the Strongly Agree, 45.67% for the Agree, 17.22% for the Neutral, 11.31% for the Disagree, and 2.08% for the Strongly Disagree. With the total perception of “Strongly Agree and “Agree” of 69.39% as compared to the total of 11.39% from “Disagree” and “Strongly Disagree,” these indicate that the events organized were beneficial to the public economically. The positively perceived criteria are provision of temporary job opportunities with a score of 83.79%, support local trade (83.54%), reviving local economy (82.6%), increasing in hotel occupancy rate (82.41%), and providing new area of employment (76.63%). On the other hand, the negatively perceived scores are on providing permanent job opportunities with 43.28% and the extension of shopping hours in the host area with only 33.48%.

Only 36.43% of the respondents were strongly agreed that the economic impact on the event held that it would provide temporary job opportunities. In supporting the local trade, 30.9% of the respondents were strongly agreed that the event has the economic impact. While, 52.64% were agreed, 14.82 % were neutral, 1.57% was disagreed, and 0.06% was strongly disagreed.

Majority of the respondents perceived that event held by government agencies could revive local economy as 23.18% of the respondents were strongly agreed and 59.42% were agreed, that made up a total of 82.60% of them were agreed that the event gives a positive economic impact to the host location.

Positive economic impact by the events held also can be seen in the increasing hotel occupancy rate as a total of 82.41% respondents were perceived positively towards these criteria which made up of 38.44% were strongly agreed and 43.97% were agreed.

Besides providing temporary employment, the event held also could provide a new area of employment as 76.63% respondents perceived positively with 22.17% were strongly agreed and 54.46% were agreed. Despite of having many positive economic impact, event held do not have a strong support in the provision of permanent job opportunities. These can be seen as only 43.28% of the respondents perceived positively

in which only 7.04 % were strongly agreed and 36.24% were agreed that event held would provide permanent job opportunities.

Even though flocks of people coming for the event held, the respondents perceived that the event held would not extend the shopping hours in the event areas which only 33.48% perceived it positive where only 7.85% were strongly agreed and 25.63 % were agreed.

CONCLUSION

Based on the findings, events by government agencies could help to deliver some positive economic impacts, however, it do not give a strong impact in areas such as providing permanent job opportunities and extension shopping hours in the event area.

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