ABSTRACT

There is a current sports facilities construction boom universally. Recent shifting the location of sports facilities into the city area, at the same time, given the increased pressure on cities to adopt an entrepreneurial stance to attract mobile global capital, cities and localities are actively involved in initiatives to refurbish and refine national and local identities. Hosting sports events gain increasingly popularity and influential among cities, however, it necessitates further sports facilities construction. Sport has the potential to generate substantial economic and social returns to local and regional government investment in the sports industry. It seems to be more efficient especially for developing countries which are faced with a strong economic, social, and environmental need. Previous experiences in sports facilities construction and hosting mega event have yielded profound benefits in terms of enhance and increase of short-term and long-term benefits. This paper provides a brief overview on sports facilities construction, cities strategies for large-scale construction, and different studies on the impacts of hosting sporting events, address opportunities on the potential of sports facilities construction and hosting event in developing countries.

Keywords: Sports Facilities, Hosting event, Developing Countries.

1.0 INTRODUCTION

There is a current sports facilities construction boom universally. These facilities construction are due to hosting sporting events such as Olympic Games, Commonwealth Games, and World Cups or smaller scale facilities. Traditionally the sports facility was a modest facility with a capacity of perhaps a few hundred, serving a small local community and forming part of the social fabric along with the religious building, and town hall. In 1986 the modern Olympic movement was born in Athens. Since then the sports facility has evolved into one of the great public building forms of the twentieth century, regarded, at its best, as an essential and positive element of civic life (John et al., 2007). Over the past 20 years investment in sporting infrastructure at national level in cities was not primarily aimed at getting the local community involved in sport, but was instead aimed at attracting tourists, encouraging inward investment and changing the image of the city (Gratton et
The first example of this new strategy in UK was seen in Sheffield with the investment of £147 million in sporting facilities construction to host the World student Games of 1991. In the decade leading up to the 2000 Sydney Olympic Games, AUS$1.2 billion in private and AUS$2.3 billion in public investment was spent on infrastructure construction (Owen, 2002). Malaysia spent more than two billion Malaysian Ringgit (RM), or US$555 million, for stadiums, the organisation of the Games and the training of local athletes for hosting 16th Commonwealth Games in 1998 (Westhuizen, 2004). The great significance of this event is not only due to the first games ever held in Asia, but it was only the second to be hosted by a developing country (after Jamaica in 1966). More recently, China spent over $23 billion in order to host Olympic in 2008. India in 2010 for 19th Commonwealth Games will be the third developing country to host such a mega event. It is spending only for game village around US$230.7 million. The drivers of such policies as stated by Gratton et al. (2005) are the need for a new image and new employment opportunities. Their evidence has shown the wide diversity in economic impacts generated from such events, but also that a sport strategy based around events can deliver significant benefits to cities. However, the evidence was related to the immediate economic impact during and immediately after the event. There is necessary to concentrate on the longer-term benefits that sport has the potential to deliver. The longer term regeneration impact of sports stadia construction can depend on their usage after the event for which they were built. Many stadia that have been built for world class sporting events struggle to produce sufficient revenue to sustain annual operating costs after the event (Davies, 2005). If sustainable regeneration is to be achieved, an important consideration is to plan for the effective post-event use of such facilities (Smith and Fox, 2007).

Sport has the potential to generate substantial economic and social returns to local and regional government investment in the sports industry. It seems to be more efficient especially for developing countries which are faced with a strong economic, social, and environmental need. However, sports is getting more and more influential and it will continue to grow in importance as the world develops into global village, sharing the English language, technology, and sports (Majumdar and Mangan, 2005). Further, according to globalisation and convergence theory, developing countries cannot avoid the importance of sports and sports investment (Aman, 2000). The United Nations designed Year 2005 as the International Year of Sport and Physical Education, as it is believed 'to promote education, health, development and peace' in developing countries (United Nations, 2005).

This paper is based on reviewing the current literature. It is structured as follows. The next section provides a brief overview on sports facilities construction particularly regarding to changes in their rationale for investment. The third section concentrates on cities strategies for large-scale project construction and hosting mega-event. This section aims to show the role of large-scale project to cities development strategies. The fourth section explains and discusses different studies on the impacts of hosting sporting events. However, hosting events necessitate further sports facilities construction. It provides better understanding about various possible impacts of hosting events for cities and local community. Further, it identifies the gap. Finally, conclusions address opportunities on the potential of sports facilities construction for hosting events in developing countries.

### 2.0 SPORTS FACILITIES CONSTRUCTION

Definition of a sports facility is different, from open recreational areas such as golf courses to indoor arena, dome, and single-purpose or multi-use stadia. Most of the literature on sports facilities construction comes from the North American experience as their professional sports facilities are very famous and popular. The US context involving national sporting league with big crowds at each game, and team franchises which are mobile between cities is distinctive (Searle,
Sports facilities construction boom have started in the 1990s in America. These facilities constructed by local states to attract professional sports teams and franchises from other cities and devote considerable public funds from local taxpayers’ money to these projects (Thornley, 2002). While in the US, cities compete with each other for inward investment and the sports industry, stadia in the UK are funded largely by national public funding or public-private partnership (Suzuki, 2007). Cities in the UK have no power to determine the use of tax revenues or to propose local tax increase in order to subsidies stadium construction. Most of the investment in UK was in terms of sports infrastructure for hosting mega events.

Perhaps the one major issue on sports facilities construction is the question of their funding and justification for their investment. It is due to requirement of huge money for construction, almost certainly with substantial public investment, and which is too much money compare to the cost benefit analyses. There are also needs for ancillary construction that are often built at public expense with every provision of a new facility. It is more difficult especially for sports facilities that have been built for world class sporting events to produce sufficient revenue to sustain annual operating costs after the event and they might be underutilized in the post-event era. There is a high cost for maintenance and the truth is that it is now very difficult for a sports facility to be financially viable without some degree of subsidy. Although so many researches there is still an ongoing debate to build a new sports stadium with public funds (Sam and Scherer, 2008). It seems to be more important especially in developing countries which are more in financial constraints.

2.1 Rationale for Funding

In the 1970s and 1980s, most countries expenditure on construction of sport expanded considerably with the rationale that sport made a considerable contribution to local communities in welfare terms (Gratton and Taylor, 1991). On the other hand, since 1960s in North America in response to debilitating problems cities have subscribed to a brick and mortar strategy of urban revitalisation. This strategy equates economic development with new construction and generated activity in different districts of the city. In the 1960s and 1970s the trends was to build huge office/hotel complexes and downtown convention centres to anchor new development. In the later 1970s and 1980s, festival marketplaces become the projects of choice in many cities. Over the past two decades, however, the single most popular downtown redevelopment project to emerge in urban America has been the sports stadium construction (Chapin, 1999). This strategy has been following increased unemployment due to de-industrialism in industrial cities, not normally known as major tourist destinations. It is also provided by shifting the location of sports facilities into the city area.

In the UK a second wave of sports investment began with following a similar rationale. Cities throughout Britain have invested in flagship projects to spur economic development efforts with a bricks and mortar approach by bringing visitors to downtown areas and by generating publicity for what are perceived to be dour, in-decline, formerly industrial cities (Cochrane et al., 1996; Jones, 2001; Chapin, 2002). It originated in the late 1980s when several cities used property and enterprise-led development policies to build prestigious sports-led construction to promote regional and economic development (Lawless, 1990; Loftman and Nevin, 1995; Jones, 2001; Davies, 2002). In the Britain context, also most of the cities following this strategy have been industrial cities. The difference between the rest of Europe and Australia and the British and American ones are they are already major tourist destinations in their own right prior to hosting the Olympics and new stadia construction. They were not facing the same problems of industrial decline. The objective here was to transform the image of these cities and turn them into major world cities (Gratton et al., 2005). The situation elsewhere in the world is equally ambiguous (John et al., 2007).
3.0 CITIES AND HOSTING MEGA-EVENTS

The industrial city was the quintessential production city, based on an economy of making something, whereas the new postmodern 'fantasy city' (Hannigan, 1998) is a consumption city, based on an economy of leisure and dreams, marketing fantasy and commercial developments. Thus civic spaces that were once vibrant industrial corridors are now being transformed into spaces of cultural commodity, and sport has come to play an important role for cities seeking to find remain globally competitive (Misener and Mason, 2006). On the other hand, bricks and mortar approach, which has started from US, has centered on entertainment, tourism, culture, and the arts (Frieden and Sagalyn, 1989; Rosentraub, 1995). It was in respond to the continued flight of families and jobs to suburban areas and the concurrent physical deterioration of downtown areas (Chapin, 2002). All these which lead to changes in the nature of planning and urban development in a series of construction large-scale urban redevelopment projects, bring use of entrepreneurial approach to local development.

Entrepreneurialism is not limited only to construction of large scale buildings. Hosting mega-event is extremely costly for cities, which is not possible without the large public subsidies. There are requiring substantial expenditure on infrastructure and security and critically depend, therefore, on public subsidisation (Baade and Matheson, 2004). However, there are some examples where events considered not just as an event but as a catalyst for urban restructuring, embodies more general trends in urban development and planning. One of the most common and successful strategies by the late twentieth century has been to rely on hosting "hallmark" or "mega events", in order to drive tourism as well as public investment in infrastructure (Magdalinski and Nauright, 2004). Sporting events are considered one-time opportunities for cities to secure resources for development efforts and to create global exposure (Andranovich et al. 2001; Whitelegg, 2000).

Sporting events such as Olympic Games, Commonwealth Games, World Cups, and World Championships are increasingly popular. However, increasingly cities are using multiple events of varying size and scales for tourism and urban regeneration (Misener and Mason, 2006). Cities vigorously compete to host sports mega-events because they perceive that doing so will enhance their image and stimulate their economies (Baade and Matheson, 2004). Further, since the spread of television during the late 1950s, hosting international sporting events has become one of the most effective ways for a country to place itself front and centre on the world stage, however temporarily, and show itself off as a successful society (Whitson and Macintosh, 1996).

Whitson and Macintosh (1993, 1996) argue that international sport has become one of the most powerful and effective vehicles for the show-casting of place and for the creation of what the industry calls a ‘destination image’. As such, contemporary major sporting events are as much about the commercial rivalries and struggles of cities and regions in a transnational environment to attract investment and consumer spending (Whitson and Macintosh, 1996) as they are about top level sporting competition. On the other hand, given the increased pressure on cities to adopt an entrepreneurial stance to attract mobile global capital, Robins (1991) suggests cities and localities are actively involved in initiatives to refurbish and refine national and local identities (Silk, 2002).

The mass audiences, celebrities, iconic structures and consumption associated with sporting spectacles mean that they are perceived by cities as valuable examples of ‘mega’ events (Hall, 1997). They can capture direct use values through attendance and indirect use values partially through broadcast rights. Lipsitz (1984) states sports event is underpinned by six envisaged outcomes: image enhancement; new inward investment; additional employment and sales; new recreational opportunities; renewed civic morale; and more interest in sport among the young.
4.0 IMPACTS STUDIES

All large-scale projects construction and mega-events, which require infrastructure investment, by public raise the same question. The questions discussed concern the 'multiplier' effects of a flagship project, its links and connections with the rest of the urban area, its social impact and its financial consequences (Carriere and Demaziere, 2002). As focus of this article on sports facilities construction for sporting events which it is more important due to huge expense of infrastructural outlay that hallmark events require, in addition, there are in danger of not using in the post-event era. The task of justifying a major event on economic grounds is like trying to justify the construction of a bridge that is going to be used for two weeks only—most infrastructure investment can only be justified by high levels of utilisation in the long term—something that is not plausible for many major event facilities (Atkinson et al., 2008). Further, hosting a mega-event is extremely costly especially the operating costs of mega-event are also enormous and are growing.

More generally, literature around the impacts of sports events is less developed compared to a lot of researches on impacts of sports facilities construction. It is due to many longitudinal or cross-sectional studies on the impacts of professional sports facilities on cities in North America. However, there is still an ongoing debate to construct a new sport facility with public funds (Sam and Scherer, 2008). Further, the literature on noneconomic impacts is somewhat more positive, concluding that noneconomic impacts are present and often positive, but hard to quantify (Chapin, 2002; Walton et al., 2008). This is the same as recent studies on the impacts of hosting events which have suggested concentrating on intangible short-term and longer-term benefits of the events rather than merely economic impacts. Meanwhile, whilst studies have succeeded in investigating social and welfare effects connected to sporting events, fewer studies have investigated their local and global environmental impacts (Collins et al., 2007). Further, although some evidence is available on the economic benefits of sports events, and sports tourism, many of the economic benefits to the local community have been poorly researched (Gratton et al., 2005).

4.1 Economic Studies

In the theory there is a wide diversity in the range of economic benefits that sports events can generate. Several approaches are possible to estimate the economic impact an event has had on a city. Further, claims that sports mega-events provide a substantial boost to the economy of the host city, region and country has been strongly criticised by some scholars. Baade (1996), Noll and Zimbalist (1997) and Coates and Humphreys (1999), however, showed there is no significant direct economic impact on the host cities from such stadium construction.

The purely economic case for hosting major sporting events is based on standard cost-benefit analysis techniques. The usual elements of a cost-benefit analysis are as follows (Atkinson et al. 2008). Costs might include: a) Operating costs, b) Direct investment costs (event-related facilities), c) Indirect investment costs (enabling infrastructure, such as roads, railways), d) Intangible costs (disruption, congestion, etc.—although some of these may be included in indirect costs if they are readily quantified; for example, if a market for congestion exists). On the other hand, benefits might include: a) Income generated by event-related investment including: direct impact (income from local construction firms), indirect impact-ripple (multiplier) effects caused by initial injection leading to further spending in the region, and induced impact-ripple (multiplier) effects caused by employees of impacted businesses spending part of their wages in the region. b) Incomes generated by event-related consumption including: direct impact-consumption spending by organisers and visitors, indirect impact-ripple effects caused by initial injection leading to further spending in the region, and induced impact-ripple effects caused by employees of impacted businesses spending part of their wages in the region. c) Intangible benefits, for example, value of improved local environment, health benefits of increased sporting participation, benefits from
achieving wider social goals (social inclusion, urban regeneration, national pride). Cost-benefit studies are usually conducted by hosts of the games in advance of the event. Mostly identify large economic benefits from hosting the games.

Baade and Matheson (2004) considered that ex post studies of the economic impacts may be more useful compare to the ex ante models. They can provide a filter through which the promises made by event boosters can be strained. They also explain several reasons that may occur and lead to the exaggeration of benefits induced by a sports mega-event. First, the increase in direct spending attribute to the games may be a 'gross' as opposed to a 'net' measure. For example, some local residents or potential visitors may dramatically change their spending given their desire due to avoid the congestion at least in the venue(s) environs. A second reason relates to what economists refer to as the 'multiplier'. To assess the impact of mega-events, a balance of payments approach should be utilised. That is to say, to what extent does the event give rise to money inflows and outflows that would not occur in its absence? Finally, public expenditures on sports infrastructure and event operations necessarily entail reductions in other government services.

In addition, there are several criticisms on economics-based impact studies of major sporting events (Collins et al. 2007). First, impact assessments are often undertaken or sponsored ex ante by groups with a stake-holding in the process and therefore with some danger of economic effects being overstated to gain additional public support, or to reinforce regeneration coalitions. Secondly, there has been criticism that studies focus on the short-run as opposed to the longer-term effects of events. Thirdly, the same as Baade and Matheson (2004), they declared some studies fail to encompass fully the indirect and induced economic effects of events. Fourthly, the analyses include residential and organisational spending that would have occurred whether the event had taken place or not. Finally, there has been a failure to account for the extent to which 'event'-based activity 'crowds out' other business activity, and also a failure to assess the opportunity costs associated with public expenditure to promote events or construct new infrastructure.

4.2 Other Impacts Studies

Major sporting events are usually assessed in terms of economic impacts. It is often claimed that the economic regeneration is paralleled by social regeneration, the improved image of helping citizens to feel better about their cities, and providing the local population with excellent facilities within which to participate in sport (Gratton and Taylor, 2000). Further, policy makers have begun to place greater emphasis on possible intangible effects (such as civic pride, legacy of constructed sporting facilities) associated with such events (Walton et al., 2008). In other words, instead of trying to identify monetary gains arising from economic activity, in which the precise nature of the activity has limited importance to the actual measurement, research is now focusing on the specific benefits derived by individuals from sporting facilities construction and events (Atkinson et al., 2008).

Crompton (2001, 2004) suggests that there are possible benefits to cities rather than economic impact which have been substantially exaggerated. There are increased community visibility, enhanced community image, stimulation of additional construction related to the stadium and psychic income to the city residents. Further, based on economists’ assertions criticising the economic impacts of sports subsidies, it has been suggested that sports generate benefits beyond those typically measured. For some residents, public funding for stadiums construction may be supported for reasons other than projections of income growth or job creation. These non-pecuniary benefits accrue to fans that enjoy watching games on television, discussing the home team with friends, or reading about the team in local newspapers (Noll and Zimbalist, 1997; Rapport and Wilkerson, 2001). However, Misener and Mason (2006) suggested that the social capital construct can provide a meaningful context for exploring the impacts of sporting events on community. They claimed hosting of sporting events can be used to build community networks and facilitate
improved social relations. It provided cities to develop meaningful proposals concerned with sporting activities that are designed to affect social change and political action, and realise benefits for cities far beyond that of tourism and economic development.

The important issue is how to measure these effects in order to improve the positive benefits of the future schemes. Atkinson et al. (2008) declare measuring the well-being associated with sports facilities construction in the literature are in two ways. Well-being is only relevant as a way of thinking how an individual’s spending choices might be altered in the face of the new facility/infrastructure construction. The first is the estimation of economic rents by comparing price levels. The second approach is stated preference techniques such as the contingent valuation (CV) method. However, much of the research in this field has sought to test the validity and reliability of the methodology. CV method is the only method attempting to empirically measure these non-use values and potential consumption benefits associated with sports subsidies (Walker et al. 2007). CV method is a survey tool grounded in the theory of welfare economics (Freeman, 2003), which places a dollar value on goods not readily exchanged in the marketplace including community pride and social quality (Carson, 2000; Kopp and Pease, 1997; Portney, 1994; Whitehead, 2006). Other public goods, such as transportation, sanitation, health, education, and certain aspects of environmental quality can also be measured using CVM.

CVM estimates are based primarily on hypothetical survey questioning and speculative outcomes involving individuals’ willingness to pay (WTP) for natural resources, social programmes, and other public projects. Nonetheless, given that economic impact studies typically produce negligible or even negative estimates of net benefits from hosting major sporting events or building sports facilities, constructing an argument in terms of willingness to pay represents a more credible approach to this policy choice problem (Atkinson et al. 2008).

4.3 Longer-term Impacts

Kasimati (2003) summarised the potential long-term benefits to a city of hosting major sports events including newly constructed event facilities and infrastructure, urban revival, enhanced international reputation, increased tourism, improved public welfare, additional employment and increased inward investment.

In recent years, sustainability has assumed increasingly importance. On the other hand, there are sports facilities that have been constructed for world class sporting events that struggle to produce sufficient revenue to sustain annual operating costs after the event. The sustainability of the impacts and longer-term effects are largely dependent upon future usage and the ability to affect the local community (Davies, 2005). This is also helps the event to avoid labeled ‘the disposable Games’. This term was used by Rutheiser (1996) for Atlanta’s approach during 1996 Olympic Games.

Legacy programme was an innovative attempt adopted in conjunction with the 2002 Commonwealth Games to ensure that the Games left a lasting legacy for Manchester and the North West of England (Smith and Fox, 2007). Gratton et al. (2005) claimed that it represents the first time in Britain an ambitious legacy programme was designed around a major sport event. It was for the period 1999-2004. The mixture of projects linked to the Games was a key strength of the legacy programme. It encouraged a greater range of benefits than would otherwise have been possible. This helped to avoid many of the problems associated with event strategies adopted by other host cities. Events seem to leave a more positive physical legacy when they are embedded within wider regeneration strategies.

As declared by Carriere and Demaziere (2002) Barcelona perhaps provides the best example, as it had talked for over 25 years about many of the changes now associated with the 1992 Olympic Games. Principally, this event provided an important incentive and deadline to complete long-held visions to construct road and transport infrastructure, housing, office and commercial
developments; and hotel facilities. More was spent on each of these four types of development than on new event venues. The Olympic Games left a comprehensive physical legacy that provided the basis for Barcelona's subsequent economic regeneration. Urban development that includes an event encourages urban development rather than using an event (Carriere and Demaziere, 2002).

5.0 CONCLUSION

There is current sports facilities construction boom. Hosting sports events gain increasingly popularity and influence among cities. However, hosting sports events necessitate further sports facilities construction. There is a wide diversity in the range of benefits that sports events can generate. As stated by Smith (2005) city image enhancement is usually one of the key objectives of event strategies.

Developing countries have the advantages of learning and benefiting from the experiences of industrialised countries. Experiences of the developed countries in the area of hosting and sports facilities construction have yielded profound benefits in terms of efficiency and increase of short-term and long-term benefits of hosting events and their requested facilities investment. It can be act as catalytic project to bring economic development, at the same time, benefits to local community. On the other hand, there are probabilities that facilities being underutilised in the post-event era. However, developing countries are experiencing a crisis in public finance because they have to respond to demands for the upgrading of their facilities. Therefore, sustainability has assumed increasingly importance. Legacy programmes initiative which started from 17th Commonwealth in Manchester should be carefully considered by cities intending to use major events to achieve urban generation. Urban development that includes an event encourages urban development rather than using merely an event.

Despite the rapid growth of the sports and globalisation, developing countries could not avoid this trend. However, image transformation benefits are much more vital for developing countries. While developing countries are facing with a strong economic, social and environmental need to regenerate very rundown areas, caused by poorly planned development, it can bring opportunities such as increasing inward investment, improved public welfare, and urban revival. These are opportunities that can be used for developing countries in the future. In addition, it is plausible to forecast that construction of significant flagship projects include event to enhance their image will underpin their urban strategies. Further, hosting sporting events can put community on the map. According to Smith and Fox (2007), one way of understanding cities is by analysing the legacies of events they have staged.

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