



Università
Ca'Foscari
Venezia



A.I.S.Re.



Workshop

Methodological issues for the evaluation of large public expenditure programs: the case of mega events

An event organized by Università Cà Foscari, Department of Economics,

with the sponsoring of
International Sport Economics Association
and
Associazione Italiana delle Scienze Regionali

November 7th, 2016

The proposed working sessions aims at putting together specialists of various economic methods for the evaluation of mega-events or analogous policies, in order to exchange ideas on the necessary methodological renewal in the field. Contributions relating to CGE, CBA, EIA, macroeconomics or any other relevant approach are welcome. Methodological and epistemological topics are especially welcome.

The meeting will be held from 10:00am to end of the afternoon. It will consist of an open seminar by Larry Dwyer and a set of presentations including contributions from Michiel de Nooij and Markus Kurscheidt. The limited number of participants and the time format will allow for extended presentations and discussions of the contributions.

San Giobbe Campus (Ca' Foscari University of Venice), see attached map

Committee: Prof. Larry Dwyer, Prof. J. Massiani, Dott. M. Sartori,

Program

10.00-12.00 (meeting room 1)

Open seminar “**The economic impact of Mega-Events: Theory and Results**” by L. Dwyer

12.00-13.30 Lunch

13.30-17.00 Seminar presentations (meeting room 3)

Boston we have a problem: promises and compromises of methods for the evaluation of mega events.

Jerôme MASSIANI: Università Ca’ Foscari di Venezia

Assessing the economic impact of mega-events: the (computable) general equilibrium approach.

Martina Sartori - Università Ca’ Foscari di Venezia

Assessing the Olympic Games: the Economic Impact and Beyond.

P.L. Scandizzo and M.R. Pierleoni, Università Tor Vergata

Understanding consumption decision-making within the largest public night-time event in Abruzzo: evidence from a field study

Assia Liberatore - Edgardo Bucciarelli, Università di Chieti-Pescara

From ex ante cost-benefit analysis to surveys of primary consumption – and back again? Methodological lessons from 20 years of sport event impact research.

Markus Kurscheidt - University of Bayreuth, Germany

On the evaluation of mega events: the limits of EIA, incompleteness of CGE, and the potential for SCBA. Michiel de Nooij

The venue will be available for discussion and conclusions and further interactions between participants until closing time - 19.30

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Map

San Giobbe Campus is 10-15 minutes walking from Santa Lucia train Station



Presentations abstracts

Boston we have a problem: promises and compromises of methods for the evaluation of mega events

Jerôme MASSIANI: Università Ca' Foscari di Venezia

In this presentation we explore the merits and limitations of the main methods available for mega event evaluation: EIA, CGE, CBA together with econometric time series methods. We analyse how each of these methods is only telling part of the story (or conversely, in the worst case, is inventing part of the story), and contribute to unveil the -frequently hidden - assumptions behind these calculations. We provide some elements to measure the unmeasured, or at least to suggest how large can be the deviation with real economic mechanisms that are carried, to various extent, in each of these methods (I don't dare yet to say "in each of these narrations"), and explore how a unified framework should be proposed for a more reliable estimate of mega events economic impacts.

Assessing the economic impact of mega-events: the (computable) general equilibrium approach

Martina Sartori - Università Ca' Foscari di Venezia

This presentation will deal with the application of Computable General Equilibrium models to the assessment of the economic impact of mega events. Available studies will be first critically reviewed, focusing on the key assumptions driving the results. On this ground, crucial methodological aspects in modelling a mega-event in a CGE model will be discussed, as well as potential limitations associated with this theoretical approach/framework

Assessing the Olympic Games: the Economic Impact and Beyond

Scandizzo P.L. and Pierleoni M.R.

Università Roma Tor Vergata e Open Economics srl

This study addresses the question of the evaluation of the Olympic Games, within the broader framework of their significance as cultural assets and opportunities for endogenous growth and sustainable development of the host city. The study reviews the main approaches to the economic assessment of the Games, from the point of view of the underlying economic concepts and methodologies, as well as of the empirical results obtained. The studies surveyed are distinguished based on their attempts at measuring economic impacts or benefits and costs, both on ex ante and ex post basis. They are also analyzed from the point of view of different sets of effects on the host city, and for a limited number of cases, on the host country. The general findings appear to be controversial; with a well-documented tendency to exaggerate the benefits and underestimate the costs in the ex ante versus the ex post studies. The survey also suggests, however, that ex post cross country econometric studies tend to catch sizable differential and persistent benefits ignored by individual studies, especially on macroeconomic and trade variables.

Key words: Olympic, Paralympic, Games, Cultural Goods, Local Development, Impact, Cost-Benefit.

Understanding consumption decision-making within the largest public night-time event in Abruzzo: evidence from a field study

Assia Liberatore - Edgardo Bucciarelli: Università di Chieti – Pescara

This work addresses the issue of consumption decisions within the major public night-time event White Night 2016 - in the eventful city of Pescara. Based on the consumption value theory, the main concern of this work is to study consumption decision-making in order to provide some useful insights to both research efforts and policy agendas aimed at supporting the night-time economy of an urban area. This requires the local government as the principal driver of events development to shift from more generic to more event-led strategies, where several strategies may be deployed concurrently in the eventful city. The objective of this work is to examine the elicited values of the individual inter-temporal discounting and a number of factors most influencing subjects' decision-making, by using both survey and experimental methodologies. The findings suggest the existence of a specific relationship between private expenditure and the framing effect due to the special night-time event. Furthermore, this study aims to examine the subjects' behavioural traits who overcome their night-long budget as a reference point. Finally, policy suggestions are proposed.

Keywords: eventful city, night-time economy, consumption decisions, survey data, experimental economics.

From ex ante cost-benefit analysis to surveys of primary consumption – and back again? Methodological lessons from 20 years of sport event impact research

Markus Kurscheidt - University of Bayreuth, Germany

I started to work on the economic impact of major sport events as a young researcher in November 1996 with a comprehensive, externally funded project on an *ex ante* cost-benefit analysis of the FIFA World Cup 2006 which Germany was bidding for by the time. The methodological insights from this applied empirical research later built the basis for my PhD thesis on a coherent approach to impact measurement and strategic event management. Concurrently, colleagues and I developed a questionnaire instrument to identify event visitor groups as to their travel and consumption behavior, first implemented at the FIFA World Cup 2006 and, then, at the FIFA Women's World Cup 2011 (both with N>10,000) as well as at other world championships hosted in Germany. This method of cluster sampling among visitors at major events is needed to calculate the primary injection induced by the spending behaviour of spectators and participants. So I will present my methodological lessons from 20 years of sport event impact research along a concise review of my own research as related to the literature. A focus will be placed on recent insights on event visitor spending behaviour.

Key words: cost-benefit analysis, economic impact analysis, primary consumption, major sport events, cluster sampling

On the evaluation of mega events: the limits of EIA, incompleteness of CGE, and the potential for SCBA

Michiel de Nooij

Michiel de Nooij Economic Research and Advice, Amsterdam, the Netherlands

Several instruments are around to analyze the effects of mega events: economic impact analysis (EIA), social cost benefit analysis (SCBA) and computable general equilibrium models (CGE). All methods have their problems: EIA is used most often, but is least suited. It overestimates some of the benefits and ignores the costs. CGE models do not overestimate the benefits of spending, but ignore some of the costs and benefits. SCBA is used the least but is the most useful. It makes the most assumptions (at least explicitly) and requires research on a broad range of benefits. I will discuss the main flaws and benefits of these methods (and advocate the use of SCBA). I will illustrate with and draw lessons from the SCBA of the Dutch bid for the 2018 World Cup Soccer, the SCBA of the proposed Dutch bid for the Olympic Games of 2028 and a comparison of EIA and SCBA of a Dutch running event.