Economic Impact of Hosting Small-Scale Sport Competitions: A Case Study of the 2009 All Ethiopian Women Games in Harar City

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Abstract

Introduction: Small-scale sport competitions are increasingly recognized as contributors to local economic development, yet most research focuses on mega-events. This study explores the economic impact of hosting the 2009E.C. All Ethiopian Women Games in Harar City, Ethiopia.

Objective: The study aimed to assess how the competition influenced Harar City's economy, particularly in terms of infrastructure, employment, revenue, and management effectiveness.

Method: A descriptive survey design was used, combining both quantitative and qualitative approaches. Data were collected from 92 purposively selected participants through questionnaires, interviews, observations, and document analysis. Quantitative data were analyzed using SPSS, while qualitative responses were evaluated using narrative analysis. Results were presented with supporting tables, graphs, and charts.

Result: The findings revealed that Harar City benefited economically from the event. Improvements in infrastructure, increased tourism, temporary employment, and tax revenue were observed. However, poor coordination, limited sponsorship, and overdependence on government funding reduced the event's full potential.

Discussion: Despite its small scale, the competition had a positive effect on the host city's economy. However, its overall impact was diminished by weak planning and management. The study confirms that with better organization and resource mobilization, small-scale events can be powerful tools for regional development.

Conclusion: The event offered economic gains for Harar City, but missed opportunities due to managerial challenges limited greater success.

Recommendation: Organizers should diversify funding, improve stakeholder collaboration, and build management capacity. Further research should explore similar events to inform sustainable sport event planning.

Keywords: Economic impact, sport competition, Harar City, small-scale events, infrastructure, tourism, sport management.

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I. Background of the Study

Hosting sporting events whether on a global or regional scale can significantly influence the host city's economic, social, and infrastructural development. While mega-events like the Olympic Games often provide short-term boosts through visitor spending and long-term benefits from facility development, these impacts are not exclusive to large-scale events. Even small-scale competitions have been found to yield measurable economic and reputational advantages for host communities (Carros et al., 2001; Baloglu, Brown, & Busser, 2010).

Sport events such as the All Ethiopian Women Games can serve as catalysts for urban improvement, tourism promotion, and increased public investment. In 2009 E.C., Harar City hosted this national-level competition, which presented an opportunity to explore its role in stimulating local economic activity. During and after the event, Harar witnessed improvements in sport infrastructure, enhanced visibility as a tourism

destination, and increased commercial activities. The event also allowed the city to market itself more effectively as a center for business and leisure.

Despite these observable benefits, no clear data exist on whether the city's investments in hosting the event resulted in proportionate economic returns. Additionally, several management-related challenges were reported, including limited coordination among stakeholders, inadequate sponsorship engagement, and weak logistical planning. These limitations likely curtailed the event's full economic potential.

This study therefore seeks to examine both the economic impact of the 2009 E.C. All Ethiopian Women Games on Harar City and the sport management challenges encountered during its implementation. The findings aim to inform municipal officials, event organizers, and policymakers about the opportunities and barriers associated with hosting small-scale sport competitions. Ultimately, the study contributes to the limited body of literature focused on the economic implications of regional and local sport events in developing countries.

II. Material and Method

Study Design: This study employed a **descriptive survey design** to examine the economic impact of hosting a small-scale sport competition on the development of Harar City's economy. According to Couhman and Dawson (1995), survey research involves collecting data from a portion of a population to examine characteristics, opinions, or intentions. This design was selected due to its high representativeness and practicality in obtaining respondents' views efficiently (Polit & Beck, 2004).

Population of the Study: The target population consisted of key stakeholders from sectors directly or indirectly related to Harar City's economy and sport event management. These included officials from the youth and sport office, sport commission, trade and tax offices, hotel and tourism sectors, Harar brewery factory, and small-scale enterprise industry. The total population numbered 307 individuals (184 males and 123 females).

Sampling Size and Sampling Technique: A **purposive sampling** technique was used to select a representative sample of 92 participants (approximately 30% of the total population), comprising 55 males and 37 females. Participants were selected based on their direct involvement in economic or sport-related sectors.

No	. Target Group	Mal	e Fema	ale Total
1	Sport officials (youth & commission)	26	16	42
2	Trade and tax officials	10	6	16
3	Harar brewery factory workers	9	7	16
4	Hotel and tourism officials	10	8	18
	Total	55	37	92
	Total	55	51)2

Sources of Data: Both **primary** and **secondary** data sources were utilized. Primary data were gathered through questionnaires, semi-structured interviews, and observation checklists. Secondary data were obtained through document analysis and review of existing literature and reports from relevant government offices

Measures and Data Collection Instruments: A structured questionnaire containing 32 close-ended items was distributed to officials across the five target groups. It was designed to assess perceptions regarding the economic impact of the event. Twelve semi-structured interview questions were used. These included seven questions for sport event organizers, three for Harar brewery managers, and one each for trade/tax and hotel/tourism officials. The observation checklist assessed the sport facilities constructed or renovated due to the event, including stadiums and public recreational areas. **Furthermore,** Documents reviewed included tax revenue records and employment data from the trade and tax office and small-scale enterprise bureau.

Data Collection Procedure: A pilot study was conducted with 20 respondents outside the sample group to ensure the clarity, relevance, and reliability of the questionnaire. Adjustments were made accordingly. Data collection began with prior communication and approval from target institutions. Questionnaires were distributed face-to-face, and interviews were conducted the following day. Document reviews and field observations of sport infrastructure followed, completing the triangulated data collection process.

Data Analysis: Quantitative data were analyzed using **SPSS** through descriptive statistics, including frequency and percentage distributions. Qualitative data from interviews and observations were examined using **narrative analysis**. Findings were illustrated using tables, bar graphs, and pie charts for clearer interpretation.

Data Quality Control: To ensure data validity and reliability, a pilot test of the questionnaire was conducted, followed by expert review. The consistency between pilot results and the main research objectives supported the appropriateness of the tools. Efforts were made to minimize bias through triangulation and clear, objective wording in all tools.

Ethical Considerations: All participants were informed about the purpose of the study and gave verbal consent before participating. Anonymity and confidentiality were assured, and data were used solely for academic purposes. Permission was obtained from institutional authorities before accessing any organizational records or facilities.

	III.	Result	
Table 1: Background Information about Par	ticipants		
Backgrour	ıd Inform	nation Frequency	Percent
Sex			
Male		55	59.78%
Female		37	40.22%
Total		92	100%
Age			
18-24		12	13.04%
25-31		38	41.3%
32-38		28	30.43%
Above 38		14	15.22%
Total		92	100%
Job Exper	ience		
0-5 years		15	16.3%
6-10 years		40	43.49%
11-15 years	5	25	27.17%
Above 15 y	/ears	12	13.04%
Total		92	100%

According to table 1, the background information of the 92 participants reveals key demographic patterns. Regarding **sex**, the majority of participants are male, accounting for 59.78%, while females represent 40.22%. In terms of **age**, the largest group falls within the 25-31 years range, making up 41.3% of the participants, followed by the 32-38 years group at 30.43%. For **job experience**, most participants (43.49%) have 6-10 years of experience, while 27.17% have 11-15 years. Smaller proportions, 16.3%, have 0-5 years of experience, and 13.04% have more than 15 years of experience.

Figure 1 below presents the participants' perceptions of infrastructure development resulting from hosting sport competitions. Regarding the **building of sport facilities**, 47.62% of participants rated it as "high," while 28.57% considered it "medium" and 23.81% rated it as "low." For the **maintenance of sport facilities**, a significant majority (71.43%) felt it was "very low," with 28.57% rating it as "low." In terms of **creation of leisure areas**, most participants (61.9%) rated it as "very high," while 38.1% rated it as "medium." Regarding **road development**, 59.52% rated it as "medium," 28.57% as "low," and 11.9% as "very high." For **network development**, the majority (61.90%) rated it as "low," with 23.81% considering it "medium" and 14.29% rating it as "very low." In the case of **power infrastructure**, 47.62% rated it as "high," 38.1% as "low," and 14.29% as "very low." Lastly, for **other infrastructure**, a significant portion (76.19%) rated it as "very high," with 23.81% considering it "high." These results indicate that while there has been notable development in sport facilities, leisure areas, and other infrastructure, there are concerns about the maintenance of facilities and the development of network infrastructure.

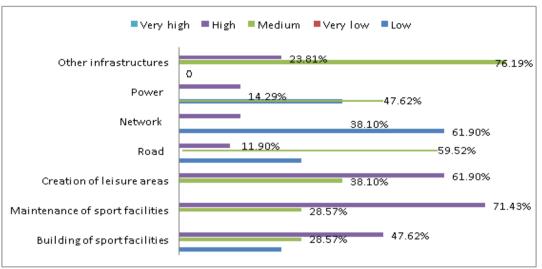


Figure: 1. Improvement of infrastructures due to sport competition in Harar city

Figure 2 highlights the various revenue sources during the sport competition hosted in Harar City and participants' perceptions of their contribution. For **sponsors**, an overwhelming majority (88.1%) rated it as "very high," with only 11.9% considering it "low." **Marketing activities** were viewed as "medium" by 78.6% of participants, while 9.5% rated them as "very high" and 11.9% rated them as "low." Regarding **grants**, 88.1% of respondents rated them as "very high," with 11.9% rating them as "low." Similarly, **ticket sales** were rated as "very high" by 88.1% of participants, and 11.9% rated them as "low." In terms of **donations**, a large portion (90.5%) rated them as "low," with 9.5% rating them as "very low." For **other sources**, 61.9% rated it as "low," 23.8% as "very low," and 14.3% considered it "medium."

These results suggest that sponsorship, grants, and ticket sales were the primary sources of revenue, while donations and other sources contributed less significantly.

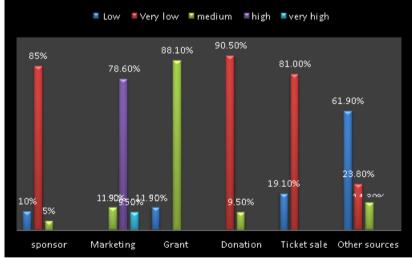


Figure2: Revenue generated from different sources during sport competitions in Harar city

According to the Trade and Tax Report of Harar city (2009 E.C.), the estimated tax revenue showed a notable increase during the sport competition period compared to the pre-competition month. The **total tax revenue** rose from 2,604,268 ETB in November to 3,150,273 ETB in December, reflecting an overall increase of **17.33%**. Among the economic sectors, the **hotel and tourism sector** experienced the highest percentage increase, rising by **39.69%**, from 388,540 ETB to 644,184 ETB, indicating a significant boost likely due to the influx of visitors. **Other trade centers** also saw a considerable increase of **37.05%**, from 105,435 ETB to 167,503 ETB. The **supermarket sector** followed with a **26.87%** rise in tax revenue, while **factories** showed a moderate increase of **12.77%**. The **employee sector** recorded the smallest change, with a **6.55%** increase in tax revenue. These figures demonstrate that hosting the sport competition had a positive economic impact on Harar city, particularly benefiting the hospitality, retail, and general trade sectors.

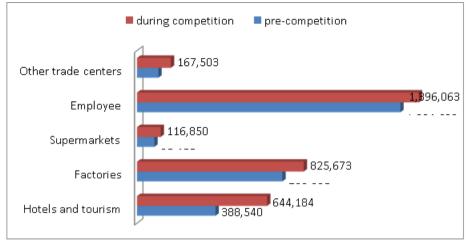


Figure: 3. Illustrates estimated tax revenue difference between pre- competition andduring competition in Harar city.

According to the data presented in figure 4, the sport competition significantly contributed to various income-generating activities in Harar city. All respondents (100%) agreed that the competition led to an **increase in volunteering opportunities, trade for local businesses, job opportunities,** and **business promotion**, indicating a widespread positive impact across these areas.

For **new business opportunities**, 81.2% of respondents reported an increase, while 18.8% indicated no change. Similarly, **investment opportunities** saw a 68.8% increase, with 31.2% of respondents noting no change. Importantly, **none of the respondents reported a decrease** in any of the listed activities.

These findings suggest that the sport competition played a vital role in stimulating local economic activities, creating opportunities for employment, business growth, and community engagement.

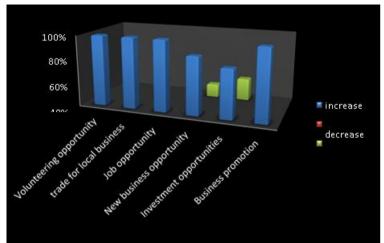


Figure: 4. Income generated activities related to sport competition in Harar city

Table 3: Employment Opportunities in Harar City Due to Sport Competition in 2009 E.C. (September-December)

No	Items	Number of Employment Opportunities Created
1	Sport Facilities Improvement	250
2	Public Infrastructure Improvement	130
3	Factories	50
4	Hotel and Tourism	90
5	Sport Offices	10
6	Other Sectors	8
	Total Employment	538

According to the Small Scale Enterprise (SSE) Report of Harar city (2009 E.C.), a total of **538 employment opportunities** were created as a result of the sport competition held between September and December. The largest number of jobs was generated through **sport facilities improvement**, accounting for **250 employment opportunities**, reflecting the major investment in upgrading venues.

This was followed by **public infrastructure improvement**, which created **130 jobs**, and the **hotel and tourism** sector, which contributed **90 employment opportunities**, indicating increased demand for hospitality services. Factories generated **50 jobs**, while sport offices and other sectors created **10** and **8 employment opportunities**, respectively.

These figures highlight the positive impact of the sport competition on employment generation across multiple sectors, particularly in construction, tourism, and service industries.

Table 4: Contribution of Sport Competition to Employment Opportunity in Harar City Source: SSE Report of Harar City, 2009 E.C.

This table indicates that out of 3,000 total employment opportunities created during the stated period, **538 jobs** (17.93%) were directly attributed to the **sport competition**, showing a significant contribution to local employment. Let me know if you'd like a paragraph summary as well.

Total Employment Opportunities (Sep–Dec 2009 E.C)	EmploymentOpportunities Due to Sport Competition	Difference	% Change
3,000	538	2,462	17.93%

According to Figure 5, the Harar Brewery Factory experienced several notable benefits due to the sport competition hosted in Harar city. A significant 62.5% of respondents indicated that the competition had a *very high* impact on the **productivity** of the company, while 25% rated it as *high* and 12.5% as *medium*. Regarding the **benefits from the sponsorship agreement**, 56.2% rated the benefit as *medium*, 25% as *very high*, and 18.8% as *high*. In terms of **company revenue during the sport competition**, 62% of respondents rated it as *high*, and the remaining 38% rated it *very high*, showing a strong financial boost. Furthermore, **brand awareness** due to the sponsorship agreement was rated *high* by 75% and *very high* by 25% of participants, indicating a clear promotional gain. Finally, when assessing the **impact of the sport competition on sales promotion**, 56.2% observed a *very high* level of support, while 43.8% noted a *high* level. Overall, the findings suggest that the sport competition had a positive and meaningful influence on multiple aspects of Harar Brewery Factory's business performance.

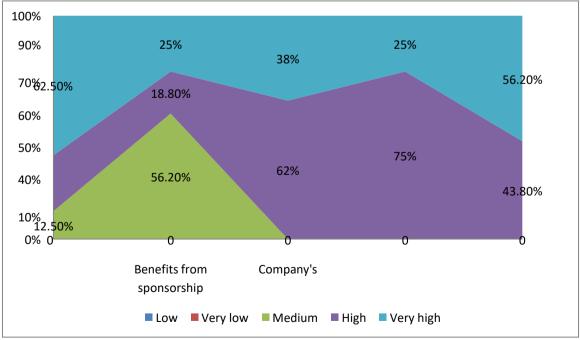


Figure: 5. Benefits of Harar brewery factory due to sponsorship agreements during sport competition in Harar city

According to figure 6, hosting sport competitions significantly contributed to the development of sport tourism in Harar city. A large majority of respondents (88.9%) indicated that such events highly raised the **profile of Harar city**, while 11.1% rated it as *high*. Regarding **visitor expenditure**, 61.1% rated it *high*, 22.2% *very high*, and 16.7% *medium*, showing a strong economic impact. The **flow of tourists** to Harar during the events was rated *very high* by 88.9% and *medium* by 11.1%, highlighting a noticeable influx of visitors. However, the table does not provide data for **tourist length of stay**. Lastly, concerning the **damage to normal tourism**, 61.1% of respondents rated it *medium* and 38.9% *high*, suggesting some level of disruption to regular tourism activities during the competition period.

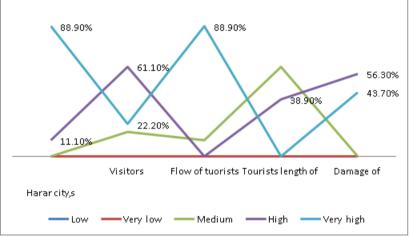


Figure: 6. Illustrated Harar city's benefits from sport tourism development due to sport competition

IV. Discussion

Discussion

The findings of this study reveal a multifaceted impact of hosting small-scale sport competitions in Harar City, demonstrating significant developments in infrastructure, revenue generation, tax income, and socioeconomic opportunities. The triangulation of quantitative survey data with interview insights and observational checklists provides a comprehensive understanding of both the tangible and intangible outcomes.

Survey results indicate that 47.62% of respondents perceived high levels of new sport facility construction attributed to the competition, while 28.57% considered it moderate. The maintenance and upgrading of existing sport infrastructure were also noted as significant by the majority of participants. Infrastructure improvements extended beyond sporting venues to include moderate road construction (59.52%), although only 14.29% noted any substantial improvement in network and power systems.

These quantitative findings are substantiated by qualitative data from interviews and observational checklists. Respondents confirmed the construction and renovation of various sports facilities, including a gymnasium, athletics track, boxing ring, and multiple courts (football, volleyball, handball, basketball, and tennis), with an all-purpose stadium under construction. The observational data further confirmed visible enhancements in physical infrastructure and maintenance practices. However, challenges in facility management, including cleaning, scheduling, and safety, were highlighted during interviews. This is consistent with Lakshman (2008), who emphasizes that hosting sporting events can catalyze urban infrastructure improvements and elevate civic pride when managed effectively.

The analysis reveals that Harar City derived economic gains from the sport competition through increased marketing activities (78.6%) and, to a lesser extent, sponsorship (15%). Other sources such as ticket sales, grants, and donations were minimally productive. The underutilization of sponsorship opportunities was primarily due to poor coordination among key stakeholders—media, sponsors, and event organizers as highlighted during interviews. This disconnect resulted in ineffective branding and limited commercial engagement, reflecting challenges noted by Zinger and O'Reilly (2010), who argue that small-scale events often fail to attract sponsors when goodwill is undervalued over profit-driven visibility. Moreover, the lack of coordinated planning and financial oversight emerged as a recurring theme in interviews. The absence of close collaboration between event managers and financial officers led to inefficient budgeting and potential corruption risks issues also documented by Deccio and Baloglu (2002), who warn of negative economic impacts stemming from mismanagement of public funds during sports events.

Despite these challenges, the events were still deemed economically beneficial overall. Interviewees acknowledged that, due to the small-scale nature of the event, the infrastructure costs were relatively low, a

conclusion supported by Higham (1999), who stated that smaller host cities often capitalize on existing infrastructure, thereby minimizing financial burden.

Statistical data from the Harar Trade and Tax Office confirmed that during the event month (December 2009 E.C.), tax revenues from hotels and tourism services rose by 39.69%, with factories, supermarkets, and trade centers also showing notable increases (12.77%, 26.87%, and 37.05%, respectively). The overall tax revenue grew by 17.33% compared to the pre-event month (November 2009 E.C.), indicating a direct correlation between the event and urban economic stimulation.

These outcomes align with the arguments made by Gursoy et al. (2004), who state that increased tax revenues from tourism and trade during sporting events can contribute to broader economic development and infrastructure funding. The ripple effect of these gains includes temporary employment, enhanced business activities, and increased municipal income, providing a compelling case for continued investment in small-scale sporting events.

All respondents affirmed that local trade and job opportunities surged during the competition. Additionally, 81.2% noted an increase in new business opportunities, and 68.8% observed a rise in investment potential. However, while promotional activities were widespread, interviews indicated that many of these occurred through informal or unauthorized channels, reflecting gaps in marketing management and enforcement of sponsorship regulations.

Interviewees also discussed proactive initiatives by trade and tax officials, such as organizing temporary markets, mobilizing youth for service provision (e.g., food, beverage, and tourism), and facilitating the setup of small businesses. These initiatives demonstrate how sporting events can serve as platforms for community engagement and entrepreneurship. Nevertheless, the absence of structured marketing management limited the city's ability to maximize benefits from promotional activities.

The findings resonate with the theoretical model proposed by Chalip (2004), which emphasizes the importance of leveraging sport events for community development through strategic planning, stakeholder coordination, and policy integration.

V. Conclusion

In conclusion, the findings reveal that while Harar City reaped considerable benefits from hosting a small-scale sporting competition, including infrastructure enhancement, economic growth, and social development, these gains were partially undermined by management inefficiencies. Poor coordination among stakeholders, inadequate sponsorship strategies, and lack of financial oversight restricted the potential impact. Thus, to ensure the sustainability of such benefits in future events, it is essential to build institutional capacity in event management, develop integrated marketing strategies, and foster collaborative frameworks among public and private stakeholders.

VI. Recommendations

 \checkmark City governments and local authorities should strengthen coordination among stakeholders (sponsors, media, businesses) to enhance event management, invest in long-term infrastructure like sports facilities, and ensure proper budget management for sustained growth from sporting events.

 \checkmark Event organizers should enhance management skills for better planning and execution, ensuring smooth events that maximize economic benefits, and engage potential sponsors early, highlighting the community benefits of supporting local sporting events.

 \checkmark Local businesses should capitalize on increased foot traffic by promoting their products through targeted marketing and collaborate with event organizers for mutual benefits, while ensuring compliance with local regulations to avoid illegal marketing practices.

 \checkmark Sports officials should focus on improving facility management through regular maintenance and proper scheduling to ensure sustainability, while promoting volunteerism and local job creation to benefit the community and economy.

 \checkmark Sponsors and media should strengthen partnerships with local organizations to enhance coverage and financial returns, while focusing on long-term engagements for sustained support and community goodwill.

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