

Annex 26. Triple impact assessments of meetings

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Abstract

Impacts of meetings may appear in many forms and research in the area of impact assessments is at present developing wider perspectives rather than being limited to economic impact assessments. Concepts like social and cultural capital, environmental care, "footprint analysis" and "triple bottom line" are now appropriate and traditional cost-benefit analysis is regaining momentum. Another important dimension for an analytical framework is the subject of analysis i.e. from whose perspective are impacts assessed.

The purpose of this text box is to discuss the impacts of meetings based on the three dimensions economic, socio-cultural, and environmental impacts. Existing methods will be discussed with a focus on measurement issues.

Impacts of meetings

Meetings have impacts on individuals, social life and society at large in many different ways and it is relevant to discuss how impacts of meetings can be assessed from a wide social science perspective with a focus on sustainability and issues related to economic, socio-cultural and environmental impacts.

Meetings have impacts on the economy but also on social capital through social interaction related to the meeting as well as on the cultural capital of the society. Sustainability includes economic, environmental as well as social and cultural dimensions and sustainable *tourism* has been defined by the Global Sustainable Tourism Council uniting large organisations such as UNWTO and UNEP.

The criteria stipulate that sustainable tourism *should maximize benefits and minimize negative impacts* regarding:

- Economic impacts on the local community;
- Social impacts on the local community;
- Cultural heritage; and
- The environment.

A framework for analyses of the sustainability of meetings, which should be analysed as a specific type of events, can include the following impacts (cf. Sherwood, 2007):

Economic impacts: Direct expenditure related to the meeting

 Leakage out of the local community

Value added (wages, salaries, taxes and gross profit)

 Indirect and induced economic impact

 Opportunity cost

Socio-cultural impacts: Impact on public health and welfare

 Impact on community pride

 Impact on social and cultural capital

 Impact on quality of life

Environmental impacts: Emissions from transport to and from event
 Energy and gas use
 Solid waste – percentage of recycled waste
 Water use

Objects and subjects of impacts

The complexity of an assessment of the impacts of meetings may be described in terms of the *objects of analysis* i.e. what type of impacts should be taken into consideration. But it is equally important to be clear about the *subject of analysis* i.e. from what stakeholder perspective should an analysis be made.

Table 1: Subjects and objects of an impact analysis

<i>Objects</i> <i>Subjects</i>	Economic impacts	Socio-cultural impacts	Environmental impacts
The Community			
The Regional Economy			
The Industry			
The Event			

At the community level, economic impacts are preferably described by a cost-benefit analysis including tangible as well as intangible costs and benefits. Environmental impacts are similarly experienced mainly by the local and global community but managed by the industry and the event organisation.

Economic Impacts

There is a comparatively long tradition of economic impact analysis. The financial inflow into a region from tourists creates an economic effect that lends itself to economic analyses based on theories by Keynes as well as by Leontief . There are, however, a number of fundamental issues that need to be clarified in order to interpret the results of an economic impact analysis of meetings correctly. A good review of economic impacts is provided by e.g. Preuss (2004).

A large number of economic impact analyses describe the inflow of money in terms of “direct economic effect”. This is sometimes further elaborated with the help of multipliers to include indirect and induced effects. Economic indicators used politically and by economists, like GDP, are based on value added as the basic measure. Multipliers are relevant to use when calculations are made in terms of value added. A synthesis of various methodologies with a particular emphasis on the opportunity cost is described in (Andersson, Armbrecht & Lundberg (2008).

Socio-cultural impacts

Socio-cultural impacts comprise social as well as cultural impacts but have only rarely and only recently been measured in impact studies. Reviews of literature on social impact studies are provided by Deery and Jago (2010).

The Social Impact Evaluation Framework (SIE) is based on an assessment of socio-cultural impacts likely to occur. This assessment ex-ante may be followed up by an ex-post Social Impact Perception (SIP) study. This approach follows closely expectancy-value (EV) and value-attitude (VA) models developed into assessments of economic value in terms of willingness-to-pay for various social impacts of tourism (Lindberg et al., 2001).

The most frequently used approach is however to assess perceptions and attitudes. Based on a multiple item tourism impact attitude scale (TIAS), further developments of instruments to measure socio-cultural impacts of events have been made. These scales are based on answers in

ordinal scales to a large number of items and cluster analyses as well as factor analyses are frequently used statistical techniques.

Environmental impacts

The Ecological Footprint gives a measure in a single unit of land that is required to support consumption and subsequent waste discharge. Ecological Footprint Analysis is a concept developed at the University of British Columbia (Wackernagel, Rees, 1996). A study of event organisers revealed that the environmental impacts identified as the most important were transport, waste management and noise. The focus on one measure “global hectares” is probably one factor explaining the success of the concept ecological footprint. While most academics probably are in favour of the concept of ecological footprint, this does not mean that academic scrutiny and reflection should be ignored and the universality of the measure is an issue that raises academic concern.

The market for trade of emission rights may present an opportunity to overcome many of these setbacks. Ideally, the emission rights market will help to allocate environmental impacts not only between areas but also between industries and it is thus theoretically possible that e.g. a petroleum refinery will reduce production and emissions to allow for an exciting congress to take place simply because the congress creates more pleasure and utility than a day’s production at the refinery. In practise it seems however difficult to create a well-functioning emission rights market (Grubb & Neuhoff, 2006) and it will take long before emissions and gha are used in the most effective way.

Conclusions and implications for research

Scope of assessment

A focus on economic, socio-cultural and environmental aspects cover a great deal of perspectives suggested by other researchers but it is not a complete coverage which is important to keep in mind. A Cost-Benefit Analysis is all inclusive but only implicitly so. An analysis of the complete life-cycle of a meeting event is desirable in order to describe not only cash-flows over the life-cycle but also how other tangible as well as intangible impacts are distributed over time. Another issue related to scope is to what extent an impact assessment should describe not only direct but also indirect effects. This is explicitly discussed in economic assessments but is equally relevant for socio-cultural and environmental assessments.

Opportunity cost

The need to consider opportunity cost i.e. the impact from the best alternative activity, has been strongly argued. This is relevant not only for the economic analysis but also for a socio-cultural and environmental analysis. Not discussing the opportunity cost is equal to assuming that participants and others involved in a meeting event would be living in a vacuum with nil economic expenditure, nil socio-cultural activity and nil environmental impact if they did not participate in the meeting. This is, of course, an incorrect assumption and may severely distort the result.

Commensurability

By producing results of an assessment in three non-comparable units i.e. a monetary value, a 1-7 ordinal scale value, and global hectares, the researcher dodges the task of giving a final total measure of the impact. An argument for doing so is that it must be a political decision to weigh cultural and social impacts against economics and against the environment. Many would be very sceptical about this (e.g. Caplan, 2007) and would rather argue that if researchers leave too

much room for flexible interpretations of the impact assessment, other political issues will determine the final decision. Attempts have been made (Andersson, Lundberg, 2013) to measure the total impact in monetary terms incorporating a measure of non-use value (Andersson, Armbrecht, Lundberg, 2012) of social impacts.

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