

# Competitive sports events as a strategy for economic and sports development of the Madeira Island

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## Aim of paper and research questions

With this research in progress we intend to analyse the sporting and economic factors of success for events (tournaments and championships in different sport modalities) carried out at Madeira Island, Portugal, between 2006 and 2008. Our study had as main goals to verify the economic impact of the competitive events, to analyse the relationship between the number of participants and the type of funding provided by the public administration/regional government to the clubs and sport associations, as well understanding the strategy of using the sporting events as factor of development; and of the quality of the sponsorships provided to sport teams at the highest competitive level. Based on the fact that events lack significant financial support, the clubs and sport associations need to look for assistance at a public and private level so that they obtain what they need to overcome the financial shortcomings.

## Literature review

The recent proliferation of sports competitions and events used to develop regions economically and the parallel growth of the interest of companies and local/regional government, has given rise to a stronger focus on economic analysis. The magnitude and nature of the sport event are factors that determine its economic value. The government, as well as companies, desires to know exactly what returns are when investing in a particular event. (Madeira, Caetano, Rasquilha & Santos, 2007; Silvestre & Barros, 2006). There have been several studies that relate the importance of the organising of sporting events in the advancing of the economy of one given region. For example, Turco, Swart and Moodley, (2003) in a study exploring the impact of social-economic partners of the sporting tourism in the city of Durban (South Africa), concluded that sporting events that were hosted had been a success and had contributed significantly to the economy of the city. Events are presented as an important form of economic development for a place, knowing that it showcases athletes competing at the highest level, leading to attracting sport event tourists.

## Research design and proposed data analysis

This study analysed sports and economic indicators of 60 different events: tournaments and championships of an elite competitive nature, which took place in Madeira, Portugal, between 2006 and 2008. This study is based on the systematic analysis of application forms for Public Administration financial support and other official documents, like the respective annual reports. The variables that were analysed are: theme and nature of the event, season, number of participants, and expenses (transportation, food, organizational, accommodation) and the event's revenue.

**Discussion of progress**

This descriptive analysis indicates that high level competitive sports events require greater financial support especially in regard to promoting events than the smaller events, although all events had a negative balance; the study also suggests that there is a positive correlation between a positive impact and the presence of renowned national and international athletes, and that this leads to sports tourism contributing further contributing to the positive promotion of the region outside the national borders. However, results also show that the financial support provided by the Public Administration of Madeira Island, for organizing high level competitive sports events has been diminishing in the time span of analysis. In conclusion, the subsidies provided differ substantially when comparing eligible associations and sports clubs (the organizing entities), which all have the Public Administration funding as their main financing source.

**References**

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