

Cultural Festivals as Drivers of Local Development: The Socio-Economic Influence of the Athens Epidaurus Festival

Extended Abstract

Literature Review

The debate on the factors that have a positive impact on a region's development has been a key element of the regional development discourse. The current perspective on regional development has shifted toward a more dynamic perspective of the development process, which examines the interactions between institutions and local actors, rather than focusing on strict production factors. This change has led to the increased importance of festivals and cultural events as mechanisms for regional economic development in host regions (Van de Wagen, 2005).

The increased significance of cultural events has led to heightened interest in the study of policies, frameworks, and their positive economic outcomes (Whitford, 2009; Quinn, 2009). Festivals are simultaneously cultural and economic phenomena since they use equipment, facilities, have audiences and encompass a service or entertainment product (McCann, 2002). The aspect of festivals and their link to tourism are particularly emphasised in the literature (Dimmock & Tiye, 2001). The ability of festivals to attract visitors is seen in many regions, especially those that are chiefly rural, as a factor that promotes economic wellbeing (Mair & Whitford, 2013).

However, despite increased academic interest, research remains fragmented which presents an obstacle to researchers focusing on exploring the regional development role of festivals (Mair & Weber, 2019). Moscardo (2007) provides an overview of festivals as a policy for regional development, and a conceptual model describing the process that connects cultural events to a wide range of regional benefits. In the proposed model, festivals are valuable mechanisms that assist a region in developing prerequisites, chiefly community capacity and social capital, to better manage and control other forms of tourism.

Table 1. Summary of festival and events impacts in regional locations (Moscardo, 2007, p.24)

Category	Positive	Negative
Economic	Income/reserve; Multiplier effect from visitor spending; Employment	Increased prices for locals; Opportunity costs
Tourism	Enhance destination image; Extension of tourism season	Risk of reputation damage
Physical	New facilities & infrastructure; Regeneration of rundown areas	Environmental damage; Overcrowding, congestion
Sociocultural	Social opportunities for locals; improved social networks	Commodification of culture; Dissatisfaction with event culture
Psychological	Enhanced sense of community; Excitement & pride	Conflict
Regional community development	Enhance skills for volunteers & participants; Support for other regional products & services; Development of partnerships and alliances	Conflict with other regional activities

Getz (2010) conducted an extensive literature review of the festival research available in the English-language scholarly press. A total of 423 research articles were analyzed and compiled; the three main themes found were a) classical discourse, which examines the roles, meanings and impacts from a cultural and sociological point of view, b) instrumentalist discourse, which explores festivals as tools employed in economic development, and c) event management discourse, which focuses on the marketing and production aspects of festivals.

The main economic impact of festivals relates to their role in creating opportunities to generate regional income through employment, multiplier effects from visitor spending, and investments in facilities and equipment (Getz, 2010). The created income opportunities support existing businesses, stimulate the creation of new start-ups, and generate public support for local and national governments (Dwyer et al., 2005). The three main models used for forecasting and evaluating the economic impacts of tourism on a region are computable general equilibrium (CGE) models, input-output analysis, and cost benefit analysis. Depending on the research question and the scale of the analysis, each method is appropriate for a given context (Jackson et al., 2005). 361). Repeat visitors are an important factor in generating regional income, and retaining repeat patronage is crucial for cultural events (Huang et al., 2010).

Studies on the regional economic development role of cultural events in Greece have established findings consistent with the wider international literature. For example, Kostopoulou et al. (2013, p.192) examined the impact of regional film festivals and found “a significant cumulative development impact on host localities through tourism development, employment generation, and community networking”. The employment aspect is especially emphasised with the creation of substantial employment opportunities, albeit often part-time. Cultural and heritage resources are key components of the development strategies of the Greek regions (Buhalis, 1999).

Similarly, Kostakis et al. (2020, p. 20) argue that “the promotion and development of cultural heritage may act as a catalyst for challenging regions to create of a proper environment that would attract high level human capital”. Moreover, the authors argue that established events such as the Athens & Epidaurus Festival, Patras Festival, Sani Festival and Philippi Festival have a significant impact on income, which is however difficult to accurately calculate due to a lack of available data.

The literature review highlighted the research gap in the economic impact of cultural events in Greece. The data are quite limited and fragmented, and are available only in specific studies. The purpose of this paper is to bridge this research gap and provide an original examination of the role of the Epidaurus Festival pertaining to its role in the regional economic development of the Argolis geographical area and wider Peloponnese region.

Methodology

This study explores the socio-economic impact of the festival by examining its contribution to tourism, infrastructure development, job creation, and regional economic growth. Data from the Athens Epidaurus Festival and the National Statistical Authority will be utilised for this study.

The first decision of a regional study examining the economic impact was to define the study area. To ensure an accurate analysis, the study region must be properly selected. When an event is conducted in a very small town, using a somewhat larger study region can provide a more thorough picture of its economic impact. Researchers must be careful not to create a research area that is too large because doing so can distort the results and make it difficult to determine the benefits to the immediate neighbourhood. This study focuses on the Argolis regional unit (*perifereiaki enotita*) in the Peloponnese Region.

An economic impact analysis was used to estimate the direct and indirect income and employment benefits. The economic impacts of events on the macroeconomy of a region can be categorised into primary and secondary economic impacts. Consumer surveys and business data are valuable tools for estimating economic impacts because they provide information about the behaviour and spending patterns of visitors.

The participant survey method was a self-administered survey. Participants were provided with a questionnaire that asks demographic questions (age, education level, gender, etc.), viewing habits (how often they attend cultural events), whether they are locals or visitors, and their expenditure patterns.

The tourism impact is estimated using the number of visitors attending the festival and customer survey data. Cultural events attract audiences, both within and outside their regions. Ticket sales is the most accurate form of information for estimating the number of participants. Calculating the percentage of local guests and whether visitors opted for an overnight stay provides valuable information on the positive economic effects achieved for the region of Argolis.

Once the data collection process has been completed, the data is analysed to calculate the economic impact of the event and provide information about the market segmentation of the event.

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