Neutrality of Intent, Economic Welfare, Legacies, and Support for the 2014 FIFA World Cup in Brazil

Claudio Rocha, University of Sao Paulo
Packianathan Chelladurai, Troy University

Governance Thursday, May 29, 2014 20-minute oral presentation (including questions) (Conference Center B)

Abstract 2014-024 11:00 AM

Event scholars (Deccio & Baloglu, 2002; Gursoy & Kendall, 2006; Kim & Petrick, 2005; Ritchie, Shipway, & Cleeve, 2009; Zhou & Ap, 2009) have investigated legacies and support for sport mega-events in the context of social exchange theory, which posits that human relationships are based on potential exchanges among participants (Blau, 1964; Gouldner, 1960). Accordingly, local residents would support a sport event in their community if they perceive positive legacies stayed after the event (Gursoy & Kendall, 2006). However, event managers need local residents’ support before the event and during preparation stages (Toohey & Veal, 2007) when legacies cannot be precisely gauged. Thus, knowing how perceptions of positive legacies are formed would be helpful to sport event managers in their quest for popular support. In this research, we investigated two possible antecedents of these perceptions, namely neutrality of intent regarding the use of public resources and expected economic welfare for the 2014 FIFA World Cup (WC) in Brazil. Considering the huge amount of public money that has been invested in this event, popular support is very important. For example, the total infrastructure cost for this event is currently estimated in US$ 13 billion (Chade, 2013). The vast majority of this cost has been funded by public money (Gaspari, 2013).

Rawls’ (1971) liberal egalitarianism theory proposed that the use of public resources should be based on neutrality. One of the pillars of this theory is the neutrality of intent which means that the state should not use its power in distributing resources to advantage some groups over others (Murray, 2009). Spending public resources to host sport mega-events can break the neutrality of intent if it privileges some groups within the society (e.g., sport lovers). We hypothesized that if people believed that the government had used neutrality of intent to allocate public resources to host the 2014 WC, they would hold positive perceptions of legacies (H1). Additionally, according to welfare economic theory, a democratic state should get involved in economic activities only to prevent market failures (Downs, 1957). In the context of sport mega-events, market failure (e.g., not hosting a profitable event) would happen only if the value of benefits exceeded the value of costs (Preuss & Solberg, 2006). Therefore, we hypothesized that if people believed that benefits of hosting the 2014 WC are larger than costs (i.e., there is an economic welfare), then they would have positive perceptions of legacies (H2). In sum, the purpose of this research was to explore and describe the impacts of neutrality of intent and expected economic welfare on Brazilians’ perceptions of positive legacies for the 2014 FIFA World Cup.

This study employed a 2 (neutrality of intent vs. no neutrality of intent) x 2 (economic welfare vs. no economic welfare) design to test the hypotheses. To manipulate our two independent variables, we created four newspaper-like articles (A1- neutrality of intent and economic welfare; A2- neutrality of intent, but no economic welfare; B1- no neutrality of intent, but economic welfare; B2- no neutrality and no economic welfare). Despite the manipulation, all articles reported precise and correct information about the 2014 WC. Brazilian college students (n = 484) were randomly assigned to one of four treatments and read an article before answering a questionnaire in which perceptions of positive legacy were represented by seven dimensions (economic, tourism, environmental, infrastructural, social, cultural, and psychological legacy) of three items each. Students also responded to four items about support for the 2014 WC. The response format for all items was a 7-point Likert scale ranging from 1 (very strongly disagree) to 7 (very strongly agree).

One multiple choice question with four alternatives (one for each scenario) was designed to check the manipulation of the independent variables. After reading the newspaper article, respondents were asked to check the alternative that best represented their perception about the 2014 WC. Two hundred and thirty-nine (49.4%) students checked the alternative that represented the manipulation. We used only the answers from these students (n = 239) in our analyses.
First, the measurement model showed good fit indices (CFI = .928; TLI = .911; RMSEA [90% CI] = .060 [.055; .066]). Internal consistency estimates (Cronbach’s alpha) ranged from .723 to .870 and reliability estimates (Raykov’s rho) varied from .737 to .872. Regarding construct validity, all scales presented good enough average variance explained (AVE varying from .50 to .65) indicating that most of items loaded sufficiently high in their assigned constructs. Additionally, the AVE of each construct was larger than the correlations of this construct with all others variables, supporting discriminant validity among constructs (Fornell & Larcker, 1981). To test the hypotheses, we carried out a 2 x 2 MANOVA, with the legacy average scores as the dependent variables, and gender, social economic index, and major as control variables. The omnibus multivariate analysis showed significant main effect of neutrality of intent (Wilk’s λ = 0.898; F = 2.967; p = 0.004; η2 = 0.102; power = 0.951), but no significant main effect of economic welfare (Wilk’s λ = 0.981; F = 0.509; p = 0.849; η2 = 0.019; power = 0.233). The interaction effect was not significant (Wilk’s lambda = 0.956; F = 1.213; p = 0.293; η2 = 0.044; power = 0.553). H1 was accepted, but H2 was rejected. Further, respondents who believed in neutrality of intent scored higher than those who did not believe, in their perceptions of economic legacy (F = 10.107; p = 0.002), tourism legacy (F = 11.715; p = 0.001), infrastructure legacy (F = 5.138; p = 0.024), social legacy (F = 3.948; p = 0.048), and cultural legacy (F = 6.192; p = 0.014).

Finally, to make sure perceptions of legacy is an important construct to explain support, we regressed support on all seven dimensions of legacy. Results showed that the regression equation was significant (Adj R2 = 0.381; F = 21.940; p < 0.001) with perceptions of legacy explaining 38.1% of the variance in support. Partial regression coefficients of economic legacy (b = 0.529; t = 5.157; p < 0.001) and tourism legacy (b = 0.277; t = 2.138; p = 0.038) were significant.

Results of the current research showed that when neutrality of intent in allocating resources was present, residents had better expectations about economic, tourism, infrastructure, social, and cultural legacies which, in turn, explained significant variance in support intentions. From a practical point of view, given that local residents’ support is of utmost importance, the Brazilian government and organizers of the 2014 WC should highlight the neutrality of their intentions, i.e. showing that the benefits of the WC will reach people from different classes and with different interests. Associations between benefits of hosting the WC and factors other than sport (e.g., culture, environment) could help the organizers to touch tax payers who do not really care about sport and sport performance. Results did not confirm the utility of economic welfare theory in explaining perceptions of legacy and, ultimately, support for the 2014 WC. More implications for theory and practice will be discussed in the presentation.

References