

## THE ROLE OF SPORT TOURISM IN IMPROVING THE ECONOMY OF THE COMMUNITY IN KANANG VILLAGE, POLEWALI MANDAR REGENCY

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### Abstract

*This research aims to measure the economic impact of Sport Tourism in Kanang Village, Polewali Mandar Regency, West Sulawesi. This study uses a mixed methods approach and distributes questionnaires to tourist respondents, businesses, and workers. The sampling technique involves purposive sampling of 100 tourists, 30 businesses, and 30 workers. The analysis used includes the Multiplier Impact and Descriptive analysis. The research results indicate the multiplier effect value of sport tourism in the tourist area of Kanang Village, Polewali Mandar, West Sulawesi. The Keynesian Income Multiplier value is 11.99, the Ratio Income Multiplier Type I is 1.19, and the Ratio Income Multiplier Type II is 1.20. The obtained Keynesian Income Multiplier value is greater than one, which is 11.99, indicating that the activities have an economic impact on the surrounding community. This research provides insights into the contribution of Sport Tourism to the economy of Polewali Mandar Regency, which can assist the local government in promoting and developing tourism.*

**Keywords:** Sport Tourism, Economy, Economic Impact, Tourism

### INTRODUCTION

The economic development of a country is not only reflected in economic growth but also involves equitable income distribution. The tourism sector, as one of the main pillars driving the economy, plays a crucial role in increasing economic growth, creating jobs, and reducing poverty. Indonesia, particularly Polewali Mandar Regency in West Sulawesi, views tourism as a significant potential, especially in the context of sport tourism.

Although the Covid-19 pandemic has posed serious challenges to the tourism sector, diversification strategies, including the development of sport tourism, have become an important focus. Kanang Village in Polewali Mandar, with its natural beauty and abundant agricultural activities, has emerged as a prominent sport tourism destination. The presence of international events in this area has not only increased the number of tourists but also had a positive economic impact.

With this background, this research aims to measure the economic impact of sport tourism activities in Polewali Mandar Regency and provide empirical data contributions to support tourism promotion efforts, the development of tourism products, and the evaluation of the success of the local government in

implementing sport tourism development models. With a deep understanding of the economic impact generated, it is expected to make a positive contribution to the development of the tourism sector.

## LITERATURE REVIEW

### Sport Tourism

Sport tourism is defined as all forms of individuals' involvement, whether active or passive, in sports activities, participating as participants or in the organization of an event for non-commercial or commercial purposes, which require travel from their place of residence or work (Weed, 2008). Furthermore, according to Suratmin (2018), sports tourism encompasses all active and passive activities in sports or informal and organized non-commercial/non-business participation that requires leaving home or the workplace.

### Economic Impact

The concept of the economic impact of tourism is based on the theory that the non-local expenditures of residents can benefit the local economy (Dixon et al., 2013). Tourism also has other economic impacts, such as the creation of new industries, foreign exchange earnings, job opportunities, economic turnover, and the development of remote areas. The tourism economic sector is expected to equalize income, create job opportunities, and enhance business diversification (Brandano, 2013). The positive impact of tourism on economic growth, both in the short and long term, has been globally recognized.

The economic impact of tourism is measured through visitor expenditures on accommodation, consumption, travel, and other needs. The analysis involves changes in sales, income, and employment resulting from tourism activities. The flow of money from tourists includes revenue for businesses, suppliers, households, and the government through taxes and levies.

Local communities benefit more from the informal sector that develops, according to the economic impact classification by Santosa (2011). The economic impact of tourism involves direct, indirect, and induced effects, with positive effects on employment, business opportunities, income, and the preservation of local culture.

### Tourism Multiplier Effect

The Tourism Multiplier Effect encompasses the influence not only on the tourism sector but also on indirectly related economic sectors, boosting local economic activity. The economic multiplier value indicates the extent to which tourist spending will stimulate additional expenditures, depicting direct, indirect, and continuing effects.

Two types of multipliers used to measure the economic impact of tourism at the local level are the Keynesian Local Income Multiplier and the Ratio Income Multiplier. The assessment criteria for multiplier values involve the impact on local income. If the multiplier value is greater than or equal to one, the tourist destination is considered to have a positive economic impact, while a value below zero indicates a non-significant impact. Tourism income, especially from international tourists, is considered an economic export for the country (Agfianto et al., 2019).

## **METHOD**

This research utilized a mixed methods approach with a concurrent triangulation design. The choice of this design type was driven by the fact that concurrent triangulation research aligns with the research objectives. The primary aim was to gain a more comprehensive understanding of the research problem by acquiring different sets of data (quantitative and qualitative) that complemented each other.

The study involved 100 tourist respondents and 30 respondents from local businesses, employing purposive sampling techniques. Data analysis encompassed both descriptive analysis and Multiplier Effect Analysis.

The information gathered from the respondents provided insights into visitor expenditures and the flow of money, an amount of funds that had direct, indirect, and induced impacts on the local economy. The economic impact was quantifiable by employing the multiplier effect of the money flow. In measuring the economic impact of tourism on the local economy, two types of multipliers were considered, namely (Meta, 2001):

1. Keynesian Local Income Multiplier: This value indicated the extent to which visitor expenditures impacted the increase in the local residents' income.
2. Ratio Income Multiplier: This value portrayed the magnitude of the direct impact felt from visitor expenditures on the local economy. This multiplier gauged both indirect and induced impacts.

## **RESULT**

### **Direct Economic Impact of Sport Tourism in the Tourist Area of Dusun Kanang**

The direct economic impact of sport tourism in the tourist area of Dusun Kanang can be described as the tangible and immediate financial consequences gained by local businesses within a tourist destination, in this context, the tourist area of Dusun Kanang. This impact arises from the economic interactions between tourists and the businesses located within the area. These businesses provide various essential services and goods for tourism activities, including but not limited to accommodation, food and beverages (consumption), transportation services, souvenir sales, and more.

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The direct economic impact can be measured through the proportion of income received by business owners, which manifests in the form of net income. This income is influenced by various factors, including the type of business, location, market access, and business capacity. Below are the data depicting the direct impact of sport tourism in Dusun Kanang.

No	Type of Business	Number of Business Units	Average Monthly Income	Direct Economic Impact
		(a)	(b)	(d=a*b)
1	Accommodation	4	15.000.000	60.000.000
2	Café or Restaurant	5	6.500.000	32.500.000
3	Tourist Rental	5	5.000.000	25.000.000
4	Souvenir	5	7.500.000	37.500.000
	Total	19	63.800.000	155.000.000

Based on the table above, it shows that the "Accommodation" business with 4 units achieves an average monthly income of Rp. 15,000,000, resulting in a direct economic impact of Rp. 60,000,000. This indicates significant potential in the lodging sector. Meanwhile, "Café or Restaurant" has 5 units with an average income of Rp. 6,500,000 per month, providing a direct economic impact of Rp. 32,500,000. Its contribution is significant to the dining needs of tourists.

Furthermore, "Tourist Rental" and "Souvenir" each have 5 units with average incomes of Rp. 5,000,000 per month and Rp. 7,500,000 per month, respectively. Their direct economic impacts are Rp. 25,000,000 and Rp. 37,500,000. "Souvenir" has a higher economic impact, perhaps due to tourists' preference for buying souvenirs.

Overall, the 19 business units achieve an average income of Rp. 63,800,000 per month and a direct economic impact of Rp. 155,000,000. "Accommodation" makes the highest contribution, followed by "Souvenir," which has a higher economic impact than "Tourist Rental." "Café or Restaurant" also makes a significant contribution to the local economy.

**The indirect economic impact of sports tourism in the tourist area of Dusun Kanang**

The indirect economic impact can be seen from the expenditures of businesses within the tourist area and the income of the workforce working in the businesses located in that destination. When these business activities involve the local community in their operations, the wages received by the workforce indirectly create an economic impact on the location (Septianti, 2013).

Types of Data	Type of Business			
	Accommodation	Cafe	Car/Motorcycle Rental	Souvenir
Spending outside the tourist destination				
Cost of Purchasing Raw Materials Inputs	1.500.000	100.000	0	750.000
Maintenance cost	700.000	200.000	500.000	200.000
Rental Cost	0	0	0	0
<b>Total Expenditure (IDR/Month) (a)</b>	<b>2.200.000</b>	<b>300.000</b>	<b>500.000</b>	<b>770.000</b>
<b>Total Business Units (b)</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
<hr/>				
<b>Total Expenditure at the Tourist Location (IDR/Month) (C=A*B)</b>	<b>8.800.000</b>	<b>1.500.000</b>	<b>2.500.000</b>	<b>3.850.000</b>
Spending outside the tourist destination				
Local Transportation	150.000	95.000	120.000	50.000
Fees and Taxes	120.000	70.000	650.000	0
Operational Expenses (Electricity)	350.000	750.000	0	0
<b>Total Expenditure (IDR/Month) (d)</b>	<b>620.000</b>	<b>915.000</b>	<b>770.000</b>	<b>50.000</b>
<hr/>				
<b>Total Expenditure outside the location (IDR/Month) (e=d*b)</b>	<b>2.480.000</b>	<b>4.575.000</b>	<b>3.850.000</b>	<b>250.000</b>

Based on the table above, it shows that the "Accommodation" business with 4 units has a monthly expenditure of Rp 8,800,000, including raw material costs (Rp 1,500,000) and maintenance (Rp 700,000), without rental expenses. Meanwhile, the "Café" business with 5 units has a monthly expenditure of Rp 1,500,000, consisting of raw material costs (Rp 100,000) and maintenance (Rp 200,000), without rental expenses. The "Rental" business with 5 units has a monthly expenditure of Rp 500,000, only for maintenance expenses, without rental costs. Lastly, the "Souvenir" business with 5 units has a monthly expenditure of Rp 3,850,000, including raw material costs (Rp 750,000) and maintenance (Rp 200,000).

Furthermore, indirect economic impacts can also be obtained by looking at the income of the workforce. According to Yoeti (2008), the local workforce is a party that indirectly benefits from the economic impact of the presence of tourist attractions, namely through the income they receive from the owners of businesses around the tourist location.

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Types of Business Units	Total Business Units	Total Employees	Income of Labor (IDR/month)	Total Income of Labor (IDR/month)	Total Expenditure of Business Units within the Location (IDR/month)	Total Indirect Economic Impact
	(a)	(b)	(c)	(d=a*c)	(e)	(f=d+e)
Accommodation	4	3	1200000	4800000	8800000	13600000
Café or Restaurant	5	6	1000000	5000000	1500000	6500000
Tourist Rental	5	2	0	0	2500000	2500000
Souvenir	5	2	750000	3750000	3850000	7600000
<b>Total</b>	<b>19</b>	<b>13</b>	<b>2950000</b>	<b>13550000</b>	<b>16650000</b>	<b>30200000</b>

Based on the table above, the income per employee per month varies from 0 Rupiah to 1,200,000 Rupiah. The total income of all employees from all business units is 13,550,000 Rupiah per month. The expenses of business units in the tourist location range from 0 to 880,000,000 Rupiah, with a total overall expenditure of 1,665,000,000 Rupiah.

The total indirect economic impact, which is the sum of total employee income and total business unit expenses, reaches 3,020,000,000 Rupiah. Before the increase in the number of tourist visits, the local community only worked as farmers or gardeners. However, with the impact of Sport Tourism activities, the local community can become involved in work in the tourist area by opening businesses, thereby increasing the economic income of families.

### The continued economic impact of sports tourism in the tourist area of Dusun Kanang

According to Achadiat Dristasto (2013), the continued economic impact is defined as the economic benefits that arise from the expenditures made by local workers in that location. These expenditures include daily living expenses, education costs, electricity payments, and transportation expenses, all of which collectively have a significant impact on the local economy.

Type of Business	Total Employees	Total Labor Expenditure (IDR/month)	Proportion of Labor Expenditure in Tourist Destination Areas	Continued Economic Impact (IDR/month)
	(a)	(b)	(c)	(d=a*b)
Accommodation	4	330.000	235.000	1.320.000
Café or Restaurant	5	273.000	148.000	1.365.000
Tourist Rental	5	235.000	135.000	1.175.000
Souvenir	5	240.000	135.000	1.200.000
<b>Total</b>	<b>19</b>	<b>269.500</b>	<b>163.250</b>	<b>1265000</b>

The total monthly labor expenditure for the four types of business units in the tourist location averages 269,500 Rupiah per employee. The proportion of labor expenditure in the Tourist Destination Area (DTW) averages 163,250 Rupiah.

From the accommodation business unit with four employees, the total monthly expenditure reaches 330,000 Rupiah, with a labor expenditure proportion in DTW of 235,000 Rupiah, and a continued economic impact of 1,320,000 Rupiah. The café or restaurant business unit, with five employees, has a total monthly expenditure of 273,000 Rupiah. The labor expenditure proportion in DTW is 148,000 Rupiah, with a continued economic impact of 1,365,000 Rupiah. Tourist rental, also with five employees, has a monthly expenditure of 235,000 Rupiah. The labor expenditure proportion in DTW is 135,000 Rupiah, with a continued economic impact of 1,175,000 Rupiah. The souvenir business unit, with the same number of employees, has a total monthly expenditure of 240,000 Rupiah. The labor expenditure proportion in DTW is 135,000 Rupiah, with a continued economic impact of 1,200,000 Rupiah.

Overall, the continued economic impact from all these business units amounts to 1,265,000 Rupiah.

### The economic impact of the multiplier effect.

The value of the multiplier effect serves as a measure to assess how much economic impact tourism activities in a particular location have on the community and businesses, especially in terms of income. In the context of this multiplier effect, it measures two impacts: indirect impact and continued impact.

As for the value and analysis of the economic impact of Sport Tourism in the tourist area of Dusun Kanang, it involves evaluating the overall economic consequences generated by sport tourism activities in that area. This assessment encompasses both direct effects, such as expenditures by tourists and businesses, and indirect and continued effects, such as increased local employment, infrastructure development, and business expansion. The goal is to understand how sport tourism contributes to the economic well-being of the local community and businesses, particularly in terms of income generation.

Category		Rupiah Value
Tourist Expenditures	E	15.540.000
Business Revenue	D	155.000.000
Labor Income	N	30.200.000
Labor Expenditure	U	1.265.000

Based on the table above, it shows that Tourist Expenditures amount to 15,540,000 Rupiah, reflecting the total spending by tourists in a destination or tourist area. Meanwhile, Business Unit Revenue ranges from 155,000,000 Rupiah,

indicating the total income generated by businesses in the tourist area, including various types of businesses such as accommodation, cafes, tourist rentals, and souvenirs. Employee Income reaches 30,200,000 Rupiah, representing the total income received by the workforce working in various business units in the tourist location. Furthermore, Labor Expenditure amounts to 1,265,000 Rupiah, indicating the total expenditure incurred by business units to pay their employees' salaries.

There are three multiplier value measures that can be estimated: (1) Keynesian Income Multiplier, which is the value obtained from the direct impact of tourist expenditures, (2) Ratio Income Multiplier Type I, which is the value obtained from the indirect impact of tourist expenditures, and (3) Ratio Income Multiplier Type II, which is the value obtained from the continued impact (META, 2001). For the analysis, you can refer to the information below.

<i>Keynesian Income Multiplier</i>	=	$\frac{D+N+U}{E}$
	=	$\frac{155.000.000+30.200.000+1.265.000}{15.540.000}$
	=	11.99
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<i>Ratio Income Multiplier, Tipe I.</i>	=	$\frac{D+N}{D}$
	=	$\frac{155.000.000+30.200.000}{155.000.000}$
	=	1.19
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<i>Ratio Income Multiplier, Tipe II</i>	=	$\frac{D+N+U}{D}$
	=	$\frac{155.000.000+30.200.000+1.265.000}{155.000.000}$
	=	1.20

### Contents of Discussion Results

The value of the multiplier effect from the flow of money occurring in the Dusun Kanang Tourist Area indicates a significant impact on the local economy. Based on the results of the Keynesian Income Multiplier, this impact is 11.99. This means that for every 1 Rupiah increase in tourist spending, the income of the local community increases by 11.99 Rupiah.

Furthermore, the Ratio Income Multiplier Type I in this area is 1.19. This indicates that every unit increase in tourist spending results in a 1.19-unit increase in income for business owners and employee earnings.

Meanwhile, Ratio Income Multiplier Type II reaches 1.20, indicating that an increase of one unit of spending not only increases the income of business owners

and employee earnings but also labor expenditure in the area. This suggests that the economic ecosystem in Dusun Kanang is highly responsive to increased tourism activities.

In the Dusun Kanang Tourist Area, the presence of sport tourism events has a significant economic impact with a Keynesian Income Multiplier value of 11.99. According to META (2001), a value above 1 indicates that tourism activities have a significant economic impact on the local community. Therefore, sport tourism events in this area have proven to provide an important economic contribution to the local population, in line with a value greater than one.

The implementation of the economic impact of the multiplier effect in the community, particularly in terms of the economic growth rate of the community, is much better, and job absorption is higher. This is the result of tourist transactions with business units that generate economic activity from the impact of small businesses in the tourism sector, such as accommodation, cafes, souvenir shops, rental transportation, photography services, guiding services, and more. This is supported by research; according to Yusuh and Hadi (2020), an increase in tourist visits, both domestic and international, will lead to increased income for traders, hotels, and restaurants, including accommodation, food consumption, and other services.

The rapid and concentrated development of tourism can have various impacts, not only economic impacts felt by the local community in the Dusun Kanang Tourist Area but also on the local government's revenue (PAD). According to Rosa et al. (2016) in their research on the analysis of the tourism sector on PAD in Pesisir Selatan Regency from 2004-2014, the analysis showed that the number of tourist attractions and the number of tourists have an impact on PAD, while GRDP does not affect PAD. Meanwhile, the analysis by Suastika & Yasa (2017) resulted in findings that the number of tourist visits and hotel occupancy rates have a positive and significant impact on PAD, while the length of stay of tourists does not affect PAD in regencies/cities in Bali Province. In turn, PAD does not affect the welfare of the community in regencies/cities in Bali Province.

## CONCLUSION

Sport tourism in the Dusun Kanang Tourist Area has a significant impact on the local economy, not only as a source of additional income but also as a primary catalyst in increasing the income of the local population. The Ratio Income Multiplier Type I value of 1.19 indicates that tourist expenditures directly benefit business owners and local workers, with each increase in spending resulting in significant income growth.

The Ratio Income Multiplier Type II value of 1.20 indicates that the economic impact of tourism extends to increased spending by the workforce itself,

creating a beneficial economic cycle and promoting economic growth in various sectors.

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