

International sporting events: host country



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Topic: Explain how does hosting an international sporting event benefit the host country? Is the hosting of international sporting events beneficial to poor countries

Introduction

The pursuit of hosting major sports events has become increasingly popular among governments, corporations, and civic 'boosters' worldwide.

Economist argues that major economic, developmental, political, and socio-cultural benefits will flow from them, easily justifying the costs and risks involved. Numerous studies fuel the popular belief that sport is a generator of national as well as local economic and social development.

Economically it has been viewed as an industry around which cities can devise urban regeneration strategies. Socially it has been viewed as a tool for the development of urban communities and the reduction of social exclusion and crime. Most of these studies, however, have been conducted in advance of the events on behalf of interested parties without adequate measurement of final and intermediate outputs as well as inputs.

Figure 1: Hosting Countries

Figure-1 shows Critical post-event studies point to their uneven impacts. Research shows that costs have usually been underestimated while beneficial impacts have been overestimated. Regarding social regeneration, there is an absence of systematic and robust empirical evidence on the social impacts of projects. In order to improve research standards, participants at the workshop 'Hosting Major (John D. Horne, 2005).

International Sports Events:

Comparing Asia and Europe' addressed methodological, theoretical and empirical issues gained from mega-event research in specific localities and temporalities. This is were arranged in sessions according to the following topics: failed bids and successful bids; nation and economy building; assessing the costs and benefits for developed and newly industrializing economies; identity politics and political identities; evaluating the economic and sporting impact of sports events and promotional activities; and case studies of impacts and outcomes.

Harada Munehiko (2002) Osaka University of Health and Sport Sciences focused on the City of Osaka's unsuccessful bid to host the 2008 summer Olympic Games. He argued that failure was due to Osaka's minor global importance and to external factors favoring the other Asian competitor, Beijing. Critics pointing to the huge costs and poor state of public finance in Japan were silenced by the powerful image of the Tokyo Olympics.

Figure 2: Population Growth

Figure 2 shows Harada argued that despite lack of success, Japan's second largest conurbation area was able to pursue urban revitalization. Initial losses can spur cities onto later gains, even though delayed benefits for communities in terms of ' psychic psychic income that arise from the bidding process are difficult to measure. John Horne (2002) University of Edinburgh addressed the North American experience of hosting major sports events to offer a contrasting view on the over-estimated benefits and under-estimated costs of hosting.

Impacts.

Experts suggested that adopting boosterism or skepticism were difficult to avoid in assessing impacts. Even where economic analyses demonstrate that profits can be made on the operational costs of sports mega events, much of this can be accounted for by the free labour provided by the volunteer force enlisted to help run such events. Nicholas Aplin, National Institute of Education, Singapore, described local sporting traditions and the influence of former Prime Minister Lee Kuan Yew as the main reasons for Singapore's resistance to the allure of sports mega events.

In some ways this was similar to the People's Republic of China's previous resistance to competitive sport. Yet in Singapore, the alternative choice of a sports-for-all policy failed to realize sustainable mass participation rates. Yi Jiandong (2006), Beijing Sport University, presented a roadmap to 2010 of sports events' hosting in China. Data never seen before outside China provided ample evidence of China's pursuit of the Beijing 2008 Olympics for both status and economic investment purposes.

In discussion it was questioned how long the investment would last and how evenly the benefits would be spread. While hosting certainly is popular with the political elite, larger parts of the Chinese people might have different ideas. Gerd Ahlert, Institute of Economic Structures Research, Osnabrück, outlined a robust econometric forecasting model that has been applied to the Football World Cup 2006 in Germany as shown in Figure 3.

Figure 3: Impacts

Problems

The calculation based on the Sport Satellite Account predicts huge pre-event investments and low direct economic impacts. But economic gains can be made indirectly through marketing and nation branding. Sombat Karnjanakit (2000) Chulalongkorn University argued that Thailand has already reached a saturated level of modernity, allowing the city to

host and perform credibly in multi-sport events, as demonstrated by the Asian Games in 1966, 1970, 1978 and 1998 as shown in Figure 4.

The problem for countries such as Thailand already established on the global tourist route is the unpredictability of economic benefits. Salomé Marivoet University of Coimbra outlined research on the European Football Championships held in Portugal in 2004 and introduced the mass media into the workshop's discussions. It is considered the impact of the mediatized event on the internal imagined community and the way different groups in Portugal sought to capitalize on national identification externally.

In particular she demonstrated how corporate nationalism was produced when national symbols of the past were portrayed as present-day 'brands' of nations on a globally mediated stage. Xin Xu Olin (2000) Institute for Strategic Studies, Harvard University/ Ritsumeikan Asia Pacific University, Japan also dealt with national identity, in terms of its impact on political relations between the 'two Chinas' (the People's Republic of China and the Republic of China, Taiwan).

Figure 4 Structure

People foresaw the danger that both unifiers and secessionists might hijack the Beijing Olympics in 2008 for their respective political ambitions. Kathy Van den Bergh Vrije Universiteit Brussels asked how sports events and other sports promotion vehicles can increase participation in sport. While it is often assumed that there is a correlation, it is not based on sound empirical evidence (John D. Horne, 2005).

Promotion

Van den Bergh reported on attempts to devise and test an instrument to evaluate sports promotion as a means of increasing participation. She concluded that outcomes exist but

expectations are usually too ambitious. Sport economist Chris Gratton Sheffield Hallam University argued that only through specific studies of major events in particular locations is it possible to answer questions about the economic impact and benefits or nonbenefits of major sports events (John D. Horne, 2005).

Research into ten events in five cities in Britain suggest that a European model where events are staged in existing sports facilities is more cost effective than the North American model of building facilities in the hope that events or franchises will be attracted to them. Wolfram Manzenreiter University of Vienna discussed the winners and losers among cities in Japan that hosted half the 2002 FIFA Football World Cup.

While the regional impact was overestimated in most economic dimensions and in each of the ten host regions, the social benefits received overtly positive appraisal. With the increase of size of the conurbation where the

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hosting occurred and its rise of importance on the national map, satisfaction with the impact of the multi-site event decreased. Most participants, Manzenreiter noted, were in favour of more transparency in the bidding process and more research to explore the possibilities of expanding social benefits deriving from the megaevent experience as shown in Figure 6

Figure 6: Economic dimensions

Global sporting map

Mustafa Ishak National University of Malaysia demonstrated that events such as the Commonwealth Games in 1998 and Grand Prix Formula One car racing had put Malaysia on the global sporting map. He argued that these events had helped the country to acquire modern state-of-the-art sports facilities, spurred huge infrastructure investments and fostered an enhanced sense of national pride.

Hence he emphasized the importance of sport to processes of economic development in newly industrialized countries and nation building in multiethnic societies. Finally Francesco Muñoz Ramirez Universitat Autònoma de Barcelona, Spain identified the importance of place in determining success or failure in hosting sport events.

An illustrated guide to pre-Olympic Barcelona, Olympic Barcelona and post Olympic developments in the city revealed the importance of partnerships public and private, and across different sectors of public life to create ' transversal synergies' and to include the whole city in revitalisation projects (John D. Horne, 2005).

Barcelona has benefited from continuity in strategic thinking on revitalization and architecture as a means of urban redevelopment. The final discussion summed up the issues presented in the papers. First, there was a need to distinguish more clearly between increasingly commercial international sport 'mega-events' such as the Olympics and the Football World Cup, 'big sports events' that generate large national audiences and media audiences abroad but are closed to competitive bidding, and other 'major sport events' with different scope and effect.

Second, the dichotomies of post colonialism such as 'Asia-Europe' were reflected in differences in approach towards mega-events by developed and newly industrialised economies, established and emerging nations. Third, mega-events were considered of utmost importance for the projects of modernity as well as post-modernity, albeit with distinctive goals.

International Collaboration

For modernizing nations, hosting a mega-event is a clear marker of international esteem for developmental achievements; in postmodern societies, events large and small fulfill the role of image generator. Fourthly, economic gains are less likely than social benefits, though this kind of legacy is difficult to plan and control. While the subsequent direction of the research agenda stimulated by the papers was uncertain, participants at the workshop stressed the necessity of multi-disciplinary research and international collaboration to go beyond the limits of one's own research perspective as shown Figure 7 (John D. Horne, 2005).

Figure 7: Developmental achievements

Our view was that the workshop succeeded in that it enabled all to share greater awareness and recognition of the differences and similarities between the experience of hosting major international sports events in developing and developed nations, modern and postmodern cultures, and post-industrialised and newly industrialized

Economies. Large international sporting events such as the Olympics capture the attention of both the countries competing and those not competing in these events. This interest leads to huge revenues being generated by the relevant sporting federations through television contracts, ticket sales and ancillary of income Industrially developed countries have normally been the ones awarded the privilege of hosting these showcase events.

Conclusion

In may conclusion the last three decades, international sporting federations have started to select developing countries or regions as sites for their events. These are often attempts to appease those countries or regions that feel that they don't get a chance to benefit financially from being a part of these sporting federations. Add the fact that these developing countries or regions often produce some of the world's best athletes so appeasing them could create the goodwill that will be needed politically in the future.

Sporting federations believe that if they can help these nations provide better specialized facilities, then those nations will continue to develop new talent for their respective sports.

Although hosting international sporting events might have some benefits to developing countries, the expense of developing the specialized

infrastructure needed will become too much for those societies to bear. The resources that would be potentially used for these events could be used to alleviate current social problems in these societies. It is also not clear if the short term or long term benefits of these events will be large enough to cover the direct costs created by these events. Hosting the Olympics and the respective World Cups brings initial significant costs and only potentially large benefits. Stay tuned as next week I explore the actual costs of these events for a country or region