

The positive impact of olympic economics essay



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The birthplace of Ancient Olympic Games is Ancient Greece which is called as the Olympic Festival and it was held every four years. Due to the sacrifices of animals were made, a number of the sport competitions occurred which include stadium race, boxing, wrestling, horse riding events and pentathlon such as running, jumping, discus, javelin and wrestling. The winners of the competition were crowned wreath of wild olive and also get great honor. All the Greeks were being allowed to enter into the competition except for the slaves and barbarians. The ancient Olympic Festival was continued until the end of Greek Empire over two thousand years ago. (Technology Student, 2004)

Baron Pierre de Coubertin which is the founder of the modern Olympic Games, said that the most important of Olympic Games is to take part in but not to win, as the most important things in life is struggle but not victory. The first modern Olympic Games were held in Athens in 1896 which has been chosen as recognition of Greek Festival. Its purpose is to create games in order to ensure that people around the world would compete and meet in friendly atmosphere. The meaning of the modern Olympic is the athlete from

each country takes an oath “ In the name of all competitors, I promise that we shall take part in these Olympic Games, respecting and abiding by the rules which govern them, in the true spirit of sportsmanship, for the glory of sport and the honor of our teams” at the opening of the ceremony. The aim of Olympic movement is “ the goal of the Olympic Movement is to contribute to building a peaceful and better world by educating youth through sport practiced without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play.” The head office of the International Olympic Committee (IOC) is located in Lausanne and Switzerland in order to manage and control the Olympic Movement and the members are from all around the world. The motto of Olympic is called “ Citius, Altius and Fortius in Latin which means faster, higher and stronger or braver. (Technology Student, 2004)

The Objective of Olympic:

The objective of Olympic is strived to promote Olympic Games which meets the standards of sustainable development and also respect the environment. The Olympic Games are to promote sustainable development in sports and needs. Besides that, the Olympic Games also promotes positive legacy to the host cities to the Host countries. (Wiki Answers, 2013)

Positive Impact of Olympic:

Besides being a sport, Olympics also affect business and hosting countries which are businesses can gain from Olympic such as increasing sales, advertisements and reputation through sponsorships. All the companies, sponsorships and investors of the world are focused on Olympics Games in order to help all the business to increase sales. Hosting the Olympic Games <https://assignbuster.com/the-positive-impact-of-olympic-economics-essay/>

can bring many benefits for the host country which can be divided into either short term or long term. The short term of economic benefits including of the fresh cash flow from the visitors who visit the host country, athletes, officials, training activities, cultural events and media activities linked to the Olympics and the formation of Olympic committee. There have three major categories of long term economic benefits for hosting Olympic Games which are including the creation of infrastructure is reaching the global standards, the concern of the international community through media and related to the community. (Globalrp Economy Issue, 2013)

Short term economic benefits are likely as the total changes that occur in terms of revenue, employment and total national output through foreign investments. The first national economic impact will lead to the fact that the host country will be required to produce more services and goods. Therefore, the goods will be consumed to the athletes and the official themselves. The international visitors will need to consume the industrial products. Besides that, that Olympic also include of media personalities of nationally and internationally and these groups will also need to consume goods and services by the host country. There will be also many sponsors participate in Olympic Games and they will also required to consume the commodities. Therefore, the total amount of additional revenue will come from the sales of production of goods by the host country and the above mentioned groups will form a huge of direct economic benefits from the hosting Olympic country. (Globalrp Economy Issue, 2013)

Another short term of positive impact of Olympic is some tourists may be interested when seeing the host county's website during the Olympic Games

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and after. Therefore, there will be large amounts of revenues from those visitors. Research indicated that hosting Olympic country can earn 823 dollars from visitors who visit or access the host country within the first twenty days prior of Olympics and twenty days after the Olympic. (Globalrp Economy Issue, 2013)

In addition, the positive impact of Olympic is providing job opportunities or employment. We should not be underestimates the level of creating the employment opportunities from the host country. In fact, an economic estimate in Atlanta, Georgia which is a state that organized the Olympic), the result shows that about seventy seven thousands of employment opportunities were been created. The hotel industry and lodging take up the largest part of creating the job opportunities. Besides that, the food industry such as bars also provides job opportunities. Additionally, the construction sector also will be provided jobs since there will be additional infrastructure such as new buildings. (Globalrp Economy Issue, 2013)

The long term economic benefits from hosting the Olympic Games can be as legacy of host country. The first legacy will be considered of facilities built specifically for Olympics. After the Olympic Games, the facilities can be continuing operation for many years. The host country needs to build a top level of Stadium in order to meet the international standards. In fact, Georgia was hosting the Olympic Games in year 1996 and the stadium was costing them approximately 189 million US dollars which is consider as quite good investment since the rate of return greater than investments. (Globalrp Economy Issue, 2013)

Another important positive impact is the fact of hosting the Olympics will be exposure for the host country through excessive media and the hosting country will be able to be seen by the World. Therefore, their strengths will be reflected in their marketing efforts and this will greatly increase their tourism industry the next few years. Additionally, there will be also exposure in business aspects in order to attract investors come and invest in host country. (Globalrp Economy Issue, 2013)

As a host country, London Olympic Games was the world's hottest spot in 2012. Olympic is an important and massive event that a collection of athletes, media, visitors and politicians from all around the world which is definitely a prestigious role city. According to London, the Olympic Games provided positive impact to the larger businesses in London although there is not reach the extent that had anticipated. But according to the survey of 100 large companies by Deloitte which is the official professional services provider to London 2012. Since the beginning of the Olympic Games, 42% of companies reported that an increase in demand and 77% of retailers increase in demand from the new customers. This result preparation and planning was paid off. Naturally, the greatest advantage is the increasing in Tourism industry. According to London, it was been attracted approximately 300, 000 of foreigners and also about 5. 5 million day trippers during Olympic Games. (The Consultant Eu, 2013)

Another fact was according to Beijing China in 2008, the number of visitors or tourists were rising rapidly. This result shows that Olympic brings the host country to increase the visibility. According to Chen Jian who is the president of Beijing Olympic Economic Research Association was estimated that Beijing

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was received about 600000 foreign visitors and 2.5 million from China's domestic tourists during the Olympic Games along with the number of foreign visitors in Beijing will grow 8% to 9% annually. Besides that, a foreign country student who studying in Beijing was experienced the craze of Olympic Summer by the improvements in infrastructures and commercial services during the Olympic Opening Ceremony. In addition, the number of hotels in Beijing has also increasing in the recent years. That is because since China was entered the WTO and won the Olympic bid, therefore the country was reduced the hotel ownership restrictions. Furthermore, the recruitment in Beijing Olympic sponsors, partners, suppliers and others companies also wants to take the benefits of the Olympic "buzz" in Beijing in order to contribute in increasing of advertisement. (Business Today, 2013)

The third fact was according to Sydney Olympic Games in 2000 were praised as the best Olympic Games because Sydney not only did achievements on improving the environment, improve urban construction, promote the development of transportation, real estate and tourism, but it also promote the host city's international reputation. Sydney brought a considerable sum of profits and motivated promote the follow-up industrial development of tourism, transportation and real estate. Especially, it brought the huge number of direct revenues about 2,605 million US dollars which is the most profitable in Olympic Games. Additionally, it stimulated about 500 thousands tourists. (Bitstream, 2013)

Negative Impact of Olympic:

The Olympics' prestige not only goes along with economic benefits, it also does in downfalls and significant risks which should not be ignored.

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Therefore, hosting the Olympic Games is very important to the hosting country. To host the Olympic Games is a huge responsibility for the country or city due to having a huge risk because the hosting country invested a large amount of money in the games but they do not know about how many visitors coming for the Games. Therefore, they are risking funds without having a backup plan if there is less visitors in the Games. The Olympic Games also will influence the population of the city about one or two months. The city will be crowded of traffic and interrupt the daily of the citizens due to many visitors. Besides that, when the country hosting the Olympic Games, everything must be near perfect such as the street must be clean and in good condition, the stadium must be neat, the hotels must have sufficient reservations for the visitors. This is all about money. However, the money from the visitors or tourists is not enough to support the wastage. Therefore, the country invests a large sum of money in order to keep the city or country clean and well present during the Olympic Games. If any problem occurs during the Olympic Games, the country has to waste money to fix it.

Hosting Olympic Games brings disadvantages to the hosting country especially for poor countries because waste of resources which could be used for the welfare of citizens, corruptions, benefits go to people in power and business but the poor suffer. Therefore, hosting Olympic Games are waste of resource and money. The money should be used for more important things such as improving infrastructure, curing malaria and providing proper education for children and adults from poorer countries. A lot of money is spent on Olympic Games just to watch athletes participate in the Games, but the

money can actually donate to the charities in order to helping people in the world. (Debate, 2013)

Besides that, another negative impact is social impacts which are cumulative and a wide range of over space and time. Olympic Games may change the significant and the impact assessment become complicating due to the long lead times, dimension and natural of the event. The changes will affect the increasing in congestion, evictions, increasing in prices such as increasing in land rental value.

The negative effect of Olympic Games comes from expenditures on transports infrastructure, facilities, housing, safety measures and maintenance in order to meet the requirements or demands of the International Olympic Committee and also to impress to the public.

According in London, the total budget comes up to £9. 325 billion. This result estimates that the costs of Olympic Games are difficult tasks. This was result in the final budget was exceeded by £5. 906 billion of the projected budget from the bid in November 2004. Besides that, the expenditure of security had to double. At the same time, there has been twelve fold rises in the management fees by UK Parliament. Therefore, it has been claimed that spending is higher than expected which has been exceeded the positive impacts on economy of United Kingdom. (Merar, 2010-2013)

Evidence was in Athens Olympic Games in 2004 was failed to motivate the economic growths due to lack of publicity or promotion and a large number of expenditures. According to Wang and Chen who said about the large amount of expenditure was about 12 million US dollars which is a big debt

will be paid for about 10 years. The amount of expenditure was more than double of the budget. Besides that, the Olympic gymnasiums and facilities were not invested until 2000. Therefore the postponed construction led to large amount of costs and inefficiency. This result shows that Olympic Games indeed have a significant impact on the economic development of the host cities. (Bitstream, 2013)

Besides that, evidence was showed that the United State government was investigated the BHP Billiton Ltd which is the world top mining company possible of corrupt practices and it was being one of the sponsorship of Beijing Olympics Games 2008. According to Fairfax reported that between 2000 until 2008, BHP Billiton Ltd spent millions of dollars on sponsorship deal of Olympic Games.

Conclusion:

As a conclusion, I would like to conclude that Olympic Games bring positive impacts and negative impacts to the hosting country that result show the Olympic Games are more than a sport because there are included in cultural, political and economic phenomena. Particularly interest to see Olympic as a tourism attraction, marketing opportunity, media event, the catalyst for urban renewal and development and also was the inspiration for youth and generating a force for peace and understanding of international as well. In fact, it can be said that there value-added, non mainly on sporting, roles which makes Olympic Games becomes unique at the international level and in order to continued survive probably depends on their continuing to play these roles. For example, according to Sir Roger Bannister (1988) who is the Olympic athlete first man to run a mile within four minutes and later became

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British Sport Minister was discussing about Olympic Games will moves towards the changes but still remain the greatest hopes of the world.

Besides that, Olympic is in the deepest interests of the world of the future for them to be continuing. (Google Books)

Furthermore, Olympic Games are much more than a show, the games are open to the world and the entire country has the opportunity to take part in numerous activities such as the marching of the flame throughout the country, cultural activities, educational projects and local volunteer services.