

The long-term impacts from major sporting events – myths and facts

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Introduction

This paper is a review over the long-term impacts from major sporting events. Many cities which apply for such events seem to be taking for granted that they automatically will generate long-term benefits for the host region. However, experiences tell us that the connection is more complicated.

While the concept “short-term” refers to the period immediately before, during, and after the event which are directly influenced by event activities, “long-term” is here defined as the periods before and after the period where the “short-term” impacts occur. Thus the “long-term” period begins with the bidding for the event and ends at some point in the future yet to be determined (Kang/Perdue 1994).

Having in mind that the very nature of an event is temporary – it might sound paradox to expect long term impacts from sporting events. This particularly applies to mega events such as the Olympics and World Cup soccer finals that cannot be expected to be staged again in the host region within any reasonable time horizon. Nevertheless, there are several examples which illustrate that events can create long-term impacts – given the right circumstances.

Method

The main objective of this article is to provide more insight regarding the conditions that are necessary to obtain long-term benefits. What are the critical factors? Which of these factors can be influenced by the host region and which not? First an overview of analyses about major sporting events will be presented (desk research). Some of these events have generated long-term effects, while others have not. This is followed by a discussion of which factors that influenced the results at the specific cases. Therefore Olympic Games from Munich 1972 to Beijing 2008 are examined as well as some other major sport events such as Commonwealth Games 2002 and Asian Games 2002 (empirical research).

Results

Ritchie and Yangzhou (1988) distinguish between economic, tourism/commercial, physical, socio-cultural and finally “psychological and political” impacts. These may be related to 4 aspects: (1) Enhanced international awareness and knowledge of the region, (2) increased economic activity, (3) enhanced physical facilities and infrastructure and (4) increased social and cultural opportunities.

Often huge investments are necessary to achieve such impacts. Figure 1 shows three fields.

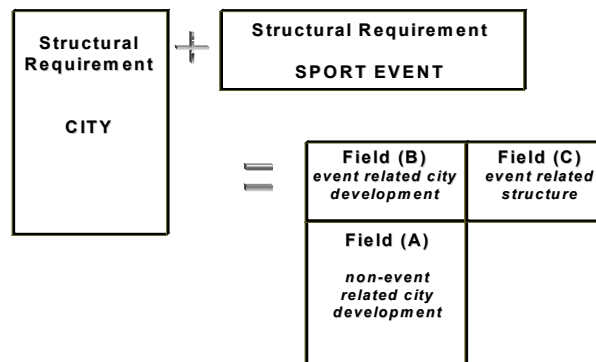


Fig.1: City development and development through large sports events (Preuss 2002)

(A) Is the city development that is planned regardless of the sport event. (B) Is the structure needed for the sport event, which is anyhow planned for the development of the city. (C) Is the necessary structure that is only needed for the sport event and does not fit the city’s long-term development plans. It is crucial if field (C) is so expensive that field (A) and (B) are negatively affected or slowed down. In case field (C) is too

large and develops a structure which is not needed in a long-term, then there should be no bid for a large sport event. At least if the main reason for hosting the event is to reap long-term economic fruits.

However, there can be great variations of investments necessary to prepare for events. Some cities can stage large sports events without a need of change (e.g. Los Angeles) (Essex and Chalkley 1998). Other cities, such as Sheffield, had to undertake major developments in order to host the World Student Games in 1991. The critical issue whether the investments can create impacts with a time horizon beyond that of the event depends on whether the event will serve as a catalyst for some of the impacts (Ritchie and Yangzhou 1987; Getz 1997; Spilling 2000; Ritchie 1984):

Improving infrastructures which give a competitive advantage for local industries after the event.

Providing significant sport and cultural facilities which will create opportunities for organizing new events after the game – and offer local residents new opportunities for recreation.

Developing a “soft infrastructure” for hosting events, e.g. all kind of competencies for marketing and organising event.

Create awareness of the region as an attractive host of sports and cultural events and related tourism activities

Creating a more entrepreneurial climate and through this stimulating the development of existing firms and the starting up of new firms

Creating awareness of the dynamic region and attract people/companies to settle in the area

Long-term industrial impacts occur if the level of activity is moved up to a new plateau significantly above that of the pre-event situation. This requires that local firms develop and expand their activities related to the event, and after it can take advantage of being in a stronger market position than before the event (Sparrow 1989). However, this may also include new facilities which alter the amount of goods and services local residents can consume and enjoy, e.g. a new swimming pool. In that way, the events can create – or extend – the consumer surplus of local residents. Furthermore, the event can also lead to a permanent change of long-term growth rate (Spilling 2000).

Discussion

The discussion concentrates particularly on whether – and to what degree – the conditions presented above were satisfied.

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