

An Economic Case for the Integration of the Winter Olympic and Paralympic Games

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Abstract

Since the 1992 Winter Olympics in Albertville the Winter Olympic and Paralympic Games have taken place at the host city with the Paralympics occurring several weeks after the close of the Winter Olympics. Is it feasible and desirable to hold both events at the same time?

The aim of this study is to assess the feasibility of combining the Winter Olympic and Paralympic Games into one, simultaneous event led by a single local Olympic organizing committee (LOOC) and to examine whether a combined event is preferable to the existing format.

Our hypotheses are that integrating the Games could result in greater economic and organizing efficiency for the host city, a greater tourism impact, lower opportunity cost, and greater social integration for athletes with disabilities.

This study uses historical data from Lillehammer (1994) through Torino (2006) from which to calculate the potential cost-benefits of such a change on 2010 Winter Olympic and Paralympic Games in Vancouver as a framework to test the above hypotheses.

Our hypothesis consists of four main elements; organizational systems integration, tourism impact, opportunity cost, and efficient scale.

Fay (1999) using a combined open systems and critical theory approach created two models that can be used as a means of analyzing ten potential critical change factors (e.g., economic) in assessing organizational integration using a six stage organizational continuum that is both progressive and regressive.

Wolff (2004) further delineated a nine level topology to critically assess levels of integration and inclusion. Preuss (2004) states that it is realistic to expect the economic tourism effect of an Olympic/Paralympic games to be as large as the economic impact through construction and operation of the event.

Opportunity cost is defined by Mankiw (2007) as whatever must be given up to obtain some item. This includes explicit costs that are directly incurred and implicit costs. He defines efficient scale as the quantity of output that minimizes average total cost. If there are high fixed costs, spreading them out over a higher quantity of output leads to lower average total cost.

Historical data from Lillehammer (1994) through Torino (2006) as well as the bid book and progress report documents of the Vancouver Olympic Committee (VANOC)

were used as the primary data sources to determine if it would be feasible to hold the events simultaneously. The budget numbers in the VANOC resources as well as data from local tourist agencies, the local government, and the winter resorts were used to estimate the net effect on explicit costs of integrating the games and the revenue lost from a peak winter tourist season (the implicit cost).

A significant benefit of integrating the Games would be the direct costs for the LOOC to stage the Games. We conclude that, at least from a venue and games management standpoint, the Winter Olympic and Paralympic Games could be integrated with little, if any, changes to the proposed schedule. This would also result in greater efficiencies and economies of scale by eliminating the need for redundancy in personnel including officials, event staff and volunteers, thus integrating the Games seems to be both economically feasible and desirable.

Another significant benefit of integrating the games would be the potential tourist legacy for the host city. Shortening the span of the existing Olympic and Paralympic events period from five weeks to two would result in explicit cost savings and open up three weeks of the peak winter snow season to recapture some of the normal tourist and resort revenue. The lower costs coupled with more events for the given period of time results in a lower average total cost and by definition greater economic efficiency.

Under the current system, the five weeks of Olympic and Paralympics consumes a significant portion of the peak winter resort season.

Additionally, the majority of visitors come as spectators and not as participants in winter sport activities. If the Games were condensed from five weeks to two and the host city invited visitors to come as spectators, but stay after the closing ceremony to enjoy the winter activities in the peak season, the impact on future tourism could be significant.

The final and perhaps most significant benefit of integrating the Games would be the social justice legacy for the host city. Fay (1999, 2000) and Wolff (2004) have posited that anything less than full inclusion of the Paralympics into the Olympic Games would be tantamount to on-going discrimination and marginalization for athletes with disabilities similar the history of exclusion of athletes as based on race or gender.

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