

Infrastructure repercussions of mega sports events – The relevance of demarcation procedures for impact calculations, evaluated using the case of UEFA EURO 2008

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Aim of paper and research questions

Before a city, region or country considers making a bid to hold a mega sports event, event-related infrastructure requirements need to be analysed in a broader context. The overlap between long-term infrastructure needs and the event's short-term infrastructure requirements is the point of departure for the presented study because this is precisely where definite clarity is lacking about whether investments are made for the event proper or for regional development-planning purposes. The scale of the event-impacts identified largely depends on this basic demarcation. Consequently the main objectives of the investigation are to develop procedures that permit appropriate charging and analysis of the repercussions of the choice of model.

Literature review

As the different procedures found in literature show, various criteria may be involved in assessing the causal relationship between event and investment. In classic impact studies the main focus of demarcation is the simple question of whether an investment was made for the event (e.g. Rütter et al., 2007). Many impact-study authors adopt this approach. Some studies advocate a more complex and more restrictive approach. Preuss (1999), for instance, represents the view that, for mega sports events, reference should be made to event-related infrastructure expenditure only when this expenditure is on temporary facilities. He argues that there must be a follow-on need independent of the event for every permanent item of infrastructure. IOC budget-structure directives take the same line, stipulating that expenditure on permanent facilities should not be included in the organisers' budget but entered in the public event-related budget (cf. Maennig, 2006). In certain impact studies, but above all in media reports, event-related investments are sometimes demarcated much more generously and basically include all invested expenditure with any bearing on the event made during the run-up period (Brunet, 2005).

Research design and data analysis

A conceptual referential framework based on extensive analysis of literature and documentation, developed in the early stages of the research process, was checked and adjusted in the course of the work using empirical findings derived from consultation with experts and case studies. The resultant methodological referential framework, in the shape of concrete models for calculating the demarcation of event-related investment, was subsequently adapted to several case studies with an eye to its exploratory consolidation. The case studies were processed on the basis of analysis of existing documentation and studies, and of interviews with people directly involved.

Statistical data was also evaluated using quantitative methods. Finally, the case-study findings were synthesised and – wherever possible – generalised. In this article, the various demarcation procedures are shown in practice using the example of the UEFA EURO 2008 in Switzerland. In addition, the 2002 Winter Olympics in Salt Lake City, the 2003 World Ski Championships in St. Moritz and the 2006 Football World Cup for the host city of Stuttgart were investigated as part of the research project.

Results

The application of the six charge models to the case of UEFA EURO 2008 revealed a broad spectrum of “event-related” investment expenditure (cf. Moesch, 2008). The range of findings leads from 63 m. of CHF adopting the restrictive *hosting-stage principle* to 196 m. of CHF operating with the more generous *before-and-after principle*. This illustrates the leverage effect of this crucial demarcation issue. By comparing the findings of the three other cases, the results obtained can be refined and event-transcending relationships brought out: The broad range of results is striking for all four cases. As a general rule it can be said that the result structure is similar for all the case studies, showing clear, overarching tendencies irrespective of the type of event. Every model provides information from a specific point of view and therefore delivers constantly results on a similar relative level. Certain differences can be pinpointed between events with centralised and those with decentralised venues.

Discussion and conclusion

The model can be chosen expressly to emphasise a specific aspect or to allow a particular message. Not every model perspective is suitable for demarcating event-related investments so as to calculate economic impact. The choices open to individual researchers must be restricted to avoid the latent risk of massively overestimating the event’s repercussions. If the decision processes for infrastructure investments are documented in detail, the *event-factor principle* provides the best-quality results. The combination of short- and long-term aspects, plus the option of partial charging of investments by weighting factors, produces a differentiated picture of event impact.

References

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