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Chapter: Governance in Sport and the Olympic Movement: The future of mega-sport events[i]

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Introduction

Ample research on the impacts of events has focused on mega sport events (MSE), such as the Olympic Games (OG) and the Football World Cup, and the outcomes are not always positive. The OG and the World Cup are the largest sporting events with a tremendous global reach, and they have a remarkably high positive image and a passionate audience. The Olympic rings are one of the strongest global brands (Barney, Wenn & Martyn, 2004), and corporate partners are granted exclusive rights to this symbol. As such, the OG offer a dazzling global platform for transnational corporations to expose their brands, create awareness, inform the world, and stimulate consumption, all with the assistance of the efforts of elite athletes. These athletes are frequently positioned as 'role models', inspiring others to participate in sport, and thereby promoting a so-called 'trickle down' effect, a claim which is poorly substantiated (Weed et al., 2015). The 'feel-good factor' that this type of event generates is temporary (Kavetsos & Szymanski, 2010), and the lasting effects for host communities can be negative both socially Horne & Manzenreiter, 2006) and economically (Kesenne, 2012). Thus, MSE have a tremendous global exposure and global power, but their sustainable impact is being questioned. This is evidenced by multiple cities, deciding not to bid (e.g. Boston and Toronto for the 2024 OG), withdrawing their bid to host mega sport events (e.g., Budapest, for the 2024 OG), or deciding not to host even when awarded (e.g., Durban for the 2022 Commonwealth Games in South Africa). It is without question that it is the size of the MSE that jeopardizes their substantial and sustainable positive outcomes. Currently there is a trend to favour the hosting of non-mega-sport events (NMSE) as they are assumed to be more relevant in creating durable benefits for host communities as opposed to MSE (e.g., Taks, 2013). At the aggregate level, NMSE may even provide more lasting global benefits, given that many more NMSE are being organized worldwide.

Given the precarious position of MSE, the key question in this contribution is: "What is the future of mega-sport events?", and "What can be done so that MSE create more durable outcomes for host communities?" In what follows, I will mainly focus on economic impact, but also briefly elaborate on tourism, social and sport participation impacts, outcomes and legacies of MSE[ii]. Given that NMSE are assumed to generate more positive and sustainable outcomes for people living in the host communities, we will reflect on NMSE to provide insights what can be done to strengthen positive outcomes of MSE, and thus sustain their future.

Conceptual Framework

Typology of Sport Events

There are no universal definitions or typologies of events. Generally, MSE are defined as events that generates 'very high levels of tourism, media coverage, prestige or economic impact for their host community' (Getz, 2012, 45), although their impact and meaning reaches far beyond the event and the host city. A NMSE is also a 'major' event, but it is generally smaller in size, scale, scope and reach than its mega counterpart. Therefore, NMSE are defined here as a smaller version of MSE, being significant, one-off sport events, of short duration and out of the ordinary. Examples of NMSE are the Pan American Junior Athletic Championships, the European Junior Boxing Championships, or the World Badminton Championships (Gratton & Taylor, 2000).

Impacts, Outcomes, Legacies and Sustainability

MSE are temporal and trigger short- or long-term impacts (positive or negative) which lead to outcomes (positive or negative). When these outcomes are sustained, they become legacies. Preuss (2007, 86) defines legacy as 'all planned and unplanned positive and negative, intangible and tangible structures created by and for a sport event that remains for a longer time than the event itself'. 'Tangible' legacies are for example economic and infrastructure; 'intangible' legacies

are for example: transfer of knowledge, image, and reputation. Sport governing bodies responsible for staging mega events have recognized the importance of long-term legacy planning, in the hope of changing the lives of host residents for the better.

In the last two decades, there has been a call to shift the focus from merely 'impacts' to producing 'sustainable outcomes' (e.g. Chalip, 2006). Sustainable development refers to the needs of the present, without compromising the needs and wants of future generations; thus, outcomes that are: (a) created through the event; and, (b) maintained for a longer period of time after the event in the host communities.

Economic Perspective

The overestimation of the benefits and underestimation of the costs of hosting MSE, particularly during the bidding phase, has been well documented in the literature. The IOC and FIFA (Fédération Internationale de Football Association) have both followed a strategy of commercialising their assets, using media rights and sponsoring partnerships to generate significant revenues for the organization (Foley, McGillivray &McPherson, 2012), whilst leaving the host communities with significant debts. Driven by a neo-liberal ideology, bidding for MSE is often part of a city's pro-growth strategy based on the notion that they drive investments (public and private), jobs and tourism (e.g. Misener & Mason, 2006). MSE create a typical temporary 'shock' in the economy, since the demand for a range of products, services and facilities rises dramatically for a very short period of time. Economic-Impact Analyses (EIA) try to capture the extent of this increased demand, but fail to mention the opportunity cost (e.g. diverting investments from other projects, crowding out regular tourists, etc.). This is the reason why standard EIA overestimate the so-called 'economic benefits', since they only account for the positive impacts while ignoring the negative ones (Kesenne, 2012). Several sport economists have therefore

proposed alternative methods of capturing the economic impact of events, such as Cost-Benefit Analyses or Computable General Equilibrium models. These methods reveal more realistic (and often 'negative') outcomes (e.g. Taks, Kesenne, Chalip, Green, & Martyn, 2011). Agha and Taks (2015) assessed economic impact using a cost benefit approach (including five benefit and five cost drivers (see Figure 1).

Given that economic impact is a function of both an event and the city where it occurs, Agha and Taks (2015) proposed to redefine event size and city size as continuums of resources, namely the resources needed to stage the event, Event Resource Demand (ERD); and, the resources available in the host city to stage the event, Event Resource Supply (ERS). Events require investments of human, financial and physical resources from communities that stage them. Human resources include the employees and volunteers required to stage the event. Financial resources include private and government investments. Physical resources comprise aspects such as venues, accommodation, private and public transportation, and food services. Generally, large events tend to attract more visitors, higher levels of business and government support because of their high profile and often global reach, and thus require more resources (e.g., Horne & Manzenreiter, 2006; Preuss, 2007). In contrast, smaller events generally attract fewer visitors, lower levels of business and government support, and thus require fewer resources (e.g., Gibson, Kaplanidou, & Kang, 2012). We recognize that events have all of these characteristics but we emphasize the importance of the resource requirements. Thus, instead of using existing categorical typologies of events, we define large events as those with high ERD and small events with low ERD and acknowledge that there are an infinite number of events that fall on the ERD continuum. Thus, instead of using the previous event typologies or event outcomes, we refer to a large event as an event with a high ERD. Similarly, the term small event refers to one with a low ERD. Clearly, a MSE like the OG

is an event with a very high ERD. We use the term Resource Deficiency to illustrate that only and equilibrium between ERD and ERS will lead to an optimal economic impact. In the case of MSE, ERD is generally much larger than the ERS, thereby generating a high Resource Deficiency and thus leading to a negative economic benefit.

Using the concept of 'resource deficiency', and bringing local economic conditions into the analysis, it was demonstrated that: (1) no city has the resources required to host a mega-event and will therefore never achieve the optimal economic impact; (2) smaller events have a higher potential for maximum optimal economic impact compared to larger events; and, (3) smaller events have positive impacts in many more cities than larger events. Thus, in order to generate optimal economic outcomes, MSE must find a better equilibrium between ERD and ERS. This may have strong implications for the organization of future of the OG.

It is important to note, that different stakeholders experience different benefits (or costs) from hosting MSE. For example, to this day, Australia claims that its industry still benefits from hosting the OG in 2000 (Toohey, 2008). The global audience of MSE brings in large income through TV broadcasting, sponsorships, and other types of revenues (merchandising, tickets, etc.). It is the so-called 'Ménage a Trois' (Thibault, 2009), that is the Sport-Media-Business alliance, also called the global sport media complex, that reap the major benefits of MSE, leaving tax payers with significant debt (Kesenne, 2012). Thus, based on these facts, future MSE should find a better equilibrium between ERC and ERS, while taking into account the media and their business partners.

Tourism Perspective

In addition to stimulating economic development, cities hosting events are particularly keen about branding their city as a tourism destination. Two types of tourism should be

distinguished: flow-on (i.e. at the time of the events) and future (i.e. sustainable) tourism (e.g., Taks et al., 2009). Both MSE and NMSE events attract visitors at the time of the event, thereby creating opportunities for flow-on tourism. However, the drastic difference in number of visitors may have reverse effects on flow-on tourism. For MSE, the enormous influx of tourists may crowd out regular tourists (Preuss, 2005), thereby negatively impacting the number of tourists engaging in classic tourism activities (e.g. visiting museums, sight-seeing tours). This was, for instance, the case at the London 2012 Summer Olympics. Alternatively, large crowds and long waiting lines may hinder participation in certain tourism activities. Because MSE attract global media attention, they are expected to brand their city as an 'international' tourist destination with the intention of generating future tourism (e.g. Ritchie, 1984). Except for the summer OG in Barcelona, which saw the number of tourists grow post-OG, there is no evidence that MSE have created sustainable tourism outcomes (Solberg & Preuss, 2007). Follow-up studies to actually measure these outcomes are usually missing, because outcomes are extremely difficult to measure, since multiple externalities can affect tourism behavior. Australia, for example, had great expectations of boosting future tourism through the hosting of the OG, but this strategy was counteracted by both the September 11 attacks in 2001 and SARS in 2003 (Toohey, 2008), making it impossible to attribute any tourism gains or losses to the OG. In summary, the tourism industry can potentially benefit from hosting events. However, the likelihood that MSE create sustained future tourism is not substantiated. The fact that if the hospitality industry in the organizing city is at full capacity or not, will determine whether there is room for growth, or whether the event is crowding out regular tourists. Thus, in order to host future MSE, events must consider there current and future tourism expectations, taking into account their current and future capacity levels.

Social Impact Perspective

Social impact of events refers to ‘changes in the collective and individual value systems, behavior patterns, community structures, lifestyle and quality of life’’ (adapted from Hall as cited in Balduck , Maes, & Buelens, 2011, 94). However, accurate social impact assessments of events are missing. The well-intended rhetoric indicates that social outcomes are generally hoped for and desired, as opposed to being planned for (Chalip, 2006). Much of the evidence of the capacity of sport events to enhance social unity is on MSE and emphasizes feelings of euphoria, enhanced national pride, and unity. However, much of this evidence is anecdotal (e.g. Smith, 2009), and accurately measuring the social impacts of events is extremely complex. Taks (2013) contrasted and compared social impacts and outcomes of MSE and NMSE, using four different perspectives: power relations, urban regeneration, socialisation, and human capital. Overall, NMSE appeared to provide more positive social impact and outcome opportunities for local residents compared to MSE. This is based on the premise that NMSE create tighter social networks and connectedness of the local population with the event. For instance, the nature of MSE planning does not start at the community level. The community reacts to plans presented to them (top-down-strategy), rather than being involved in creating them and taking part in each step of the process (bottom-up strategy). If MSE would adopt more of a bottom-up strategy, it will install a stronger sense of ownership (Hiller, 2000), and a solid foundation for carrying positive outcomes. Starting to understand how social impacts vary according to the size of event, and the type of community that hosts them, is a first step in increasing an understanding of what events actually mean for the residents who are directly affected by these events.

The concept of social capital may help explain why NMSE may have a more positive social impact on the quality of life of the residents in the host community. Community networks,

relationships of trust and reciprocity, and social inclusion are central to social capital (Onyx & Bullen, 2000). NMSE seem to have a higher potential for the creation or reinforcing of horizontal social capital (i.e. horizontal ties among members of the community, stimulating civic participation and high levels of social trust), and ownership. In contrast, MSE reinforce vertical social capital (i.e. vertical ties between community members and elites), which represents a form of inequality between citizens. According to Misener and Mason (2006) events can offer meaningful sources of social capital if: (a) community values are central to all decision-making processes; (b) various stakeholders, particularly community interest groups are involved in strategic activities related to events; (c) collaborative actions empower local communities to become agents of change; and, (d) open communication and mutual learning throughout strategic activities related to events is maintained to minimize power brokering. All four conditions have a better chance to succeed for NMSE because of the tighter social networks and the greater likelihood that the local population is connected with the event (Taks, 2013). While bids for MSE are required to demonstrate some kind of meaningful social outcomes, their relative value in terms of social 'capital' remains uncertain, and they clearly employ a top-down strategy, 'enforcing' change in communities, including displacement of less powerful groups, forced evictions, and loss of affordable housing (e.g. Smith, 2012).

MSE events are primarily externally focused and commercially oriented, trying to gain a better market position in this global world. Their primary concern is not the people in the host community. However, MSE can contribute to creating 'connectedness' at the local level. Activities such as Olympic Torch relays, for example, boost pride and identity (Chalip, 2006); but note that these events again are much smaller in scale than the actual MSE. Examples of sustainable,

tangible social outcomes of MSE are Olympic parks, where people can gather and socialize many years after the OG (e.g. Atlanta, 1996 OG; Kaplanidou, 2012).

Events allow local communities to create meaningful partnerships which have the potential to remain in existence long after the event is gone. However, long-term sustainability requires meaningful involvement of citizens at every stage. Again, this seems more plausible to succeed in the context of smaller events because of the bottom-up strategy. What is important here is that the structures created for a one-off event do not evaporate once the event is over, but rather that lines of communication and collaboration are sustained and maybe even strengthened after the event. In order for sport events to fulfill a local community's needs, these needs will first have to be identified. Subsequently, specific tactics and strategies can be put into place to create desired outcomes. MSE can learn from NMSE by creating more coherent and tighter networks within local communities.

Sport Participation and Development

Since 'sport' is the core of sport events, stimulating sport participating is a plausible outcome. Claims that sport events will foster sport participation are found in bid documents are based on the notion of the so called 'trickle-down', 'demonstration' or 'inspiration' effects, which suggest that the successes of elite level athletes will inspire others to become more active and get involved, resulting in increased levels of sport participation and physical activity. Evidence supporting this 'trickle-down effect' is mixed (Weed et al., 2015).

The OG, like no other event, attracts unparalleled interest from people around the world, but also from people within the host country with no interest in sport or the Olympics. So, the OG can be considered a powerful tool to create awareness, especially for its core product 'sport'. However, a substantial sport-related impact is an increase in passive involvement such as live and

television spectating (Toohey, 2008). Further, it seems that (a) those people who already do a little sport can be inspired to do a little more; (b) those people who have played sport before can be inspired to play again; and (c) some people might give up one sport to try another (Weed et al., 2015). Thus, large-scale events seemingly have the capacity to enhance sport participation, but the effects are limited at best and are more likely to retain existing participants than to recruit new participants into sport.

Opportunities for personal growth and skill development related to sport participation and development of local residents (e.g. through volunteering, officiating, organizing) are expected to be higher in the context of NMSE, since the chances that locals will take part in the planning and management of NMSE is far greater than for MSE (Taks et al., 2014; Misener, et al., 2015). MSE, on the other hand, recruit their experts from far-away regions, thereby limiting opportunities for local people to execute meaningful roles, and assign residents to lower-end volunteering tasks that do not necessarily contribute to the development of the sport.

MSE systematically require either the upgrading of existing sport facilities, or the construction of new ones. Sport facilities for MSE are high-end facilities, which seldom meet the sport participation needs of local residents. 'White elephants' are problematic outcomes of MSE. They cost a lot of money to build, but remain unused post-event because they do not meet the needs and wants of the local community, and/or carry extravagant maintenance costs and end up being closed (e.g. 2004 OG in Athens). Residents' needs are central in the case of building or upgrading sport facilities for NMSE, and MSE could learn from this practice.

The potential for creating partnerships between business and local sport organizations to enhance the sport experience for the local people is, again, more likely in the context of a NMSE, because of the tighter social connectedness. Business partnerships with MSE events are at the

global level, thereby circumventing the local level, unless other local initiatives are taken alongside the MSE (Chalip 2006). Overall, there is little evidence for sport participation outcomes from hosting events, and leveraging is essential (Taks et al., 2014).

Conclusion

This paper presented examples of event outcomes, whether they were positive or negative, sustainable or not. It must be acknowledged that most examples in this contribution are taken from MSE, and that outcomes of NMSE are mainly theorized or assumed. The reason is that, so far, little research attention has been given to NMSE, and so we are lacking empirical evidence to substantiate these claims. Nevertheless, this contribution calls for a shift in thinking, and building upon notions of the power of NMSE for host communities (e.g., Taks et al., 2015) as this can inform MSE to finding ways to creating more desirable outcomes and durable benefits for host communities, particularly from and economic and social perspective.

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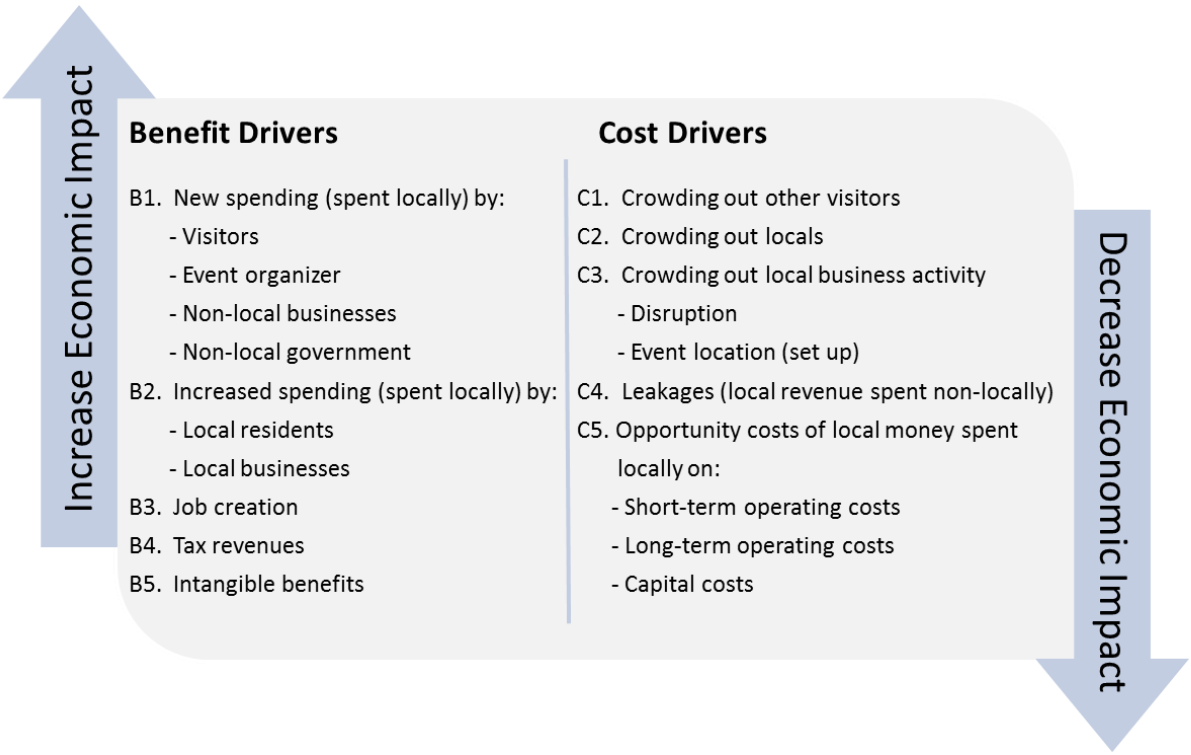

Figure 1. Economic Impact Drivers (Source: Agha & Taks, 2015, p. 203)

[i] This paper is a compilation of two papers written by the author, namely Taks (2013) and Agha and Taks (2015)

[ii] We acknowledge the importance of environmental impact (e.g., Chappelet, 2008), but will not address it in this contribution.