

Research Note

The Olympics- Impact on Security, Economy and Culture

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Abstract: Hosting the Olympics is a matter of pride and glory for any country but the current landscape has introduced so many factors that not every city or country can claim this prized possession. Security has been at the forefront with the ongoing Sochi Winter Olympics. Security is always a challenge with mega sporting events like the Olympics but countries are willing to do anything to overcome the fear and grab that chance of hosting the Olympics. This paper will explore different aspects of hosting the Olympics and what are the tradeoffs that makes them so appealing.

Introduction

The Winter Olympics are being held at Sochi, Russia and have garnered much attention for a variety of reasons such as its proximity to a volatile region marred by violence, human rights issue, terrorist threats and the very fact that Sochi doesn't have enough snow. Russia marketed itself well seven years back to win the bid for the 2014 Winter Olympics. Vladimir Putin, Russian President lobbied the International Olympic committee and made sure his country got to host the Olympics – a triumph, since the last time Moscow hosted the Olympics in 1980 it was fueled with controversy over Russia's invasion of Afghanistan and subsequent withdrawal by 65 nations including the United States. Sochi is viewed to be Putin's pet project where he can showcase Russia as a force to reckon with and project himself a great leader. But this Olympics is not just about Russia, it's about the looming terrorist threats and security of the venue, athletes and their families. Many athletes have decided to leave their families back home. The United States has specifically asked its participants not to publicly wear clothing that identifies them as Americans; and the US government has prepared a naval escape route through the Black Sea in case of a terrorist attack¹. This Olympics is widely viewed as the most expensive games ever with an estimated \$50 billion in spending on venue and infrastructure². Hosting the Olympics is a big task and has social, economic and political implications: almost all the Olympics venues in the modern era are

scrutinized over security and the job of the government to host a secure Olympics becomes even more challenging.

Criteria for selecting Olympic Venues

Winning the bid to the host the Olympics is a long and rigorous process that involves getting through different phases. Cities bid for a chance to host the Olympics and the application fee alone costs around \$150,000³. “This high fee is meant to discourage cities that are not committed to the efforts necessary to host the Olympics.”⁴ The International Olympic Committee investigates each city on several points that include the size of the city, its ability to host the events, and its ability to accommodate number of athletes, journalists, tourists, and politicians from different nations that will come for the games. They must have adequate hotels and commit build new stadiums and venues for the games if necessary. Cities also need to show that they have or will build a good mass transit system for transportation within the city. All the new infrastructure comes under what is called building an “Olympic village.” This requires a large investment in infrastructure and the city needs to be able to prove that this investment is in the best interest of economic and social empowerment for the city. Each city needs to convince the committee how the local residents are going to benefit from the games and if it will help in job creation and similar economic interests⁵.

When it was announced Sochi was going to host the Winter Olympics for 2014 it came as a surprise to many. Sochi is primarily a summer resort town situated on the side of Black sea. The temperatures rarely drop below 37 degrees F., and the city barely had one ski track and ski lift. The astonishing cost for this particular Olympics is due to the fact that the entire ski resort had to be built from scratch and essentially undergo a transformation. This venue selection also points toward the fact that probably power and influence plays a role too. Hosting the Olympics brings a sense of pride for the nation, keeps it in the spotlight for two complete weeks and provides an opportunity to boost tourism in the city⁶. The Russian government and especially Putin pulled all strings to win the bid and it is still to be seen if the \$50 billion investment will pay off in the long run for Russia or not. As we saw in the opening ceremonies, Russia took the opportunity to highlight certain parts of its history to the stadium audience and billions around the world.

Security at Olympics

The Olympic committee also determines if the city is secure enough to host the games and if it will be able step up the security if necessary, as the Olympics can be a very prominent target for terrorist organizations. The current winter Olympics at Sochi have proved this point beyond doubt. Around 100,000 security guards are deployed in the zone and the venue is also protected by mass surveillance technology. The Russian government has received numerous threats from insurgents

groups that have vowed to disturb the Olympics. The question on everyone's mind is why was Sochi ever selected to host the games? In these times security is the single most important point of consideration when venues are decided for hosting the Olympics. How did the committee fail to see the terrorist volatility of Sochi? The 2012 London Summer Olympics had to take extreme security precautions. But since London has been prone to several terrorist attacks since 2000, security in all forms (air, naval, IT and physical assets) was beefed up to provide a secure environment. London is a major city and has multiple evacuation routes if anything were to happen to the city. It is hard for extremists to disrupt a city as big as London, but with Sochi it's an entirely different story.

A report by NBC showed how a cellphone or laptop can be immediately hacked in Sochi once a user is connected to Wi-Fi. Recent cases of data breaches and personal identity thefts connected to major US retail stores have left the people wondering if they really should be logged in with their personal devices. Providing IT security has become so important now given the fact most people have smartphones, laptops, tablets and will use them especially in a place unknown to them but at the same time risking all the personal and financial information stored in those devices.

The parameters and scope of providing security at Olympics has changed a lot in recent years. It will be interesting to see how this

unfolds in the years to come and Sochi will serve as a good reminder to the Olympic Committee as what mistakes not to make in future when selecting a venue.

Impact of Hosting the Olympics

Hosting the Olympics is widely perceived to have a huge social, cultural and economic impact on the country. The results have been mixed: some host cities and countries had to settle for net losses whereas some cities actually benefitted in the long run. The fact of the matter is these are just estimates and best guess and cannot serve as a predictor for future events. It's all about timely planning and building infrastructures that could be used once the games are over. Most countries have to do with structures that cannot be used for any practical purpose, so building the structure becomes a waste of money. While most cities recover a major amount of their investments from broadcast rights around the world, it is the infrastructure costs that are difficult. A smart workaround to tackle these costs is to use existing structure and build only that which is required in terms of sporting venues and arenas. This strategy doesn't only compensate for the losses but ends up to be quite profitable.

Santo and Gildner suggest that "Cities pursue the Olympic Games for three important reasons: tourism, image, and regeneration."⁷ The Olympics bring the world's attention to the host city which people will

remember for years to come and has a huge impact on country's tourism prospects. People are willing to travel and spend so much on mega sporting events such as Olympics is a good sign for the economy. "In 2005, for example, the Travel Industry Association of America (2006) reported that domestic and international travel added \$650 billion to the U.S. economy, generating 8 million jobs, \$171 billion in payroll income, and \$105 billion in federal, state, and local tax revenues

Apart from boosting tourism, city officials and government market the venues for investment opportunities by large corporations that can lead to spiraling job growth for the area. "At the city level, policy makers attempt to attract travelers through the branding of places and by focusing regeneration strategies to attract investment funds and human capital."⁸ London successfully hosted the Summer Olympics in 2012, and has since then seen a boost in its economic growth based on its Olympics investment and sees it as positive start to its legacy journey⁹.

Conclusion

Hosting the Olympics is definitely a matter of pride and joy for most nations and so many of them dream of being able to host it one day. Benefits aside, it is a chance for nations not only to put themselves in spotlight but showcase to the world their culture, heritage, history and how they have adopted modern technology and have transitioned into the future. There is more to it than just establishing world supremacy -- it is so much a matter of pride that the world will remember the events

for years to come. One can argue it's the most expensive sporting event to host, thus countries have to be realistic when it comes to hosting and should look beyond mere glory and pride. Hosting also requires smart and strategic administration for planning in a way that its citizens can benefit in the long run. With security being the new focus countries now more than ever will have to be open about its military and other associate defense capabilities and do a realistic evaluation if they can provide a safe environment for athletes and all the people attending the event. A time may come in the future where every country and city will be able to attain it with ease but for now there are many considerations to be made.

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