

## ANNALI DEL DIPARTIMENTO DI METODI E MODELLI PER L'ECONOMIA IL TERRITORIO E LA FINANZA

2017

## Direttore Responsabile - Director

Alessandra De Rose

#### Direttore Scientifico - Editor in Chief

Roberta Gemmiti

## Curatore del numero - Managing Editor

Ersilia Incelli

## Comitato Scientifico - Editorial Board

Maria Giuseppina Bruno, Adriana Conti Puorger, Francesca Gargiulo, Roberta Gemmiti, Cristina Giudici, Ersilia Incelli, Antonella Leoncini Bartoli, Isabella Santini, Marco Teodori.

Copyright © 2017

## Sapienza Università Editrice

Piazzale Aldo Moro 5 – 00185 Roma

www.editricesapienza.it editrice.sapienza@uniroma1.it

Iscrizione Registro Operatori Comunicazione n. 11420

ISSN: 2385-0825

Pubblicato a novembre 2017



Quest'opera è distribuita con licenza Creative Commons 3.0 diffusa in modalità *open access*.

# MEGA EVENTS: GOOD OR BAD? A LITERARY REVIEW

Abstract. The paper reviews the current literature on mega events, namely the Olympic Games, underlining the relationship between the city and the major event, which mainly involves two conflicting visions of mega events. In fact, there are two opposing literary perspectives, which investigate the evolution, or rather, changes with regards to urban transformation generated by the Olympic Games. Thus, the review provides a critical analysis and discussion of the urban transformations of a host city in terms of re-generation, restyling, renewal or the decay and degradation of territories and cities.

Key words: cities, critical discussion, literary review, Olympic Games, urban transformation.

#### 1. Introduction

This paper offers an analysis of the Olympic Games, considered one of the most celebrated sports mega events of modern times and characterized by a strong global media impact on host territories.

Mega events can generate different impacts on host cities and regions, in fact, they can be both a challenge for the redevelopment of the city and surrounding territory, or, instead, a waste of public money and resources. Mega events are often considered as an opportunity for restyling, renewal and regeneration of the host cities, due to considerable capital expenditure and investments on venues and infrastructures in host territories; nevertheless, "white elephants", i.e., Olympic Villages, symbolizing the waste of money and decay of certain areas are more and more frequent. Rose et al., (2009, p.2) among others, define the risk of degradation created by mega events, as a "burning money effect". Thus, the creation of a hybrid peri-urban area, the unsolved question of the preservation of existing buildings and the debate about the legacy of events today is still open. Furthermore, a discussion of the history of the Olympic Games reveals that in actual truth only a few cases of "legacy benefits" have occurred in the last 30 years. This leads to the need to reflect on the double effects that a mega event can generate in terms of opportunities or damages. In addition, through an analysis of the key ideas of scholars of the subject, this paper also traces the changes in the strand of the literature in the last few decades, in terms of a change of perspective or evolution, or due to the damage done to many cities "spoiled" by mega events. The paper also investigates the concepts of 'Regeneration Games' (Cochrane and Peck, 1996, p.1319), "urbanalisation" and "boosterism" (Hiller, 2000, p.440).

The wide debate on mega events is related to the debate between growth and development. Thus, this paper focuses on the socio-economic impacts generated by mega events in urban transformation, in particular the social, cultural and economic effects able to modify the quality of life. An analysis of the different literature, of

<sup>\*</sup> Sapienza University of Rome.

divergent perspectives, allows a critical discussion of the urban transformation of host city.

## 2. A complex phenomenon

The Olympics are considered nowadays the most celebrated sports mega event of modern times, and indeed the prefix "mega" refers to an extra-ordinary, large-scale event (Salazar, 2016). First, it is necessary to define the mega event according to its characteristics such as duration and scale, depending on the abundance of participants and spectators, (Celant et al., 2014, p.81), which may also include online/TV broadcasts. These features affect the tourism attractiveness and the territorial appeal (Roche, 2000), on the host city (Malfas et al., 2004). Although the Olympic Games are temporary mega events, less than two weeks' duration - they are able to attract millions of people from all over the world, thanks to their international media coverage (Kassens-Noor, 2016). Over-exposure of the host city during the event time can produce a double opposite effect: the strong global media impact generated by mega events increases the visibility of the host regions, so that, on the one hand, the big event can act as a trigger for urban regeneration, providing the opportunity to gain notoriety and global visibility (Brogna and Cocco, forthcoming); and on the other hand, according to the other strand of literature, i.e., Zimbalist (2010), it can represent a hefty dowry to manage, which can result for example, in a waste of resources and public money, with degenerative consequences in terms of territory and image. A mega event can have an exceptional character, it is unrepeatable or repeatable only after many years (e.g. the Olympics, Jubilee, Expo), or it can have a more ordinary character thanks to regular and planned intervals (Celant et al., 2014). Salazar (2016) argues that mega events are different according to size, scope and reach, geographical location and appeal, and the ones with a major effect in economic and business terms are characterized by frequent periodic trends, a stable schedule and a worldwide reach (Celant et al., 2014). According to Müller (2017) there are four integral dimensions to be considered in the study of mega events: visitor attractiveness, mediated reach, costs and transformative impacts.

Hosting a hallmark event such as the Olympic Games could be a challenge for the redevelopment of the host city and surrounding territories. In fact, according to a line of the literature (Müller, 2017), the Olympics are able to act as a catalyst for urban development, as a potent vehicle for post-industrial adjustment (Broudehoux and Sanchez, 2016). The role of the media can raise awareness of the host city. At the same time cities, like celebrities, expect a certain respect also after the event, but their memory is likely to fade over time (Malfas et al., 2004, p.213). Thanks to adequate governance and appropriate strategies, mega events can generate large benefits, i.e. the use of culture and sport to revive already existing structures and depressed areas (Broudehoux and Sanchez, 2016), or even to renew the city's image, with a particular emphasis on urban marketing and environmental policies. Nevertheless, many scholars and experts have made critical evaluations of the impact of mega events on host cities and regions and they are skeptical of the actual benefits which are often inflated and linked to broken promises. The combination of overpromising benefits and underestimated costs emphasizes the so-called "megaevent syndrome" (Müller, 2017, pp.6-15). On many occasions, staging a mega event is a way of restating the priorities of urban actions and policies (Broudeoux and Sanchez, 2016). In this way mega events as exceptional happenings are powerful engines for promoting market oriented policies (Clark et al., 2016) and local economic 108

growth (Dansero and Mela, 2007). Since the "model events" of Los Angeles 1984 and Barcelona 1992, there has been a clear increase in the number of cities bidding to host the Olympics, perceived by local leaders as an opportunity to improve national and regional economies, in the short run, offering social-economic benefits to the surrounding territories (Malfas et al., 2004). In effect, in the last two decades, staging a mega event has not been a good choice for cities, as in most cases they have come out defeated and indebted because of the huge expenses linked to overestimated forecasts of a mega events 'legacy benefits' (Clark et al., 2016, p.87).

#### 3. The mega event and the city: regeneration, restyling, renewal

Sport and events have always had a spatial and geographical dimension (Golubchikov, 2017). The Olympics, as a mega event hosted in cities, is strictly related to the role of urban planners, engineers and architects, who become active players in the organization of the event leading to a city's transformation. Thus, analysing the issue from a Keynesian point of view, a mega event offers the opportunity of large-scale urban improvement (Marfas et al., 2004) or what is often called 'mega-projects intervention' (Golubchikov, 2017, p.237). Mega events are able to spur existing urban development plans (Kassens-Noor, 2016), e.g. the Barcelona Olympics 1992, or they can also employ political strategies which revitalize abandoned areas of a city (Kassens-Noor, 2016), e.g. the Sydney Olympics 2000.

In fact, from a neoliberal point of view, the Olympics are considered "an opportunity to promote strategic locations" (Golubchikov, 2017, p.237), thanks to strategic urban planning. Graham and Marvin (1995) considered hallmark events as an opportunity for urban regeneration, strongly associated with 'post-Fordism', hence with the post-industrial society. Cities are driven to bid in order to host a mega event if they wish to exploit the event as a chance to regenerate their urban fabric, renew their existing abandoned areas, restyle their global brand (Brogna and Cocco, forthcoming). In this way, cities decide to stage a mega event because they are affected, not only by the direct and indirect local economic development forecast, but mainly by the chance and opportunity for urban regeneration (Malfas et al., 2004, p. 212). The event, as an exceptional happening, has a temporary character and a fixed period of time, so it is important to respect the deadlines as constraints for the city's renewal, such as the need to construct sports buildings, infrastructures on time. In short, deadlines contribute to accelerating the process of change (Hiller, 2000), even if the run-up to the event, can create a negative impact in terms of territorial renewal. In fact, according to Müller (2017), it is the urban development which becomes an instrument for the event, not the reverse. From "sports event" to "urban event", the Olympics become an opportunity for large-scale urban transformation, to the point that experts like Cochrane and Peck (1996, pp.1319-1336) define the Olympics as "Regeneration Games", underlining the host city's urban landscape transformation.

## 3.1 Build or preserve? The case of white elephants

There are several factors that influence the rebirth and regeneration of the territory, e.g. governance. For this reason, stakeholders have to choose the right strategy to adopt for the host region. For example, as outlined later in the article, the urban policies of the Sydney Olympics appeared forward-looking at a first glance, but later they gave birth to 'white elephants' (Furrer, 2002, p.1), symbols of a waste of

resources and "burning money" (Rose et al., 2009, pp.2-17). Even if the main literature about mega sports events emphasizes the 'legacy benefits' offered by the Olympics to the host city in terms of new facilities and infrastructure, urban revival, notoriety, the city's image and tourism appeal, major public welfare, additional employment and local business opportunities (Kasimati, 2003), negative impacts and waste have often proved the result of the Olympics games especially in the last 20 years (Flyvbjerg and Stewart, 2016). Recent literature has also discussed the high construction costs of public sports infrastructure and venues, temporary crowding problems, the loss of visitors, property rental increases and temporary increases in employment and business activities, (Kasimati, 2003), as well as the "burning money effect", social justice and poverty problems, e.g. Rio de Janeiro, 2016 (Costa, 2012; Venturini, 2014), not to mention abandoned Olympic areas and over-sized, underutilized sport facilities referred to as "white elephants". Furrer (2002, p.1), who was once the project manager of the International Olympic Committee (ICO), defined the concept of 'white elephants' as "over-sized venues and facilities that were planned with Olympic-size crowds and ticket sales in mind". In fact, enormous urban works such as Olympic parks, stadiums, or even hotels are designed into the urban fabric of host cities just for the two weeks' mega event, and not for the post-event; as a result the new buildings do not fit into a long-term urban planning policy. The new facilities neither respond to the local population's needs in terms of leisure and cultural facilities, i.e. colossal hotels after the staging of the Games are oversupplied bringing negative effects on the host city or region's hotel industry (Furrer, 2002), or they even become abandoned places, degrading the urban fabric of the Olympic area.

The Sydney Olympics 2000 is an interesting example in terms of white elephants and the recovery of abandoned areas. In fact, Sydney was credited with paying special attention to the environmental impact of mega events, and that is why the Sydney Olympics are defined as the "Green Games". Despite the fact that the Sydney Olympic Park was built on a decontaminated and recovered industrial area previously disused and designated to containing toxic waste, it became the most important sports and recreation centre in Sydney with the greenest Olympic Village of all history. Nevertheless, today it represents a huge failure. Just a few months after the end of the Games, the massive Olympic facilities of the park were abandoned, leaving a "white elephant's legacy" and the so-called 'Sydney Jurassic Park', so that the host city suffered a significant territorial and economic defeat (Furrer, 2002; Brogna and Cocco, forthcoming). In truth, new stadiums, new village accommodations and adapted transport systems draw attention to specific geographies because of their transformative effects across a city, the environment and population (Clark et al., 2016).

Oversized venues became a white elephant problem, when they do not fit into the reuse strategies. There is a very fragile relationship between mega events and urban regeneration. In fact, the accomplishment of urban transformation and the construction of new facilities (i.e., a stadium, an Olympic Village, etc.) has to match the expected event capacity, but it is necessary to think, even before the creation of new venues, of the post-event reuse and the needs of the local people so as to find a balance between the event and post-event capacity. The reuse of sports facilities, built for the Olympics, is nowadays the real challenge the host city has to overcome in terms of territory development (Brogna and Cocco, forthcoming).

In a recent paper about the modern concept of urban regeneration and new approaches to the transformation of cities, Cangelli (2015, p.59) defines three basic concepts, "cities as common good, territory with a strong structure, and light architecture". Analyzing the concept of territory as a scarce resource, the new 110

regeneration approaches are moving beyond traditional urban restoration and large-scale plans towards the idea of non-invasive initiatives (Cangelli, 2015), so that planning moves in the direction of recovery, preservation, reuse and the recycle of already existing structures, in this way reducing the construction of new buildings and consequently saving public money.

The idea of 'urban regeneration games' has to be balanced between the ancient and modern, the building of new venues and the preservation of already existing ones (Cangelli, 2015, p.66). Light architecture, introduced by Cangelli (2015), represents the modest intervention of the new venues accomplishment in urban fabric; thus, there is a need for urban planners, engineers, architects, and moreover, politicians and event stakeholders to fully understand the context, the social dynamics and citizens' needs.

A vivid debate still subsists about the issue 'build or preserve?' Local leaders and event stakeholders are generally inclined towards the creation of new structures as symbols of the city and an event's success, or even as an Olympic milestone (Furrer, 2002). Nevertheless, the last two decades has highlighted more failures then successes in the Olympic history. Indeed, in the last decade, the ICO raised the issue of permanent structures, proposing a reduction in the waste of resources, with the realization of temporary installations and removable works (Furrer, 2002). Employing temporary structures is convenient for many reasons: first of all, it is a way of avoiding possible white elephants in the host city, with the consequent benefits of cost reductions, and a restricted environmental impact. Temporary venues also guarantee greater flexibility in the event planning phase and are a minor inconvenience to the local population due to lower construction time (Bozzato, 2012).

According to Müller (2017, p.14), "building temporary facilities such as sports venues can both be cheaper than building permanent facilities and eliminate maintenance costs after the event for facilities that are hardly used or would otherwise be too large. [...] There is, however, a drawback to temporary structures: they increase event-specific expenditure that is unproductive for urban development, so hosts must weigh the costs and benefits in each case".

Indeed, the positive legacy and local benefits promised by host cities, create public enthusiasm and support for the staging of the event. However, even though, large public expenditures seem to be justified by optimistic predictions, some experts are skeptical about the actual net economic benefits of hosting mega events (Zimbalist, 2010), as mentioned above, most of the new infrastructures built for the Games, typically become white elephants.

#### 3.2 Reuse, reduce, recycle. The case of the Olympic Village

In this regard, it is interesting to briefly open a parenthesis on the issue of the Olympic Village and its evolution over the years. "The origins of the idea of Olympic Village can be found in the thought of the same inventor of modern Olympics, Pierre de Coubertin" (Bortolotti, 2009, p.1).

In the last fifty years, the city has deemed the mega event as an accelerator for the creation of new urban planning. Over the decades, there has been an evolution in the concept and idea of the Olympic Village. At the beginning of the modern Olympics, not so many athletes were involved in the competition, therefore there was less interest in building accommodation to host them. As the modern Olympics started to take hold, the need to create temporary accommodation for athletes during the Olympic Games led to the construction of a proper village, a miniature city (Bortolotti, 2009). From

prefabricated structures to permanent structures, the Olympic Village became an integral part of the urban fabric; and the event started to move from a simple sports event to an urban event, able to regenerate the urban fabric and the redevelopment of peripheral areas, mainly thanks to the creation of new sites, or also, the transformation of already existing spaces. The Olympic Village became the ambitious building of new urban areas (Broudehoux and Sanchez, 2016). However, the past reveals more cases of Olympic Villages considered symbols of failure, rather than symbols of "Regeneration Games" (Cochrane and Peck, 1996, p.1319).

An interesting case study, is the Roman Olympic Village built in the late 1960s. On the occasion of the XVII Olympiad hosted in Rome an Olympic Village (the Foro Italico) was created not far from the sports games centre. In actual fact, it was built in an area of the city consisting of shacks and abandoned land known as "Campo Parioli" (Salvo, 2014, p.139). The Olympic Village, as permanent accommodation, was an opportunity, offered by the Games, to socially 'reclaim' the area which was also very close to the historic centre and, even more, to the wealthy suburbs of the city of Rome (Salvo, 2014).

From an architectural point of view, the Olympic Village houses represented a huge innovation, inspired by Le Corbusier and "upgraded to the North European experiences, characterized by an unusual opening and permeability to the city historical and its natural surroundings" (Salvo, 2014, p. 139). The new Village emphasizes "home for all", symbolizing 'a different processing of the public housing complex type' with respect to the Roman suburbs planned to house families displaced from demolished neighbourhoods called "borgata" (Salvo, 2014). In the 1970s, just 10 years after the Games, the Village started its degradation process which ended thanks to the construction of the new auditorium in Rome, leading to an unexpected reevaluation of the Olympic Village. This does not mean that the *gentrification* process of the area is completed.

Therefore, looking at the issue from an economic point of view, a host city can spend a huge part of the public budget on building new infrastructures on the pre-existing urban fabric, in this way, public money is used for the private interests of local élites.

#### 4 Conclusion

According to a large part of the recent literature on mega events, the ones who benefit most from the Olympics in terms of positive effects are the economic and political elite. Urban leadership groups, entrepreneurs and politicians use their power to deliver the mega event (Clark et al., 2016), creating general consensus through a booster mechanism (Hiller, 2000), due to the fact that the community is instrumental for the success of the event (Clark et al., 2016). According to Pillay and Bass (2008, p. 329) 'mega events are often used as "spectacles", to promote urban "boosterism" that wed to a narrow-minded pro-growth vision of the city'. The large debate about mega event fits into the debate between growth and development, in fact, economic growth does not mean being capable of favouring the disadvantaged part of the population and guaranteeing equity. Taking into consideration the growth factor, there is no doubt about the mega events' capability in creating jobs, considering both those jobs directly associated with the organization of the event itself, and those jobs indirectly associated with the event, such as the construction industry, tourism and the retail industry. Yet, the issue of job creation is not devoid of problems: many jobs are

temporary and there are overexpectations, so that again it is the urban elites and entrepreneurs who mainly benefit, contributing to enlarging the inequality gap.

The debate is also open from the socio-economic point of view. Several times, infrastructures and venues built to host the mega event represent extra expenditures which neglect the real needs of the social community. At this point, what must be figured out is what is better for the territories: using public money to build a mega event that can be a local growth tool, but that cannot guarantee a legacy of success and benefits, or using public money to satisfy the primary needs of local communities, in so doing not taking advantage of the accelerator mega event. Creating a virtuous path, able to generate a balanced event, could be considered a utopia, but thanks to a synergistic approach between territories, it could also represent a first step towards curbing "mega events' symptoms" (Müller, 2017, p.6).

#### References

- BORTOLOTTI M. (2009), Le origini del villaggio Olimpico. *DisegnareCon*, Los Angeles 1932, Berlino, 1936.
- BOZZATO S. (2012), L'area sudorientale di Roma tra progetto e grandi eventi: un processo territoriale incompiuto, in FACCIOLI M., *Scenari di paesaggio per l'area metropolitana di Roma*, FrancoAngeli, Milano, pp. 10-23.
- BROGNA M., COCCO V. (forthcoming), I grandi eventi come sfida per la riqualificazione del territorio, in *Memorie Società di Studi Geografici* **15**, Società degli Studi Geografici.
- BROUDEHOUX A. M., SANCHEZ F. (2015), The politics of mega-event planning in Rio de Janeiro: Contesting the Olympic city of exception, in VIEHOFF V., POYNTER G., (eds.), *Mega-event cities: urban legacies of global sports events*, Routledge, London, pp. 109-122.
- CANGELLI E. (2015), Declinare la rigenerazione. Approcci culturali e strategie applicate per la rinascita delle città, *Saggi e punti di vista*, Dipartimento PDTA, Sapienza Università di Roma,
- CELANT A., CELATA G., GAUDIO R. (2014), I Grandi eventi come attrattori di turismo. Una strategia più completa per rendere più competitiva l'economia romana, Unindustria, Distretto dell'audiovisivo e dell'ICT, con il contributo di Camera di Commercio Roma.
- CLARK J., KEARNS A., CLELAND C. (2016), Spatial scale, time and process in megaevents: The complexity of host community perspectives on neighbourhood change, *Cities* **53**, pp. 87–97.
- COCHRANE A., PECK J. (1996), Manchester plays games: exploring the local politics of globalisation, *Urban Studies* **33**, 8, pp. 1319-1336.
- COSTA G. (2012), Sullo "stato di eccezione" a Rio de Janeiro, capitale dei mega eventi sportivi all'inizio del terzo Millennio, *Studi e Ricerche socio-territoriali*, Napoli, pp. 283-288
- FLYVBJERG B., STEWART A. (2012), Olympic proportions: cost and cost overrun at the Olympics 1960-2012, *Saïd Business School Working Papers*, University of Oxford.
- FURRER P. (2002), Sustainable Olympic Games. A dream or a reality?, *Bollettino della Società Geografica Italiana*, Serie XII, Volume **7**, 4, pp.1-31.
- GOLUBCHIKOV O. (2017), From a sports mega-event to a regional mega-project: the Sochi winter Olympics and the return of geography in state development priorities, *International Journal of Sport Policy and Politics*, Volume **9**, Routledge, Informa UK

- Limited, pp. 237-255.
- GRAHAM S., MARVIN S. (1995) More than ducts and wires: post Fordism, cities and utility networks, in HEALEY P., CAMERON S., DAVOUDI S., GRAHAM S. and MADANIPOUR A., (eds.), *Managing cities: The new urban context*, Wiley, London, pp. 169-189.
- HILLER H. H. (2000), Mega-events, urban boosterism and growth strategies: An analysis of the objectives and legitimations of the Cape Town 2004 Olympic bid, *International Journal of Urban and Regional Research* **2**, pp. 439-458.
- KASIMATI E. (2003), Economic aspects and the summer. Olympics: a review of related research, *International journal of tourism research* **5**, pp. 433–444.
- KASSENS-NOOR E. (2016), From ephemeral planning to permanent urbanism: the beginnings of an urban planning theory on utopian mega-events and their heterotopian legacy. *Urban Planning* **1,** 1, pp. 41-54.
- MALFAS M., THEODORAKI E., HOULIHAN B. (2004), Impacts of the Olympic Games as mega-events, *Proceedings of the Institution of Civil Engineers Municipal Engineer* **157**, Issue ME3, Paper 13568, pp. 209–220.
- MÜLLER M. (2017), The mega-event syndrome: Why so much goes wrong in mega-event planning and what to do about it, *Journal of the American Planning Association* **81**, 1, pp. 6-17.
- PILLAY U., BASS O. (2008), Mega-events as a response to poverty reduction: The 2010 FIFA World Cup and its urban development implications, *Urban Forum* **19**, pp. 329–346.
- ROSE A. K., SPIEGEL M. M. (2009), The Olympic effect, Working Paper 14854, National Bureau of Economic Research.
- SALAZAR N. B. (2016), Mega-event mobilities, A critical analysis, Routledge, London.
- SALVO S. (2014), The uncertain future of modern public residential housing: the case of the Olympic village in Rome, *e-rph* **14**, pp. 139-166.
- VENTURINI F. (2014), Le proteste popolari a rio de janeiro a partire da giugno 2013: uno studio preliminare, in XIII Coloquio Internacional de Geocrítica El control del espacio y los espacios de control, Universidad de Barcelona, *GeoCritica* **13**, pp. 5-10
- ZIMBALIST A. (2010), Is it worth it? Hosting the Olympic Games and other mega sporting events is an honor many countries aspire to. but why?, *Finance and Development* **47**, 1, pp. 8-11.