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# On China-U.S. Strategic Dialogue in Alaska

Interview with Qian Feng

(source: sputniknews)

About the Author Qian Feng
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### 1. What are the major achievements of this dialogue?

The first high-level strategic dialogue between China and United States since the Biden Administration took office concluded in "candid, constructive" manner in Anchorage, Alaska, on March 19, "though there are still some important differences between the two sides."

When U.S. Secretary of State Antony Blinken, in disregard of necessary diplomatic protocols, made unwarranted accusations against China, Yang Jiechi, Director of the Office of the Foreign Affairs Commission of the Communist Party of China (CPC) Central Committee, made blunt criticism of the United States in a rare act in Chinese diplomacy. "The United States does not have the qualification to say that it wants to speak to China from a position of strength," Yang said firmly.

However, it was thanks to China's tough stance that the dialogue turned into a "frank and constructive exchange" and helped the two sides agree on future high-level communications and strengthening cooperation on climate change, including setting up a joint working group on the issue.



(source: sputniknews)

#### 2. Was the dialogue successful?

Considering its heated start and the absence of a joint statement, the dialogue seems to indicate a new round of confrontation between the two countries—so the meeting was hardly a successful one in traditional sense. However, in the context of the extreme deterioration of China-U.S. relations during the four-year Donald Trump Administration, with the relations having reached their lowest point, neither side had expected the dialogue to effectuate a rebound in the relationship. Its main object was for each party to make their position clear and determine their counterpart's intentions, in order to move forward more purposefully rather than continuing with useless quarrels. The achievements of this meeting cannot, therefore, be assessed using previous criteria. In managing to sustain the status quo and avoid further deterioration, it was undoubtedly a step forward.

### 3. Will the dialogue worsen China-U.S. relations?

The rare opening diplomatic skirmish at the Anchorage meeting portends tough times of China-U.S. relations ahead. Especially after four years of ups and downs under the Trump Administration, the prospects for rapid improvement in bilateral relations are bleak. Over the past four years, the U.S. government and certain factions around it have been unusually hostile to China. It will be difficult for the Biden Administration to disentangle itself from the influence of the China policy set by the previous administration. With anti-China voices in Congress and among the public, the Biden Administration must show a tough attitude toward China in order to ease the pressure.

Even in areas with clear potential for China and the United States to work together, the Biden Administration needs to be careful about what it says and does, and be prepared for criticism from anti-China forces. To approach the question from another perspective, the fact that the dialogue took place earlier than many observers had predicted reveals that the two countries have many shared interests at stake, and are still able to conduct mutual communications.



(source: Global Times)

### 4. Will there be any other high-level talks in the near future?

The prospects for China-U.S. relations are complicated and challenging. Just like crushing and melting Alaska's massive glaciers, it is of great difficulty for the relations to turn around in a short period of time. Yet the dialogue should not be seen as a sign of permanent confrontation, but as a symbol of a new era for China-U.S. relations. Previous perceptions, judgement and even communication styles between China and the United States will be reshaped. As Blinken said, the two sides discussed mutual interests during the dialogue, such as issues related to Iran, North Korea, and Afghanistan, as well as differences in trade and economy. It is believed that after a new round of policy review, they will hold further highlevel strategic dialogues. Pragmatic talks between China and the United States at the executive level will also be possible in the future.

### 50 Years On:

# Can Ice Hockey Do What Ping Pong Did for China-U.S. Relations?

Will the Puck Be 'Heard Round the World'?

About the Author

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As relations between Beijing and Washington are at crossroads and possibly one of its lowest levels for decades, finding or creating cooperation areas and avenues is increasingly becoming a hard task, mission impossible according to some sceptics.

Bilateral relations sunk under the Trump Administration don't seem to be on a fast recovery despite changes at the White House. The Biden Administration acted faster than expected to rebuff China and adopt anti-Chinese diplomatic rhetoric at the highest levels. Against such a backdrop, the two sides came together for frosty talks in Alaska, the U.S., in March. The freezing conditions were not only in the air though as it was reflected on the negotiation table. As both sides are currently treading on thin ice, one might ponder what avenues are available to free the bilateral relations from these icy (Alaskan) conditions.

As the first serious diplomatic contact between Beijing and Washington in history occurred thanks to an unlikely sport, namely ping pong, in early 1970s, what can create such optimism 50 years after "the ping [was] heard round the world" as the Time magazine's much quoted headline put it at that time?



Ping Pong Diplomacy - A Gift of Zhuang Zedong to Dr. Henry Kissinger (source: National Museum of American Diplomacy)

Ping pong diplomacy started in 1971 when a Chinese ping pong player, Zhuang Zedong, befriended an American player who missed his bus during a tournament in Japan and was given a lift on the Chinese national team's bus. This moment led to a giant diplomatic step when Henry Kissinger, the then Assistant to the President for National Security Affairs, paid two secret visits to Beijing in 1971 to be followed by U.S. President Nixon's famous visit to China in 1972 for the first ever major diplomatic contact between the two countries since 1949.

There can't be a more fitting story than seeing the state of current China-U.S. relations within this same framework. The question is, can both sides initiate "Ice Hockey Diplomacy" reminiscent of the "Ping Pong diplomacy" 50 years on? After all, that would serve the golden anniversary of the ping pong diplomacy fairly well.

Ice hockey aptly describes the current state of the China-U.S. relations. It is fast, fluid and an exciting game just as the current state of the China-U.S. relations, and quick, clever reaction times are what the sport is all about. The winning team will put the strategies of the game above remonstrations, thus upholding the principles of sportsmanship. The side who has the ability to act fast will either dance on or break the ice as it will have the capacity to bring relations to the brink of a confrontation or a mutually beneficial cooperation that could in turn benefit the whole world.

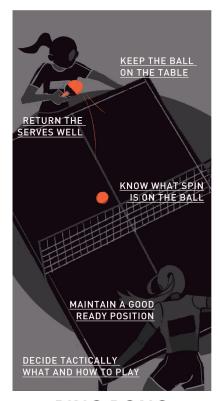
Ice hockey draws big crowds thanks to its drama and tension just as the current China-U.S. relations have turned the world into spectators to this breathtaking stand-off.

Furthermore, six-a-side aspect of the Ice Hockey encounters is very similar to two diplomatic delegations coming together, more or less six people from each side sitting around a negotiation table as it happened in Alaska (leaving aside translators and aids sitting behind).

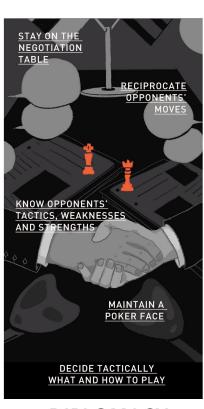
In fact, ping pong, ice hockey and diplomacy have much in common when it comes to strategies to apply in games or bilateral relations as the following table illustrates:

### Best strategies in Ping Pong, Diplomacy and Ice Hockey

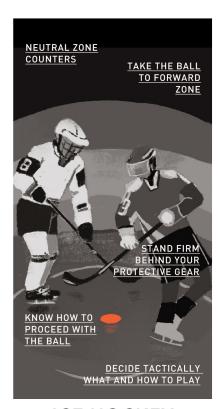
Ping Pong	Diplomacy	Ice Hockey
Keep the ball on the table	Stay on the negotiation table	Neutral Zone counters
Return the serves well	Reciprocate opponents' moves	Take the ball to forward zone
Know what spin is on the ball	Know opponents' tactics, weaknesses and strengths	Know how to proceed with the ball
Maintain a good ready position	Maintain a poker face	Stand firm behind your protective gear
Decide tactically what and how to play	Decide tactically what and how to play	Decide tactically what and how to play



**PING PONG** 



**DIPLOMACY** 



**ICE HOCKEY** 

(Illustrations by Pei Pei)

U.S. President Joe Biden is known to be an ice hockey fan and China's President Xi Jinping is fond of sports. Therein may lie the breakthrough in relations for the apolitical sports arena allows us to step back and find common ground. Sports fans from anywhere in the world share support for the same team in another country, e.g. the English and European football leagues. An ice hockey match to be kicked off by the two presidents would constitute a good response to frosty Alaska.

We are often not aware that we live with another big society. International society of sport, that is. When some of the English Premier League clubs toured China in 2019, thousands of Chinese fans came together to show support for their favorite clubs. A 14-year-old girl dragged her mother from another province to see her favorite English club playing in Shanghai, not to mention many provincial clubs which came in dozens of groups travelling thousands of miles across the vast territory of China.

These fans exercised the very essence of diplomacy by putting the rules and glory of the game above their everyday differences. They regularly engage in the core functions of diplomacy such as representation, communication, and negotiation, helping eliminate hostility in international relations. To this day, shareholders in sports codes share intelligence, communicate on the sports code-wide platforms and relieve themselves from diplomatic drudgery and failures.

Presidents Xi and Biden have a great opportunity to right the pessimistic void following the Alaska talks. They can look to ice hockey as an example of cooperation and to engage a population tired of international political bickering. Sport is a universal language we speak without words. Along with tourism, trade and international education, sport is one of the ultimate manifestations of constructive globalization. Its far reaching and growing influence is benign and based on endeavour and a healthy lifestyle. Sport takes place outside of boardrooms and in camera situations for all the world to see. It makes sense that sport be a diplomatic resource.

There are various levels of interplays between sports and diplomacy. Sports diplomacy comes in when traditional diplomacy falls short on producing solutions.

For example, the following illustration shows how aspiring and forward-coming BRICS countries have been to host some major global sport events, Olympics in particular, contributing to the globalizing and unifying effect of sport.

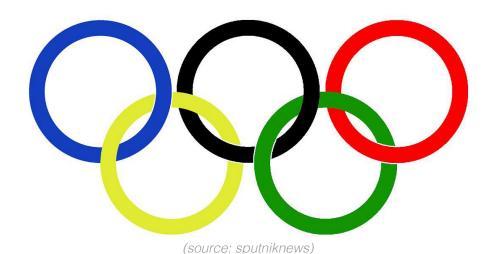


A closer look at the hosting country statistics indicates that BRICS countries largely dominated organizing the major sports events in the 21<sup>st</sup> century as the table above shows. By next year, China will have organized three major Olympics, 2008 Summer, 2014 Youth and 2022 Winter Games. Moreover, China successfully hosted the 2008 Olympics against the background of a disastrous earthquake which took lives of nearly 80,000 people, and will be hosting the 2022 Olympics against the backdrop of a devastating global pandemic. Russia hosted 2014 Sochi Winter Olympics and 2018 World Cup. Brazil hosted 2016 Summer Olympics and 2014 World Cup. South Africa was the host country for the 2010 World Cup.

It was ping-pong which created the first people-to-people exchanges between China and the United States. Could it be ice hockey to take it out of its current stalemate? Can it be ice hockey again to change the narratives about Beijing-Washington relations? In other words, can ice-hockey diplomacy replicate ping pong diplomacy in the 21<sup>st</sup> century?

The leaders of the two countries can use the bladed sticks (used in ice hockey) of their diplomacy to direct the puck in a direction that can benefit the world order in which even the loser of the ice hockey game would qualify as a winner in the eyes and perceptions of the international public opinion. International sports society is waiting to hear the sound of tick-tock: ice hockey diplomacy to kick-off. Will the puck be heard round the world?

### Olympics and Diplomacy



### 1. Introduction

### 1.1 From 1972 to 2022: Golden Anniversary of Ping Pong Diplomacy

As the global efforts to fight coronavirus continue in earnest, the Tokyo Olympic torch relay kicked off after a one-year delay, lighting up flames of hope for returning to normalcy not only in sports but also in global affairs. As vaccines have been seemingly facilitating the process, it may well take sport diplomacy to play a constructive role in the wider context.

After all, it was a sports-related Ping Pong Diplomacy in 1971-72 that paved the way for the first serious diplomatic contact between China and the United States after nearly 20 years since the establishment of the People's Republic of China, whose details you will find in the following sections. It led to then U.S. Assistant to the President for National Security Affairs Henry Kissinger and subsequently President Nixon paying a visit to China.

As the latest China-U.S. dialogue took place in the frosty conditions of Alaska, can the golden (50th) anniversary of the Ping Pong diplomacy be replicated with ice hockey diplomacy? More details on that will follow these pages.

#### 1.2 Issues Surrounding the Olympics



(source: Global Times)

In light of the ongoing coronavirus pandemic, many questions surrounding the feasibility of the upcoming Olympic Games in Tokyo and Beijing have emerged. The Tokyo Summer Games, originally planned for summer 2020, were postponed to summer 2021, the first postponement in the history of the modern Olympic Games. While global vaccination efforts have begun, the emergence of new variants of the virus further complicates the untangling of the logistical nightmare created by the pandemic.

As a result of the stagnating progress in defeating COVID-19, questions about the 2022 Winter Olympic Games in Beijing are emerging. Numerous organizations are calling for a boycott of the Beijing Games over political allegations. On the other hand, some circles try to raise questions about China's vaccine rollout in the country despite it has been the most successful example to contain the spread of the pandemic within its borders.<sup>2</sup> These efforts are disquieting as Beijing is on the way of becoming the first city to host both the Summer and Winter Olympic Games.

Despite calls for protest and the ongoing, ever changing situation of a global pandemic, China currently has one major advantage over Japan: time. China has an additional six months to adjust to the changing situation and enact new policies to ensure a safe and successful Winter Games. Preparations for the 2022 Winter Olympics are on time and on budget, indicating that careful attention is being paid to the planning, management, and execution of necessary measures leading up to the event.<sup>3</sup>

<sup>1</sup> Du, Lisa, Takashi Mochizuki, Isabel Reynolds, and Eben Novy-Williams. "The Five Biggest Challenges Facing the Delayed 2020 Olympics Now," *Bloomberg*, March 27, 2021, https://www.bloomberg.com/news/articles/2020-03-27/the-five-biggest-challenges-facing-the-delayed-2020-olympics-now.

<sup>2</sup> Jonathan Cheng and Rachel Bachman, "The 2022 Beijing Olympics Are One Year Away. Covid Concerns Are Already on the Agenda," *The Wall Street Journal*, Feb 4, 2021, https://www.wsj.com/articles/the-2022-beijing-olympics-are-one-year-away-11612404850.

<sup>3</sup> Patrick Blennerhassett, "Beijing 2022: can China pull off Winter Olympics amid Covid-19, Xinjiang human rights abuse claims and Hong Kong crackdown?," *South China Morning Post*, February 5, 2021, https://www.scmp.com/sport/article/3120387/beijing-2022-can-china-pull-winter-olympics-amid-covid-19-xinjiang-human.

#### 1.3 Background on the Olympic Games

The modern Olympic Games began in 1896 as a revival of the sporting event that began in Ancient Greece at the initiative of the French educator and historian Pierre de Coubertin. By 1924, a Winter Olympic Games program was developed for cold-weather sports athletes to have a similar opportunity of participating in an internationally known event. The Summer and Winter Games used to be held during the same year, but as the size of each competition has increased, the schedule has been modified to alternate between the seasons of events on every second year.

The Olympic Games, national identity, and politics are sometimes interwoven. The Games have become a patriotic event, where individuals around the world express their support for the champions from their country competing against a global cohort of athletes of the highest caliber. Despite having an element of national pride, the Olympic Games have also come to promote humanity as a whole and common values. The Olympic Games are based on the Olympic Truce, an ancient Greek tradition where all conflicts were to be ceased seven days before and after the Olympic Games to allow for the safe travel of athletes and spectators.<sup>4</sup>

The effects of this idea of the promotion of peace can be seen through the numerous boycotts that occurred throughout the 20th century. In the 1956 Melbourne Games, Egypt, Iraq, and Lebanon boycotted the event to raise awareness of the UK and France's seizure of the Suez Canal. In the 1968 Mexico City Games, two African American champions used their victory as a way to protest racial policies in the United States. During the 1976 Montreal Games, a total of 33 African countries boycotted the games to protest the apartheid policies of South Africa.<sup>5</sup>

In the 21<sup>st</sup> century, sport diplomacy has taken on a greater role in advocating for development and peace. In July 2000, the International Olympic Committee established the International Olympic Truce Foundation (IOTF). The objectives of the IOTF include promoting peace, friendship and understanding in the world; promoting the ancient tradition of Olympic Truce; and initiating conflict prevention and resolution through sport, culture, and the Olympic ideals. This is to be achieved through cooperating with inter- and non-governmental organizations, developing

<sup>4 &</sup>quot;The United Nations and the Olympic Truce," the United Nations, https://www.un.org/en/events/olympictruce/background.shtml.

<sup>5</sup> Jim Benagh, "The History of the Olympic Games," *Scholastic*, accessed March 28, 2021, https://www.scholastic.com/teachers/articles/teaching-content/history-olympic-games/.

educational and research programs, and through launching campaigns for promoting the Olympic Truce.<sup>6</sup>

Another concrete example of the results of sport diplomacy in the 21<sup>st</sup> century is on the Korean Peninsula. A joint North and South Korean delegation participated in the 2018 Winter Games.<sup>7</sup> Following the games in Pyeongchang, North and South Korea announced their intentions of launching a joint bid for the 2032 Olympic Games.<sup>8</sup>

Individual countries are now recognizing the value of sport diplomacy policies and developing their own long-term strategies to foster international cooperation and understanding. In February 2019, the Australian Government launched the Sport Diplomacy 2030 initiative. The U.S. State Department utilizes athletics in a similar way. Through the Bureau of Educational and Cultural Affairs, it claims to promote athletics as a way to transcend linguistic and sociocultural differences and to build linkages between countries. In the 21<sup>st</sup> century, China has been one of the most active nations to promote sports in all branches through persistent campaigns that reach out the remotest corners of the country and to come forward to host major global sports events at a time when there is a declining trend for host city bids worldwide. Sports, especially through the use of an international platform such as the Olympic Games, can open another channel of communication between countries, reducing conflict, encouraging cooperation, and promoting human development worldwide.

### 2. Olympics, Vaccines and Diplomacy

The Olympic spirit was conceived to unite countries through sport rather than divide, especially during times of intense rhetoric. Sadly, as the world recovers from the global pandemic, the International Olympic Committee (IOC) faces some challenging problems on the horizon. The growing issue of creating a covid-secure Games for Tokyo, Beijing and beyond, is complicated by calls for the boycott of the Beijing 2022 Winter Games from a team of Western countries, making the IOC's mission even more difficult.

<sup>6 &</sup>quot;Olympic Truce," Olympic, accessed March 29, 2021, https://www.olympic.org/olympic-truce.

<sup>7 &</sup>quot;North Korea to send delegation to Olympics in South, Seoul says," *CBC*, January 08, 2018, https://www.cbc.ca/news/world/korea-talks-olympics-1.4478477.

<sup>8 &</sup>quot;North & South Korea agree joint 2032 Olympic bid," BBC, September 19, 2018, https://www.bbc.com/sport/olympics/455717272018, https://www.bbc.com/sport/olympics/45571727.

<sup>9</sup> David Thibodeau, "Sport diplomacy for development and peace," *sportanddev.org*, April 18, 2020, <a href="https://www.sportanddev.org/en/article/news/sport-diplomacy-development-and-peace.">https://www.sportanddev.org/en/article/news/sport-diplomacy-development-and-peace.</a>

When it comes to vaccine development and the Olympics, the two currently go hand in hand. Although under normal conditions there would be no correlation between these two topics, the advent of the 2020 (now postponed to 2021) Tokyo Games and the upcoming Beijing 2022 Winter Olympics, plus the arrival of the COVID-19 pandemic, has called into question the safety of convenient and fast international travel, forcing organisers to take extra measures to ensure the safety of visiting athletes while international fans have now been barred from Japan.



(source: sputniknews)

The Olympics will also be one of the first major events (sporting or otherwise) to signal the world reopening. Although China recovered from COVID-19 relatively quickly, its borders are reopening gradually. The United Kingdom, an important player in the Olympic movement, has given out

around 30 million (first) doses of vaccines to its population as of March 31.<sup>10</sup> These examples show that the world is slowly returning to normal. But there are obstacles in the way of this progress including distrust of different vaccines (and their supposed effectiveness) along with threats of boycotts and double standards that have the potential to ruin the inclusive Olympic spirit for everybody involved.

### 2.1 Diplomatic Discourse: Vaccine Diplomacy in the Games

Vaccine diplomacy is now a hot-button topic for international relations and many countries are said to be involved in it, as squabbles between the UK and EU over the safety and distribution of the AstraZeneca vaccine and the claim that the poor, less developed nations are struggling to get hold of the jab demonstrate. On March 11, 2021, China said that vaccines for all athletes could be supplied for both the Beijing and Tokyo Olympics, showing Beijing's commitment towards both hosting and attending the Games. However, this has been interpreted not just as an exercise of goodwill but also a deployment of vaccine diplomacy which could become important, bearing in mind a suggested intention to boycott the Beijing 2022 Winter Olympic Games by some Western countries.

The Visual and Data Journalism Team, "Covid Vaccine: How Many People in the UK Have Been Vaccinated So Far?," *BBC*, March 12, 2021, https://www.bbc.co.uk/news/health-55274833.

<sup>11</sup> Michael Safi and Amrit Dhillon, "UK Covid vaccine supply hit amid rise in cases in India," *The Guardian*, March 18, 2021, www.theguardian.com/world/2021/mar/18/uk-covid-vaccine-supply-hit-as-rise-in-indian-cases-diverts-doses-closer-to-home.

China has also announced that it is making it easier for foreigners to enter the country provided that they have received a China-made vaccine. This is telling of the delicate diplomatic situation in which the world finds itself and a possible pointer to how Beijing sees it, which is not vaccine diplomacy but international anti-pandemic cooperation. It could also be sending out a message to the West as China's State Councilor and Foreign Minister Wang Yi said during a meeting with his visiting Russian counterpart Sergey Lavrov on March 22 that China's goal from the beginning was "to let more people receive the vaccine as soon as possible and help the whole world".

As of March 23, over 100 million doses of COVID-19 vaccines produced by China have been administered at home and abroad, the Xinhua News Agency quoted the State Council's COVID-19 response inter-agency task force as saying.

Meanwhile, Japan has voiced its reluctance to purchasing the Chinese Sinovac and Sinopharm vaccine<sup>12</sup> which is not a surprise to most, since Japan economically and defensively has been siding mainly with the West in a hardening anti-Chinese stance.

Then again, if these rules are not relaxed over time, more tourists may be put off attending the Winter Games. This would come as even more of a blow after Tokyo's outright ban of international fans and refunding of their tickets<sup>13</sup> and if left unchecked, it would raise some question marks as to hosting and even holding the Olympics in the future. In short, vaccine diplomacy and the over cautiousness of letting tourists and foreign employees' return are likely to delay the world getting back to normal.

### 2.2 Boycotts and Geopolitical Moves on the Pitch: What Can We Learn from History?

Some Western countries are considering a boycott of the Beijing 2022 Winter Games, which signals a very problematic diplomatic approach, possibly even a sign of a looming Cold War, which China has repeatedly stated it is not interested in pursuing. With history as a mirror, we can see that Olympic boycotts are high water marks for Cold War style rhetoric, the best examples being the 1980 Moscow Olympics and the

Reuters, "Tokyo 2020 Olympics: no Chinese vaccines to be taken by Team Japan, minister says," *South China Morning Post*, March 12, 2021, http://www.scmp.com/sport/other-sport/article/3125178/tokyo-2020-olympics-no-chinese-vaccines-be-taken-team-japan.

<sup>13</sup> PA Media, "Tokyo Olympics and Paralympics organisers confirm overseas fan ban," *The Observer*, March 20, 2021, https://www.theguardian.com/sport/2021/mar/20/tokyo-olympics-paralympics-confirmed-to-take-place-without-overseas-spectators.

<sup>14</sup> Marc Perelman, "'China does not want a Cold War with the U.S.', says Chinese ambassador to France," France24, June 6, 2020, https://www.france24.com/en/asia-pacific/20200620-china-does-not-want-a-cold-war-with-the-us-says-chinese-ambassador-to-france.

1984 Los Angeles Games.

Furthermore, some argue that Olympic medal count can be used as a measure of international kudos, with China, the UK, U.S. and Russia even to this day vying for the lion's share of the podium places, while a gold medal shows that a country has enough resources to train and nurture talent, be it on the track, in the pool or the boxing ring.

But even if two large nations were to boycott the games, it would mean they would have to wrangle a majority of countries on to their side to make such a move stick effectively. After the 1979 invasion of Afghanistan, the U.S., UK and China boycotted the Moscow Olympics. However, this turned out to be somewhat embarrassing for the Carter Administration because although the boycott was popular in the U.S. (With 55% of those polled supporting it) it was also noted by public figures that the only change that it would make was to the athletes, who would lose out greatly. Years of training would simply be flushed away, with the country bringing home nothing.<sup>15</sup> This was not a good national look and it would surely stir up a pushback from athletes and the sporting community.



itself, depending on how many countries would be prepared to join a possible Chinese boycott. At the time of writing, no countries have officially said they will not attend

the Beijing 2022 Winter Olympics,

but it is foreseeable China would engage in a familiar tit-for-tat strategy as evidenced in previous actions such as the Trump administration's trade war or the ongoing BBC versus CGTN mutual ban controversy. This would ultimately show that to some extent geopolitical rivalry is being played on the pitch in terms of soft power to the detriment of the sporting spectacle. It is highly doubtful that snubbing an Olympic games would contribute to war breaking out. It would most likely ruin any hopes for friendly negotiations in the short- or mid-term.

<sup>15</sup> Nicholas Evan Sarantakes, "Jimmy Carter's Disastrous Olympic Boycott," *Politico*, February 9, 2014, https://www.politico.com/magazine/story/2014/02/carter-olympic-boycott-1980-103308/.

### 2.3 Diplomats in Tracksuits: Do the Olympics Provide a Stepping Stone to Better Relations?

Olympians are often cast in the roles of ambassadors for their countries. Their sportsmanship and comments after a competition are frequently brought up in international media depending on how well they perform and their level of sportsmanship.

It also depends on which Olympics are targeted, because a Winter Olympics affects a different range of countries from the Summer event. For example, the UK has an impressive summer sporting team but rarely performs at the top level at the Winter Games, with the result that if there were a boycott by the United Kingdom, it would be a lesser blow to both parties. The same applies to the nations of South America, Africa and South Asia while the biggest losers would be the athletes from the Northern landmasses including the U.S., Canada, Scandinavia and Alpine countries who would have wasted four years-worth of training. Meanwhile, British PM Boris Johnson announced in late February that it was a long-standing position of the British governments not to boycott sporting events.

However, this debate has drawn in some unlikely voices. Despite his time during the Trump Administration, Ted Cruz (R-Texas) has stated that it is not in the U.S.'s best interests to boycott the Games. Pointing out Jimmy Carter's blunder of 1980, he has said it is up to the athletes to beat China on its own turf. However, some media reports point out that hawkish voices in Washington are trying to at least get the venue changed (reckoned to be an unlikely outcome). It is not forgotten that Beijing went ahead to host the 2008 Summer Games quite successfully even though Washington had the exact same concerns at the time. So some question why is it only now that it is openly discussing such actions?

Any hypothetical boycott will not just negatively affect China, but could also backfire on the boycotting nation, its Olympians and the hard work of all those involved, meaning millions of dollars would be thrown away on a gigantic public relations gesture. This would also lead to other nations picking up the gold medals the United States and their allies might have won had they competed. So far, every boycott has led to a familiar refrain: "the 1980 boycott did not work. This is a sporting event".<sup>17</sup>

Nahal Toosi and Andrew Desidero, "A tough-on-China GOP is split on whether to boycott the China Olympics," *Poltico*, March 10, 2021, https://www.politico.com/news/2021/03/10/china-2022-olympics-boycott-475210.

<sup>17</sup> Agence France-Presse, "Beijing 2022 Boycott 'Ineffective' – US Olympic Committee," 2021, *South China Morning Post*, March 11, 2021, https://www.scmp.com/sport/other-sport/article/3124946/beijing-2022-winter-games-boycott-ineffective-says-us-olympic.



(source: sputniknews)

If the West really did want to take on China at the Olympics, then many say they should train their athletes better. Although the United Kingdom had their best result during the 2018 Winter Olympics in South Korea<sup>18</sup>, they still ranked down at 19th, a low position compared with their summer record. By sitting out these games some countries may achieve an easy, yet controversial diplomatic score, but the United States, which ranks much higher up the list, has a lot more to lose in sporting prestige.

Meanwhile, the IOC chairman Thomas Bach has said that protesters should not see the IOC as some kind of "super world government". 19 John Coates, president of the Australian Olympic Committee also disagreed with boycott calls, saying that they would only damage his own country's standing with the rest of the IOC. 20 That being said, if China were to be boycotted, it would go against the whole point of the Olympic movement, dragging the world back towards Cold War, so if athletes are "diplomats in tracksuits", then they can't do their job if they are denied entry.

<sup>18</sup> Anon, "Great Britain Have Most Successful Winter Olympics Ever | News," *Champions Olympic Speakers*, February 26, 2018, https://olympic-speakers.com/news/great-britain-successful-winter-olympics-ever/.

<sup>19</sup> Tracey Holmes, "IOC says it's not a 'super world government' as calls grow for 2022 Beijing Winter Olympic Games boycott," *Australian Broadcasting Corporation*, March 13, 2021, https://www.abc.net.au/news/2021-03-13/international-olympic-committee-committee-to-global-solidarity/13245276.

<sup>20</sup> Philip Citowicki, "Human Rights Concerns Continue to Dog 2022 Beijing Olympics," *The Diplomat*, February 26, 2021, https://thediplomat.com/2021/02/human-rights-concerns-continue-to-dog-2022-beijing-olympics/.

#### 2.4 Olympics and Public Diplomacy

When it comes to the role of diplomacy, public diplomacy in particular, during the Olympics and during the post Covid-19 period, the IOC will be keeping an eye on Japan, where overseas fans have been barred by the Japanese government from attending. Tokyo stands to lose out on a great amount of tourist traffic and footfall and regardless of how they spin the COVID-19 measures, and it may not make Japan look very welcoming to foreigners in the future, with a consequent loss of prestige for the governing body and a knock-on effect on enthusiasm for bidding for future games. The Games can be a magnet for tourism which motivates countries to bid to host the games to begin with. Barcelona 1992 was noted to have changed the city from what a media outlet described as "undiscovered gem to a must-visit European destination: in 1990, there were just 1.7 million overnight visitors, by 2016, there were over 8 million."21 It would take a skilled tourism and PR team to keep such momentum going, but the Olympic games can leave a lasting impact on guests and provide citizens with vastly improved infrastructure for the future. This can be seen in Seoul which still has its Olympic park from the time it hosted the games in Summer 1988 as a main subway hub and outdoor recreation area and partly explains why Japan and China are not canceling their games.

### 2.5 The Importance of a Green and Clean Olympics

### Will cutting carbon breathe new life into the Olympic movement? Or will boycott and Covid put it on life support?

On top of concerns about the Coronavirus, the global impact of the emissions an Olympic Games can generate has also been a hot topic for discussion. The IOC has publicly stated many times its commitment to developing a green Olympic experience and is following the Paris (climate) Agreement.<sup>22</sup> If this ambition is successful, then the IOC will have contributed to reducing net carbon by 2030 which is something that the international community can be proud of itself about, and outflanking Western political and jingoistic thrusts.

The IOC does want to be recognised as an organisation that is true to its word on being a reducer of greenhouse gases. Coupled with the UN's 2030 goals, it says

<sup>21</sup> Francesca Street, "The Tourism Legacy of the Olympic Games," *CNN*, March 4, 2020, https://edition.com/travel/article/olympic-games-tourism-legacy/index.html.

<sup>22</sup> International Olympic Committee, *Carbon Footprint Methodology for the Olympic Games*, December 11, 2018, https://stillmedab.olympic.org/media/Document%20Library/OlympicOrg/IOC/What-We-Do/celebrate-olympic-games/Sustainability/IOC-Carbon-Footprint-Methodology.pdf.

its longer-term strategic intents for 2030 include the IOC being a role model in sustainability, ensuring the Olympic Games are at the forefront in the field of sustainability and that the host cities can leverage the Games as a catalyst for their sustainable development."<sup>23</sup> Therefore, sustainability has become high on the Olympic movement's targets.

It is well known that Olympic legacy and future-proofing has been a point of contention with past Olympic projects. While the 2008 Bird's Nest Stadium in Beijing has seen much use since its construction, many Olympic projects can quickly fall into disrepair. So the IOC has tried to address this issue, detailing green plans for keeping carbon down. In the project titled "Olympic Agenda 2020 – The New Norm" the IOC encourages nations to use already in-use sites, not only making sure that the venues are used both before and after the Games, but pointing out this can also reduce the very high cost of hosting the Games, and the role of "Games-based development" and cut carbon emissions from construction, where concrete and heavy vehicles would be utilised less and in turn protect the environment.



National Stadium (Bird's Nest) (source: baidu.com)

<sup>23</sup> International Olympic Committee, *IOC Sustainability Report*, October 2018, https://stillmedab.olympic.org/media/Document%20Library/OlympicOrg/IOC/What-We-Do/celebrate-olympic-games/Sustainability/IOC%20Sustainability%20Report\_Final%20Rev1.pdf.

Ciaran Varley, "These haunting photos of abandoned Olympic sites tell their own stories," *BBC*, February 26, 2018, www.bbc.co.uk/bbcthree/article/de4004d3-97e8-467c-89a9-03290074e34a.

International Olympic Committee, Carbon Footprint Methodology for the Olympic Games, 11, December 11, 2018, https://stillmedab.olympic.org/media/Document%20Library/OlympicOrg/IOC/What-We-Do/celebrate-olympic-games/Sustainability/IOC-Carbon-Footprint-Methodology.pdf.

However, even the IOC admits that the models for carbon reduction for the Games can only come in time. In the meantime, before data can give us a real trend, Tokyo is embarking on a "Minimal Impact Games" strategy about the next Summer Olympics. China also claims to be on track when it comes to cutting Olympic carbon emissions promising that it will run on "100% clean energy" along with four out of five venues being reused from the 2008 Games. It is yet to be seen if this can be achieved, but analysts and the IOC will be keeping a close eye on everything from concrete consumption to aircraft pollution surrounding the next two world sporting spectacles in Asia.

In the end, if the IOC does continue to stick to the Paris climate Agreement, the Olympics could one day been seen as not only a forerunner but a frontrunner in the global fight against climate change. Furthermore, China is re-using many 2008 Olympic venues, and Japan is aiming for a carbon neutral event. If both nations can channel diplomatic and military concern into a global event promoting green energy and peaceful competition, then it could be a post-Covid international public relations win and a practical demonstration of the future of green tech.

In short, the next two Olympic events will be very intense for their organisers and host countries for a number of geopolitical and other reasons. It is achievable, yet woven with many complexities and challenges. If Beijing and Tokyo do manage to pull off these Games, with a minimum of controversy surrounding attendance, boycott and what vaccines will be needed to get in, then the Games can be saved and will be a positive case study for carbon-neutral international events. This will only be made worse with all nations barring or making it hard for international fans even to attend the Games due to Covid fears, vaccine diplomacy or boycott. For sure though, all these major concerns and issues will have to be dealt with, or they may start to lead to the unraveling of the IOC itself and maybe endanger the future of an impartial and neutral Olympic movement.

### 3. How to Finance the Olympics?

### 3.1 The "Broken" Economics and New Model of Hosting the Olympics

"The most recent editions of the Olympic Games and Olympic Winter Games have either broken-even financially or have made a profit," according to the International

<sup>26</sup> Editors of Smart Energy International, "Beijing to Power 2022 Olympic Games with 100% Green Energy," *Smart Energy International*, February 22, 2021, https://www.smart-energy.com/renewable-energy/beijing-to-power-2022-olympic-and-paralympic-winter-games-with-100-green-energy/.

Olympic Committee (IOC).<sup>27</sup> Considering the economic benefits and soft power influence brought about by hosting one of these major global events, one, however, might find it surprising that fewer cities want to bid to host the Olympic Games.

From the commercial success of hosting the 1984 Los Angeles Summer Olympics to the monetarily controversial Olympiad hosted by Rio de Janeiro in 2016, it seems that the economic model surrounding the Olympic Games is not only broken but shattered and has become less and less financially sustainable.

This is most profound concerning the Olympic Winter Games. Many winter cities which wanted to bid to host the Games in 2022 simply could not make the financial number work and pulled out of the bid running. Oslo, capital of Norway, which one would think would be a natural fit to host the Olympic Winter Games, was a case in point. Consequently, Beijing shouldered the mission.

If so, what resolutions have the IOC and future host cities taken to confront looming "budget busting" costs and dubious benefits? As Beijing 2022 fast approaches, what are China's actions to honor *Olympic Agenda 2020*?

### (1) The Financial Dynamics of the Olympic Games

The costs of the Olympic Games vary from city to city and from year to year. The basic principles of funding the Games, however, remain largely the same and can be divided into: (1) the Organizing Committee for the Olympic Games (OCOG), and (2) Non-OCOG budgets.<sup>28</sup>

The OCOG budget is mostly privately funded, which mainly comprises national partnership programs (local commercial sponsorships), spectator ticket sales, merchandise licensing and product sales and a significant multi-million-dollar contribution from the IOC.

The IOC contribution comes from a variety of revenue sources, including The Olympic Partner (TOP) program and the sale of Olympic broadcast (TV and Radio) rights, of which the IOC keeps a large percentage for itself. The non-OCOG budget is usually under the management of the local host committees and governments and is made up of several components, including a capital investment budget for venue

<sup>27 &</sup>quot;How Are the Olympic Games Financed?," Olympic, accessed March 28, 2021, https://www.olympic.org/faq/roles-and-responsibilities-of-the-ioc-and-its-partners/how-are-the-olympic-games-financed.
28 Ibid.

construction and an operational budget for security and transportation, with funds set aside for long-term infrastructure investments that may include a local Olympic Museum.

This part of expenditure is where costs skyrocket, and the host city becomes much like a local construction company, adding new freeways and even a metro system to their costs which was the case in Athens in 2004.

To breakdown the costs of hosting an Olympic from a life-span perspective, cities must first spend millions of dollars in assessing, preparing and submitting a bid to the International Olympic Committee. The cost of planning, hiring consultants, organizing events and traveling is consistently in the \$50 million to \$100 million range, and obviously, there are no refunds if they fail to win the bid and the right to host the Games<sup>29</sup>.

When a city wins the bid and the host city contract is signed, the local organizing committee and city government have exactly seven years to build and upgrade highly specialized sports facilities, the Olympic Village and other venues. Additionally, there are astronomical costs for the general infrastructure such as housing and transportation, which might in total costs range from \$5 billion to over \$50 billion<sup>30</sup>.

Many host countries hope that the media attention and medal rewards will outlive the Olympic Games and justify their huge expenditures, but in reality, fancy big buildings crumble and many of the now dormant local Olympic organizing committees fade away, pushing these vast financial losses over to the host city. The Athens city government is still paying upwards of \$1 million a month to maintain empty buildings from an Olympic Games of 17 years ago.



Athens Olympic Beach Volleyball Centre (source: baidu.com)

Many of the specialized venues and buildings in Athens had limited - or no - post-Olympics use, and required maintenance fees that usually surpass the revenues to rent it out for other commercial purposes - many cities will just leave the "white elephant" to dust and decay.

<sup>29</sup> Holger Preuß, Wladimir Andreff and Maike Weitzmann, *Cost and Revenue Overruns of the Olympic Games 2000–2018* (Gabler Verlag, 2019).
30 Ibid.

Financial burdens exist outside the stadium as well – massive construction projects also mean borrowing money and paying long-term debt interest. Meanwhile, Olympic-hosting could have a tremendous squeeze-out effect on local tourism and other public spending that require priorities.

The proposed runway changes for Los Angeles International Airport for the 2028 Los Angeles Summer Olympics involve reconfiguring major road network and other associated construction projects that could run into billions of dollars. These construction plans come as Los Angeles World Airports, the entity that runs LAX, works to complete a \$14-billion facilities upgrade plan for the airport's existing roads, terminals, and associated transportation facilities.

Sky-high infrastructure projects like refurbishing busy airports go hand-in-hand with hosting the Summer Olympics as hosting costs can also skyrocket with revenues covering only a fraction of expenditures.

Beijing's 2008 Summer Olympics generated \$3.6 billion in revenue but more than \$40 billion in costs when you factor new public facilities like the building of Beijing Capital International Airport and its accompanied high-speed rail lines. The London 2012 Summer Games generated \$5.2 billion with \$18 billion in costs.

What's more, the majority of the revenues generated go to the IOC instead of the host Olympic committee or city. The IOC keeps more than half of all television revenue, typically the single largest chunk of the money generated by the Games. Besides, the increasingly aggressive TOP plan might also compete against the OCOG commercialization through local sponsorship<sup>31</sup>.

All this for one event that lasts just 16 days!

### (2) Re-using Existing Infrastructure and Venues - Agenda 2020!

Many economists believe that the Olympic Games should be smaller and more costeffective and people suggest changing the selection process and standards to curb wasteful bidding and ambitious construction plans.

In response, IOC President Thomas Bach promoted reforms such as the *Olympic Agenda 2020*, which proposes lower cost of bidding, flexible use of existing sports facilities, sustainable host strategies, stricter audits and more transparency.

<sup>31</sup> James McBride, "The Economics of Hosting the Olympic Games," *Council on Foreign Relations*, January 19, 2018, https://www.cfr.org/backgrounder/economics-hosting-olympic-games.

The global COVID-19 pandemic has also aggravated the urgency and necessity to streamline the Olympic Games against these severe global economic recessions. Some drastic measures are now attracting more supporters, such that developing countries should be spared the burden of hosting and that the IOC should instead "award the Games to rich countries that are better able to absorb more of the costs." <sup>32</sup>

Or, some might argue that one specific city should become a permanent host in the future, allowing for the reuse of expensive infrastructure<sup>33</sup>. However, these mutually exclusive proposals seem to have only exacerbated the conflicts rather than harmonize the discussions with a pragmatic plan.

#### (3) In the Run-up to Beijing 2022

As the first Olympic Games to follow the *Olympic Agenda 2020*, Beijing 2022, therefore, will be under scrutiny. To host a "green, inclusive, open and clean" Games, the Local Organizing Committee in China has created initiatives that include sustainable management of venues, low carbon programs and sustainable sourcing.



National Aquatics Center (Water Cube) (source: baidu.com)

To begin with, Beijing tries to cut down the budget by making the most use of its urban legacies, including the eight permanent venues from the 2008 Beijing Summer Olympic Games. For example, the Water Cube (and its new moniker "The Ice Cube") will host Curling competition; the National Indoor Stadium will host Ice Hockey, while the opening and closing ceremonies will take place once again at China's National Stadium, otherwise known as the Bird's Nest<sup>34</sup>.

Brad Plumer, "Economists: It's a terrible idea for D.C. to host the 2024 Olympics," *Washington Post*, August 28, 2013, https://www.washingtonpost.com/news/wonk/wp/2013/08/27/economists-think-its-a-terrible-idea-for-d-c-to-host-the-2024-olympics/?utm\_term=.616627fbe5d0.

<sup>33</sup> Andrew Zimbalist, "The Summer Olympics Should Always Be in Los Angeles. Forever.," *Time*, July 13, 2016, http://time.com/4396796/olympic-host-city/.

<sup>34 &</sup>quot;Beijing 2022 Committed to Hosting 'Green, Inclusive, Open and Clean Games'," Olympic, last modified February 01, 2019, https://www.olympic.org/news/beijing-2022-committed-to-hosting-green-inclusive-open-and-clean-games.

A new winter sports park has been constructed on an abandoned Shougang steel mill in western Beijing's suburbs where BOCOG - the 2022 Beijing Olympic Organizing Committee has its all-new offices. It will host the Big Air snowboarding competition which will act as an economic revitalization of the area. The IOC approved Beijing's plan in 2018 to build a permanent ramp in the Shougang industrial area, which would be set against four 70-meter cooling towers and would combine dynamic Olympic action with China's booming industrial heritage.

China's natural advantage is the sheer number of its citizenry and a growing middle class of 550 million people who can take advantage of newly constructed Olympic Winter Games facilities. The transformation of previous local icons should serve as a catalyze for the exponential growth of the winter sports industry in the region, promoting everything from sports participation to cultural event hosting<sup>35</sup>.

However, the idea of re-using venues for hosting the Olympic Games dates back to the financial success of Los Angeles in 1984. Only two new venues were built for the 1984 Games: the Olympic Swim Stadium at the University of Southern California and the Olympic Velodrome situated on the campus of California State University at Dominguez Hills.

The athletes stayed in style at one of three Olympic Villages, which were built on university campuses rather than in opulent hotels and resorts<sup>36</sup>.

The reason why the financial mix of using available venues in 1984 worked was because after the United States boycott of the 1980 Moscow Summer Olympics, no other world city except for Los Angeles, wanted to bid for the 1984 Games. Furthermore, many of the locations used in 1984 Los Angeles Olympics, such as the 78,000 seat Memorial Coliseum and the 91,000 seat Rose Bowl will be reused when the city hosts the Olympic Games again in 2028. The Olympic Village will once again be located on the UCLA campus. Only a small number of new venues will be required, as was the case in 1984.

While the majority of the new venues will be temporary, some, such as the 100,000 seat SoFi Stadium in Hollywood Park where the opening and closing ceremonies will take place were already under construction unrelated to the city's Olympic bid<sup>37</sup>.

<sup>35</sup> Sun Xiaochen, "2022 Olympics gear up with legacy venues," *China Daily*, June 06, 2018, http://www.chinadaily.com.cn/a/201806/06/WS5b1718d0a31001b82571e58e.html.

<sup>36</sup> Kassens Noor E. (2020), "The Los Angeles Olympic Games: Planning Legacies," in *Los Angeles and the Summer Olympic Games* (Springer: Cham, 2020), https://doi.org/10.1007/978-3-030-38553-8\_1.
37 Ibid.

Through inheriting and re-using of the previous venues, the Olympic history of 2022 Beijing and 2028 Los Angeles are closely intertwined with their sporting histories, which ensure their previous editions of the Games are firmly imprinted in the collective memory which will lay the groundwork for future legacies.

#### 3.2 Future of Olympic Sponsorship & Impact on Olympic Movement

The question of "should I still sell my stuff alongside an event that the majority of Japanese residents seemingly want to postpone or cancel?" preoccupied the minds of many sponsors ahead of the Tokyo Olympics. Japanese domestic sponsors had many doubts and concerns amid the uncertain prospect of the rescheduled 2020/2021 Tokyo Summer Olympic Games and some of them reportedly scaled back their advertising campaigns and delayed marketing events<sup>38</sup>.

The repeated promises of "letting the Games begin" cannot relieve the burden of the decision-making for the sponsors who committed to a previous Games during very different circumstances.

However, domestic companies have been quite enthusiastic about sponsoring the Games, and by 2019, many of Japan's biggest companies, such as Canon Inc., and Japan Airlines had already collectively pitched in the unprecedented \$3 billion to support the event. Giving up these gigantic initial investments for nothing is certainly not an option for the organizers.



(source: baidu.com)

The vexing answer coming March 20 of this year that solved the issue about international spectators entering Japan to watch the Olympics - the answer was NO - also gave more transparency that the Games will go on. Largely supported by what it was hearing from its advertisers, broadcasters such as NBC Universal (the largest worldwide TV sponsor of the Olympics) maintained a sense of confidence and increased its Olympic promotion<sup>39</sup>.

<sup>38</sup> Maki Shiraki, Makiko Yamazaki, Eimi Yamaitsu and Ju-min Park, "No Plan B: Japan's sponsor shelve ads as mood sours over Olympics," *Reuters*, January 29, 2021, https://www.reuters.com/article/olympics-2020-japan-sponsors-int/no-plan-b-japans-sponsors-shelve-ads-as-mood-sours-over-olympics-idUSKBN29Y0OT.

<sup>39</sup> David Kaplan, "What Tokyo's Decision to Keep Foreign Spectators Away from Summer Olympics Means for Brand Partners," *Adweek*, March 22, 2021, https://www.adweek.com/brand-marketing/whattokyos-decision-to-keep-foreign-spectators-away-from-summer-olympics-means-for-brand-partners/.

After all, the announcement by Olympic organizers that there will not be a second postponement of the Summer Olympics in Japan is welcome news for sponsors and broadcasters, boosting the confidence for the financial sustainability of the Olympic Movement.

During the first day of the 137th IOC Session on March 10, the IOC President Thomas Bach revealed that The Olympic Partner (TOP) worldwide sponsorship program is set to raise around \$3 billion in 2021 to 2024 quadrennial.

This stunning figure hallmarks a new burst of growth for the TOP program that traces its origins back to the 1980s and partially reflects the ending of an era of spectacular advances in broadcasting rights valuations for leading sports events<sup>40</sup>.

The TOP program exceeded \$1 billion in revenues raised in the 2013-2016 cycle culminating with Rio 2016, and the figure doubled to more than \$2 billion over the 2017-2020 quadrennial. The current COVID-19 pandemic has not derailed the realization of these sponsorship contracts, as the IOC acknowledged last year that some sponsors might pay an agreed sums later than originally anticipated as a consequence of the postponement of Tokyo 2020<sup>41</sup>.

The TOP program has also been boosted both by the launch of the Olympic Channel, which gives additional opportunities for sponsors to promote their brands to televised sports-lovers with a concept called "marketing-in-kind" (MIK). MIK usually takes the form of "value-in-kind" goods and services rather than cash, as the materialized results could directly target the audience at the intertwined interest of the IOC and its TOP Partner.

The IOC has already been struggling to attract new cities to bid for the Games due to financial and management concerns. However, the COVID-19 pandemic might have shifted the discussion about the Olympics from economy-oriented to more value-oriented and motivation-oriented again - more for the pride and honor of citizens, hosts, and sponsors who need to fathom why they want to associate themselves with the "Olympic Movement" besides commercial interests.

<sup>40</sup> David Owen, "IOC international sponsorship programme set to raise record \$3 billion in 2021-2024 cycle," *Inside the Games*, March 10, 2021, https://www.insidethegames.biz/articles/1105244/bach-update-on-top-sponsors-programme.

<sup>41</sup> David Owen, "David Owen: Welcome to the Decade of Sponsorship - and Global Warming," *Inside the Games*, January 01, 2020, https://www.insidethegames.biz/articles/1088654/david-owen-blog-on-iocsponsorship.

Meanwhile, potential future hosts of the Olympiad such as Brisbane, Queensland, Australia, seem still optimistic about preparing and organizing as the nature of the conversation has changed.

For example, in October 2020, the 2024 Paris Summer Olympic Organizing Committee said it is not planning to revise its sponsorship targets downwards as a consequence of the COVID-19 pandemic. Overall, Paris 2024 hopes private sector revenues, which include revenue streams like ticketing and merchandising as well as sponsorships will contribute 97 percent of the cost of the event.

By 2020, Paris 2024 organizers had already secured more than €500 million of the target sum of €1.1billion and its chief executive claims that it is useful to ask the companies why they should associate with "positive brands" of the Olympics and the Games<sup>42</sup>.

### 3.3 Are the State Economies or Capitalist Market Ones More Successful in Organizing and Financing the Olympics?

In recent years, for both the Summer and Winter Olympic Games, the diversity of host city options has expanded. Earlier in the 20th century, Olympic Games were often hosted in already internationalized cities with existing infrastructure for handling large scale events. As production costs have increased in recent decades, the International Olympic Committee has struggled to attract bids from likely host cities. This stems from the fact that the Olympics are largely not a profitable event, in both the short term and long term.

While there is a perception that the Olympic Games have the long-term benefit of increasing tourism, research has indicated that this is not the case. In a study of the 2002 Salt Lake City Games, researchers found that the creation of 7,000 local jobs did not lead to a long-term increase in employment<sup>43</sup>. This idea was seconded by a research study by the European Bank for Reconstruction and Development (EBRD), which concluded that jobs created by the Olympic Games are often temporary and go to already employed workers, which negates the impact on the broader economy<sup>44</sup>.

<sup>42</sup> Matthew Glendinning, "Paris 2024 selects eight agencies to support domestic sponsorship sales," *SportBusiness*, March 11, 2021, https://www.sportbusiness.com/news/paris-2024-selects-eight-agencies-to-support-domestic-sponsorship-sales/?registered\_metered=1

A3 Robert Baumann, Bryan Engelhardt and Victor A. Matheson, "The Labo Market Effects of the Salt Lake City Winter Olympics," College of the Holy Cross, accessed March 27, 2021, https://web.holycross.edu/RePEc/hcx/HC1002-Matheson-Baumann-Engelhardt\_SLCOlympics.pdf.

Olga Ponomarenko and Alexander Plekhanov, "Economic impact of the 2014 Sochi Winter Olympics," *European Bank*, February 05, 2014, http://www.ebrd.com/news/2014/economic-impact-of-the-2014-sochi-

Instead, the main return on investment in hosting the Olympic Games is a boost in image, soft power, and perception, not actual revenue<sup>45</sup>. In the 21<sup>st</sup> century, the price of putting on an Olympic Games has grown exponentially. Salt Lake City spent \$1.9 billion in preparation for the 2002 Winter Olympic Games. For the 2008 Summer Olympics, Beijing spent an unprecedented \$40 billion. This record was broken a mere six years later in the 2014 Winter Games in Sochi, Russia, where the Russian government spent an estimated \$51 billion on preparations<sup>46</sup>.

With the costs of organizing the Games continuing to grow, a new trend has emerged: capitalist market economies are increasingly saying "no" and even withdrawing their bids to host the Games as taxpayers pressure government officials to rein in their spending of tax revenues. This has given countries with centralized, state-run economies an opportunity to win the bidding process, and take advantage of their inherent structures to finance and organize Olympic Games.

A 2017 political economy study in *Current Issues in Sports Science* indicated that this is a real trend. Countries with market economies considering an Olympic bid hold local referendum to calculate levels of local support. In this process, residents often oppose the bid as a result of the heavy costs that would be imposed on taxpayers<sup>47</sup>. In systems where the economy is controlled at the state level, it is easier to bypass this referendum process, and the government can decide itself whether or not it is financially feasible to proceed with the event.

Recalling the above-mentioned basic funding structure (see, section 3.1), funding for the Games comes from the Organizing Committee for the Olympic Games, which is largely privately financed, and the Non-Organizing Committee for the Olympic Games budget, which is generally under the control of local authorities. Countries with state-run economies are better able to take advantage of the Non-OCOG budget and conduct necessary capital investment for venues, infrastructure, and operations budgets.

winter-olympics.html

Jonathan Crane and Matt Pearson, "Tokyo Olympics 2020: Who pays if coronavirus forces cancellation?," DW, April 29, 2020, https://www.dw.com/en/tokyo-olympics-2020-who-pays-if-coronavirus-forces-cancellation/a-53273311.

Victor Matheson, "Why democracies don't want the Olympics anymore," *The Washington Post*, July 29, 2015, https://www.washingtonpost.com/posteverything/wp/2015/07/29/why-democracies-dont-want-the-olympics-anymore/.

<sup>47</sup> Thomas Könecke and Michiel de Nooij, "The IOC and Olympic bids from democracies and authoritarian regimes - a socioeconomic analysis and strategic insights," *Current Issues in Sport Science* 2, no.9 (2017),

https://webapp.uibk.ac.at/ojs2/index.php/ciss/article/view/2003/1972?utm\_source=newsletter&utm\_medium=email&utm\_campaign=newsletter\_axiossports&stream=top.

Financially, state-run economies may have an advantage in bidding for, planning, and executing plans for Olympic Games because of the ability to make economic decisions in a centralized manner. This centralized structure also leads to a better execution of the necessary investments in preparation for the Games.

However, state-run economies sometimes face organizational challenges. Because of the political differences between countries with market and state-run economies, there are greater opportunities for protest when the games are hosted by the latter. For example, the 1980 Summer Olympics in Moscow were boycotted by 66 countries in the height of the Cold War<sup>48</sup>. More than 180 organizations have called on governments around the world to boycott the 2022 Beijing Winter Olympics over politically-motivated allegations<sup>49</sup>. While boycotts are largely symbolic in nature, they affect the organization of the Games, and ultimately have repercussions in the legacy and reputation of a city's edition of the Games.



(source: sputniknews)

#### 3.4 The Issues COVID-19 Exposed in Private Sector Financing of the Olympics

The prolonged duration of the Covid-19 pandemic has created numerous challenges for the actualization of the Tokyo Summer Olympic Games, ultimately leading the event to be rescheduled from Summer 2020 to Summer 2021. Delaying the Games has increased the cost of putting on the event, leading to challenges in both the public and private financing of the Games.

<sup>48 &</sup>quot;The Olympic Boycott, 1980," U.S. Department of State, accessed March 28, 2021, https://2001-2009. state.gov/r/pa/ho/time/qfp/104481.htm#:~:text=In%201980%2C%20the%20United%20States,countries%20 sent%20athletes%20to%20compete.

<sup>49</sup> Dan Roan and Alex Capstick, "Beijing 2022: Human rights groups call for Winter Olympic boycott," *BBC*, February 04, 2021, https://www.bbc.com/news/world-asia-55938034.

The delay has imposed an additional 300 billion yen (approximately \$2.7 billion) in expenses for the Japanese government, which is necessary for paying local vendors, extending the leases of competition venues, and rebooking lodging for Olympic officials<sup>50</sup>. These costs are expected to be absorbed by the local government.

Local private sponsors have chosen to stand by their country and continue their pledges for financial support despite the delay. In December 2020, it was announced that Tokyo Olympic officials reached an agreement with all 68 domestic sponsors to extend their sponsorship contracts. This deal guarantees at least \$3.5 billion in financial support for the local operating budget<sup>51</sup>.

Despite this financial guarantee, it was recently announced that the Tokyo Games would not allow foreign fans to attend the event<sup>52</sup>. According to an economic study by Katsuhiro Miyamoto of Kansai University, sales of tickets were expected to generate more than \$867 million in revenue for the Tokyo Games, and if the Games are fully held behind closed doors, there would be a financial loss of \$3.7 billion<sup>53</sup>.

One of the most important facets of private sector financing is sponsorship. 'Sponsorship' itself is a broad term that applies to both the Games as an entire event as well as to the individual athletes, and with the challenges of putting on the Games, this investment in both the Games and the athletes is in jeopardy.

With respect to the individual athletes, they depend on sponsorship money from brands to fund their careers. However, simultaneously, sponsors must make a return on their investment. Athletes faced great uncertainty with a delay of the Games. Many athletes' contracts expired in 2020, coinciding with the schedule of the Olympic Games. When there was talk of postponing the Games to 2021, some brands signaled that they would be unwilling to renegotiate the terms of the contracts, and athletes would be forced to stretch their funding an additional year into 2021<sup>54</sup>. As a response

Nikkei staff writers, "Tokyo Olympics price tag skyrockets by \$3bn," *Nikkei Asia*, March 25, 2020, https://webcache.googleusercontent.com/search?q=cache:6gJpAlwuIBEJ:https://asia.nikkei.com/Spotlight/Tokyo-2020-Olympics/Tokyo-Olympics-price-tag-skyrockets-by-3bn+&cd=2&hl=en&ct=clnk&gl=us&client=safari.

<sup>51</sup> Stephen Wade, "Tokyo Games: All 68 domestic sponsors agree to new contracts," *AP*, December 24, 2020, https://apnews.com/article/tokyo-coronavirus-pandemic-2020-tokyo-olympics-japan-olympic-games-9558ab854ca9272e42d533acd6e53f6a.

<sup>52</sup> Keh, Andrew, and Matthew Futterman. "The Olympics Barred Foreign Fans. They Want Their Ticket Money Back." *The New York Times*, March 23, 2021, https://www.nytimes.com/2021/03/23/sports/olympics/tokyo-olympics-ticket-refunds.html.

Nancy Gillen, "Study finds Tokyo 2020 with no spectators would result in economic loss of up to \$23 billion," Inside the Games, January 23, 2021, https://www.insidethegames.biz/articles/1103338/tokyo-2020-no-spectators-economic-loss.

<sup>54</sup> Rob Harris, "Olympic delay leaves athletes uncertain about sponsorships," AP, March 26, 2020, https://

to the announcement that the Tokyo Games would be delayed, some sponsors even went so far as to state that they will require athletes to pay back fees if the Games were canceled, or in some cases, delayed further<sup>55</sup>.



(source: sputniknews)

The pandemic has also exposed the financial risks associated with risk management itself. Host cities take out insurance policies to hold a safeguard against the massive investments required in transportation infrastructure, athletic facilities, and lodging. Although Tokyo was selected as the host city of the 2020 Games in 2013, well before the pandemic, changes in insurance policies and updates in insurance terminology have weakened Tokyo's chances of reclaiming losses<sup>56</sup>. For example, last year, many insurers updated their policy terminology, and the coronavirus pandemic became classified as a 'known peril' by many insurers, thus excluding the possibility of reclaiming funds through justifications such as 'natural disaster' and limiting the possibilities of reclaiming funds<sup>57</sup>.

As is the nature of the insurance industry, insurance policies do not cover the entirety of investments. Even if they did, it would be nearly impossible for Tokyo to successfully collect on all insurance claims in the event of a cancellation. Even in ideal circumstances, on each policy that Tokyo would be able to successfully collect on, there would be fees involved, including the original cost of paying into the insurance policy, thus making some amount of financial loss inevitable. For example, the International Olympic Committee is estimated to take out an insurance policy for

apnews.com/article/15f91890f248ab72c4bdefacbf580541.

Michelle Bruton, "Financial Ramifications of Coronavirus Canceling Tokyo Olympics Would Be 'Massive'," *Forbes*, April 28, 2020, https://www.forbes.com/sites/michellebruton/2020/04/28/financial-ramifications-of-coronavirus-canceling-tokyo-olympics-would-be-massive/?sh=2382e33772af.

<sup>56 &</sup>quot;Tokyo Wins Bid to Host 2020 Olympics." *The Japan Times*, September 8, 2013. https://www.japantimes.co.jp/news/2013/09/08/national/tokyo-wins-bid-to-host-2020-olympics/

<sup>57</sup> Alicja Grzadkowska, "Tokyo Olympics cancellation could cripple the insurance industry," *Insurance Business Asia*, February 10, 2021, https://www.insurancebusinessmag.com/asia/news/columns/tokyo-olympics-cancellation-could-cripple-the-insurance-industry-246030.aspx#:~:text=The%20Olympics%20 is%20insured%20for,to%20estimates%20from%20Jeffries%20analysts.

approximately \$800 million for each Summer Olympic Games, only covering 80% of the estimated \$1 billion investment that the organization makes in each host city<sup>58</sup>.

The largest financial losses would be imposed on reinsurers, or insurance companies that provide insurance policies to other insurance companies. For example, in an analysis provided by Insurance Business Asia, it is estimated that the insurers Munich Re and Swiss Re have a \$500 million and \$250 million exposure to the Tokyo Games respectively<sup>59</sup>.

Assessing the finances of any Olympic Games is no easy task due to the sheer number of moving parts in the equation. Countries with market economies and countries with state-run economies may approach the planning and execution of the Games in different ways by offering varying levels of financial investment, but regardless of the amount that a government contributes to the development of a host city, the modern Olympic Games have become a commercial affair with the private sector holding a large stake in production costs. The success of any Olympic Games requires private companies to invest in components as small as individual athletes and as large as flagship sponsorship positions for the entire Winter or Summer Games. There is one common element behind all sponsorship and investment: the games are expected to occur. When this part becomes dubious, whether in the form of a delay or cancellation, all parties involved enter uncharted territory and must navigate the situation step by step as the entire situation evolves.

### 4. Conclusion

The Olympic Games has a long history of playing a role in international diplomacy for better or for worse. Sport transcends borders and has the potential to unify or divide in quick succession. Japan's hosting of the Olympic Games during the pandemic has divided its own citizens, while China's vaccine diplomacy could see many catch a glimpse of 'normality' in post-pandemic China during the Winter Games. Furthermore, China is boosting its desired role as a responsible great power

<sup>58</sup> Carolyn Cohn and Noor Zainab Hussain, "Insurers face 'mind-blowingly' large loss if Olympics cancelled," *Reuters*, January 27, 2021, https://www.reuters.com/article/us-olympics-insurance-idUSKBN29W1OL.

Alicja Grzadkowska, "Tokyo Olympics cancellation could cripple the insurance industry," *Insurance Business Asia*, February 10, 2021, https://www.insurancebusinessmag.com/asia/news/columns/tokyo-olympics-cancellation-could-cripple-the-insurance-industry-246030.aspx#:~:text=The%20Olympics%20 is%20insured%20for,to%20estimates%20from%20Jeffries%20analysts.

in offering vaccines to all athletes for the two upcoming games. When doubts about the viability of international sporting events is being questioned, as well as the very concept of globalization, China is demonstrating its commitment to multilateralism through diplomacy in all its dimensions.

China understands more than most that hosting the Olympics can be a springboard onto the global stage in sport and beyond. Geopolitical rivalries are often played out to the masses rather than the traditional conference rooms. In many countries, it is the only time one hears national anthems other than one's own. This representation can provide a fresh outlook on far flung lands and even on neighboring nations. As discussed in this paper, this can have wide effects on diplomacy in the past and in the present. Thanks to 'vaccine diplomacy' and 'diplomats in tracksuits', international relations in sports looks certain to come to the fore once again. Headlines of the day surrounding sustainability and environmental concerns around international events will continue to be scrutinized in Tokyo, Beijing and in years to come.

As well as environmental costs, financial costs of hosting the Games continue to become superfluous especially during testing economic times. A sustainable model of reusing, or transforming existing infrastructure will continue to be a key part of the Olympic Games candidature process. Beijing's re-use of Summer 2008 venues, whilst also embedding venues into the city's sporting offer could become a model for future hosts to follow. The pandemic has meant the loss of major revenue streams such as international ticketing and tourism, as well as a decrease in sponsorships. This could further restrict the number of potential hosts to a few governments with deep pockets.

China is already one of the few countries who can afford and effectively organize international events having organized two Olympic Games in the space of 14 years. The Olympics have been a catalyst for improved living standards in the host cities in China. Arguably, it has also accelerated opportunities for global friendships, international businesses and multilateral diplomacy. 2022 may see China emulate its first Olympic games, and further advance Olympism.

(Contributors to this article: Walker Darke, Austin Clayton, Christian Hayward, Gao Zihao)





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#### Introduction

Having been involved in the business of sports for some 20 years, both working for an Olympic sponsor as well as the founder and chief executive of a sports management consultancy company I would like to provide some insights about what China can put in place to ensure the opportunities from hosting the Winter Olympics 2022 and Asian Games 2022 lead to the following benefits:

A higher awareness amongst the Chinese leadership, its citizens, and businesses about what can be achieved from a well-thought through legacy plan, should that be implemented early enough and continued to be pursued after both iconic international events are over, will make a considerable contribution to the ambition to host future events.

It will also help International Federations recognize that China is taking a "bigger picture" view on why they want to host their events. However, the term "legacy" is one of the most commonly used, but also most commonly misunderstood, and even misused words in the events lexicon for reasons I will explain.

## **Sports Participation and Hosting Events**

Mass participation in sport has a wide range of benefits which extend just beyond the obvious health and mental health well-being of the nation and this needs to be better understood.

This ranges from the excitement it generates; how it can be a vehicle for demonstrating how to overcome personal challenges; the creation of heroes and role models, which in turn can stimulate national pride reflected in more support for national teams and finally the way in which it can encourage more people to test their skills and get involved in sports, which, otherwise, they may have never considered before.

There are also other important benefits which can come from an active programme of sport participation as well as hosting events. This includes the "bigger picture" of trade benefits, diplomacy and various social impacts. These may not at first appear to be the motivations for hosting sports events but they are becoming increasingly important in justifying the investment and using them as one-off opportunities to drive real societal benefit. I will elaborate further on this later.

# **Strategy Roadmap**

There are a number of issues to address when it comes to providing some insights and strategies to think about when discussing sport in China and hosting events.

The first point to look at is how we should tell Chinese sports stories so that the rest of the world would listen and understand.

The key here is to demonstrate the commitment to growth of sport for all, what is often termed as "grass root" involvement. Schools, universities, clubs and junior teams can provide the path to growing and increasing capability which will be admired globally. This makes the narrative about why China should host future events more credible and will enhance the success rate of hosting future events.

Environmental sensitivity, human rights, equalities, inclusiveness, avoiding politicization of sport are the enduring themes expected by the international sports events markets. This is perfectly feasible in China with a coherent strategy.

## **Events Footprint and City Activation**

The next point is how China can develop its sports industry, so that it could attract more attention and audience, like other entertainment industries (i.e., music, movies) or other countries.

My response to this is about how important it is to recognise that the footprint of a sports event includes what is called the "activation" of the city and the region. Sports events rarely fail even when there are challenges experienced as in Rio 2016. But enduring memories come from the whole visitor experience from the moment they arrive at an airport to the time they depart.

Successful "activation" starts with the basics. This is an opportunity to ensure that visitor has a great experience by never having to queue or be subject to delays, be faced by confusing signage, challenges in communication with tourism, customer help or even security staff. An excellent transportation system matters. So does ensuring those with disabilities do not feel disadvantage.

And despite the excitement of the "event" itself, it is important to plan for other activities to ensure that families as well as "fans" can experience enduring memories, which means things to see and do such as culture, tourism, and potentially even trade opportunities.

Something to think about for event organizers is to encourage them to test what matters to every visitor or participant in the precious time that they spend in your country. Dissecting this visiting community is a good way to test their individual needs and these groups could be, by way of example: VIPs, sports federation leaders, family and friends of athletes and finally and importantly the media. Their needs will be different and if you apply some focus to understanding of what matters to them, this will be an invaluable exercise and reveal how robust your plans are. All of these groups of people must leave, having had a life changing experience extending well beyond the running of the sport event itself.

If you achieve high levels of satisfaction from one significant event, China will be on the journey to secure a reputation for delivering outstanding events which will, in turn, open up other opportunities such as business conventions, awards ceremonies, hosting e-sports, or wider cultural and music events. To give some examples, Barcelona hosted a Summer Olympics having transformed the City from a run-down

port, and it is now the leading event destination for conferences and Expos. Poland decided to focus on e-sports and this has transformed one of their deprived cities, Katowice.



E-sports gymnasium in Katowice (source: sina.com)

China, therefore, has the opportunity to promote itself as a technology savvy, sophisticated society, a country with a rich culture and long history which all visitors can embrace if they are extended a warm welcome. Through an integrated campaign, which will need to include incentives and government support, it is possible to achieve a great reputation as an event host. Other desirable sectors will then take notice. For example, universities who may, in turn, develop centers of excellence in areas such as sports science, green energy or artificial intelligence.

Entrepreneur programs matter and can be integrated within the overall legacy plan as is being seen in Chengdu, which is investing in a new city in the eastern suburbs as part of their contribution to this strategy.

# The Role of Storytellers

The next point to address is what makes great storytellers of sports. In what aspects can Chinese domestic sports media and marketing professionals make improvements when presenting sports?

The first thing to understand is that the media view events as either outstanding or substandard. There seems to be very little middle ground between these two pole positions. it is important that this is understood right from the outset and that potential weaknesses in the approach to event planning can have long term consequences or, should things go well, long term benefits.

It is true that Germany recognised that some nations judged that they lacked a sense of fun and immediately sought to address this when hosting the European Football Championships in 1988. They are credited as developing the "Fan Zone" concept which is now deeply embedded in all sports events. Visitors had fun, saw a different aspect to German culture and had an enduring experience.



(source: sputniknews)

The second case study also applies to football. There were significant concerns about Russia hosting the football World Cup in 2018 in regards to how security forces would handle crowds, violence and crime generally and challenges moving from city to city to watch matches. And yet I think we would all agree they delivered an outstanding experience with very favourable global media coverage. They worked hard to ensure that every last detail was taken into consideration in their hosting plans.

To some degree, the Football World Cup in Brazil 2014 and Rio 2016 Olympics presented a different challenge where the Zika virus was attracting global negative media coverage: there was political turbulence and funding challenges that could have led to these globally important events being deemed to have been a disaster. But the welcome extended by the people, and yes, to some degree, the weather and scenery helped.

The feedback received suggested that what matters was the way they dealt with challenges as well as the local population's realization that having fun and celebrating what they knew were opportunities never to be seen again in their life-time. This shone through and lead to forgiveness for the small things which still went wrong.

### **Communications Infrastructure**

I make no apology for raising the issue of the need to think about technology starting with resilient communications infrastructure, which is sometimes overlooked. None of this is particularly challenging for a hosting country such as China but some event locations may need checking due to the high bandwidth requirements demanded by media, teams and even sponsors.

The Rugby World Cup in the UK, as an example, left some areas with temporary infrastructure and fan zone areas deficient of Wi-Fi, which led to a number of significant complaints and left a dent in the reputation of the event organisers.

This is one small illustration to remind us that you cannot control what happens on the field of play, but you can influence the overall hosting environment, which, of course, includes how sport will be presented to international audiences.

Contributing to this are things such as the use of drones to capture high impact footage, access to data about athlete performance, film content "stories" about the human narrative off the field of play. Such elements are all now the basics that need to be considered when building the narrative of the event which China is planning to host.

But if you ask me to make one recommendation to ensure there are no risks in terms of reputation after all the things outlined so far, for me it will always be looking after the media and ensuring they can function. This involves special treatment to ensure they can go where they need to, access the people they need to speak to, have the right communications infrastructure and are generally dealt with respect. This will be reflected in more positive coverage.

# **Urban Sport Formats**

Turning now to how we should knit the sports stories with the urban development in China.

Sports continues to evolve in new formats and many of these can be integrated into the narratives for "New City" culture, or city modernization, or the desire to change perceptions of cities. Formats such as 3 x 3 Basketball, which can be played anywhere, new competitions such as the Urban Games, the inclusion of sports which are now accepted at Olympic level such as Breakdancing and Skateboarding are all suitable for urban environments. Each one has its own World Championship and even Regional Games and these are suitable for China's growth in sport.

Even for the more conventional sports, they are seeking new ways of reaching their audiences and often that is bringing their World Championships into city centres. Drone Racing and Archery always seek a backdrop of an iconic city site, World Bowling wanting to hold their championships outside conventional bowling facilities but in major venues, and so I could go on.

As mentioned before, the wider "city activity" of event hosting can help with the urban strategy for host cities. Fan zones and evening post-event music and cultural activities can create a buzz which attracts media attention and an excitement. Once they are blended into the stories about competition heroes and tragic stories within which some drama takes place, it ensures the "city activation" generates the "content" which the media seek.

### Fun of Play&Conclusion

Finally, how can we help Chinese young sports participants understand and enjoy the "fun of play"?

The most important aspect of getting youth involved in sport is providing the core facilities that help them progress through the various levels of capabilities to the point where they feel sport is one of the most important aspects of their non- working lives.

This leads to mental well-being, physical fitness and the sense of being as part of a wider community within a team, as well as working with those who mentor and coach them. Not all young people need to go on to compete, but everybody wants to reach their true potential and then decide if their sport in focus will just be recreational activity or a potential career. But to support events, you need fans and those fans help deliver the engagement and, therefore, revenue which keeps sport thriving.

So a widely diverse range of sports, indoors and outdoors, and whether this is water-based, using hills and mountains, extreme new sports or new formats or conventional competitions, it does not matter. Participation creates interest that drives full stadium at events, which means future hosts will value this enthusiasm for competitions and their sports.

In conclusion, sport is not just about the field of play. It is about the societal and economic benefits, which themselves help contributes to and enhances global perception of the nation. This requires a legacy plan. The legacy plans need maturing and need to be all embracing. It is not the responsibility of event organisers but the government institutions at all levels to focus on the wider aspects and make sure they are integrated into a coherent sport and hosting strategy.

I would urge all those interested in what is outlined here, to continue to monitor and engage with international experts as Taihe Institute has been doing at recent seminars.

# **Potential of Sports Exchanges**

# between China and the World

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In recent years, China has attached great importance to the development of physical education (PE) of schools. It has issued a series of policy documents on the comprehensive development of students' fitness, as well as their intellects and sense of ethics and aesthetics. Sport is also one of the areas in which it supports international cultural and personnel exchanges.

Government funding has enabled young Chinese people, including Olympic champions, to study in the United States, Britain, and other countries to advance their knowledge and academic qualifications. During their studies, these students share and learn skills with local sports lovers. China has also sent school football coaches and teachers to study in Europe and beyond.

The Chinese Federations of University Sports and School Sports have put forward Chinese students as participants in various international sports events. These exchanges have improved not only the specialized expertise of these athletes and educators, but also their cross-cultural communication skills. For this reason, exchange and cooperation between Chinese and foreigners in the field of physical education should be further facilitated.

Globally, we should enhance young people's understanding of the value of physical education. Aside from creating fitness and health, school sports and physical education lessons help develop athletic ability, hygiene practices, and good sportsmanship. These components are the core of physical education. Its broader value includes a great social function: physical education can cultivate social awareness and commitment, including collective consciousness, cooperative spirit, and a positive attitude to setbacks and failures. Each country should embrace its



own unique recognition of its sports and their values. After all, countries in Europe, Latin America, Africa, and Asia have different understandings of football (soccer); the U.S. has unique take on basketball and rugby; and China has a distinct approach to table tennis.

Likewise, Chinese primary and secondary school students, in addition to participating in PE classes, should also be taught some Chinese traditional medical and cultural knowledge. Among them are learning Huangdi Neijing, the ancient Chinese medical text, which has been the fundamental source for Chinese medicine for more than two millennia, and gaining and idea of some relations between traditional Chinese medicine and culture, such as those indicated by holism, syndrome differentiation and treatment, precautionary treatment, yin-yang and the five elements, "assistant and guide" pharmacy, and the connectedness between medicine and food.

From an early age, students should develop good eating and healthy living habits, and cognizance of the five internal organs --essential in Traditional Chinese Medicine (TCM), namely, heart, lung, liver, kidney and spleen. They should not only know how to take care of their health, but also the reasons for and ideas behind such behaviors.

Through exchange and discussion around its value among students and teachers of various countries, we can realize the potential of physical education and, in turn, the comprehensive development of the sports industry as a whole.

China should carry out international exchange and cooperation in sports education through multiple channels. It should set up sports-themed winter and summer camps, work with other countries to hold bilateral and multilateral sports events, send coaches and teachers to each other's countries for mutual learning. Sports clubs for students can conduct exchange activities, and families can also initiate international sports exchanges based on their particular interests.

We all know that education is fundamental but it can also be trailblazing. Sharing and cooperation in physical education would surely bring new vitality to the general cultural exchange between China and the rest of the world.

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