
Chu Hao Chan

A Senior Honors Thesis Submitted to the Department of Geography, University of Wisconsin-Madison, in Partial Fulfillment of the Requirements for Honors in the Major

Madison, Wisconsin

01/06/2011
This thesis represents my own work in accordance with University regulations.

I authorize the University of Wisconsin to reproduce this thesis by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.
Table of Contents

INTRODUCTION .................................................................................................................... 4

Figure 1.1............................................................................................................................ 4
Figure 1.2............................................................................................................................ 4

CHAPTER I  APPROACH ........................................................................................................ 6

CHAPTER II  VANCOUVER, CANADA .................................................................................... 10

VANOC ............................................................................................................................... 10
  TABLE 2.1 ......................................................................................................................... 12

PRIMARY IMPUTERS........................................................................................................ 12
  LEGISLATIVE INPUTS....................................................................................................... 12
  FINANCIAL INPUTS ......................................................................................................... 13
  TABLE 2.2 ......................................................................................................................... 14
  IMAGE CONSTRUCTION AND OTHERS ..................................................................... 14

EXTERNALITIES ..................................................................................................................... 16
  ECONOMIC IMPACT ....................................................................................................... 16
  SOCIAL IMPACT ............................................................................................................ 18

CHAPTER CONCLUSION ..................................................................................................... 20

CHAPTER III  BEIJING, CHINA ............................................................................................ 21

BOCOG ............................................................................................................................... 21
  TABLE 3.1 ......................................................................................................................... 23

PRIMARY IMPUTERS ........................................................................................................ 23
  LEGISLATIVE INPUTS ....................................................................................................... 23
  FINANCIAL INPUTS ......................................................................................................... 25
  TABLE 3.2 ......................................................................................................................... 25
  IMAGE CONSTRUCTION .............................................................................................. 26

EXTERNALITIES ..................................................................................................................... 28
  ECONOMIC IMPACT ....................................................................................................... 29
  SOCIAL IMPACT ............................................................................................................ 30

CHAPTER CONCLUSION ..................................................................................................... 32

CHAPTER IV  COMPARISON .................................................................................................. 33

Diagram 4.1........................................................................................................................ 33

SIMILARITIES ......................................................................................................................... 33
DISCREPANCIES ................................................................................................................... 34

CONCLUSION ....................................................................................................................... 36

REFERENCES ....................................................................................................................... 38
Introduction

The Olympic games have always been the major sports events that draw the attention from the audience, the media and the academics. Every four years, the International Olympic Committee (IOC) chooses a city among four to five candidates, each coming from different countries, to host the event. The bid winners almost always create iconic structures in center of the city in hope to celebrate the victory of the bid. As the photos show, the official trademark for the Beijing Olympics was placed in the middle of Tiananmen Square (Figure 1.1), and the modern Olympic torches were installed at the center of Vancouver (Figure 1.2). The Olympic games have come to be represented by the symbols of, not only the Five Rings logo, but also the amazing architectural achievement. Nevertheless, in a closer examination of the meaning the two physical structures try to convey, it is surprising how different the messages are. The Chinese logo (figure 1.1) has a sportsman drawn in the calligraphy style, one of the essences of the Chinese traditions. And the Canadian structure seem to imply a modern and multicultural society while the three future-looking torches lay on one another, collectively creating a splendid scenery.

These two diverging images imposed by the statue and the torches are in fact part of the Olympic phenomena that involves not only the governments, but also profit-seeking entrepreneurs, media, mass local residents, opposition groups and many others.

---

These players, according to their political powers, nationalities and social economic standings, sometimes share diverging interests and viewpoints regarding the Olympic games. In the case of social class, for example, real estate tycoons seek profitable opportunities within the economic benefits brought by the game while normal middle class households face increasing taxation mounted by the Olympic venue constructions. In some extreme cases, lower class and unwanted people would be cast away from their homes to establish a friendly city image or a cleared site for venue construction (Broudehoux, 2004; Shaw, 2008; CHORE\textsuperscript{2}, 2007). However, in some condition these stakeholders compromise and work toward the similar goals (McCallum, Spencer & Wyly, 2005; Ren 2004; Zhang & Zhao, 2009). For example, the Vancouver municipal government welcomed local entrepreneurs in investing the game with profitable returns.

Given the scenarios described in the previous paragraph, it becomes interesting how the Olympics-holding governments, with their different cultures of governance, situate themselves in managing the variegated interests of the related stakeholders, and how, in return, this different nature of governance is reflected by the games. In the following chapters, I aim to compare the role of the Chinese and Canadian government in holding and planning the Beijing 2008 Olympics and the Vancouver 2010 Winter Olympics. However, before going into the detail discussion, several points are to be addressed concerning the nature of the comparison and its relevance to broader geographic concepts.

The motivation behind choosing China and Canada as the two cases is to juxtapose two nations with contrasting political systems that react quite differently to the

\textsuperscript{2} Center on Housing Rights and Eviction
changing global economy. Accordingly, the new telecommunication devices and transportation methods shorten the distance between places, pace up the speed businesses operate, and hence gradually connect the global economy closer together (Harvey, 1989). Western countries, such as the U.S., U.K and Canada, reacted with policies that are characterized by privatization of national industries, individual property rights, and a more liberal international financial market (Harvey, 2005; Tindal & Tindal, 2009). Nonetheless, China responded relatively slowly and cautiously with a social market economy that is characterized by its strong party-state (Ma & Wu, 2004). It is these contrasting reactions toward the macroeconomic shifts that lead to a broader geographic discussion.

Although this article has a particular focus on the Olympics, the discussion cannot escape the overarching theme of globalization as the preceding paragraph reveals. The interwoven business networks and the highly commercialized cultures have shaped the Olympic games as gigantic profit-seeking festivals and place-branding campaigns (Broudehoux, 2004 & 2007; McCallum, Spencer & Wyly, 2005; Ren 2004; Zhang & Zhao, 2009). And each game seems to produce similar side effects including widening social inequality, forced housing evictions and anti-globalization movements (Broudehoux, 2004; O'Bonsawin, 2010; Butcher & Velayutham, 2009; Amin & Graham, 1997). Nevertheless, the homogenous phenomenon is only a part of the Olympic story. As the previous paragraph also points out, different political entities react with diverging policies and attitudes toward the globalization trend due to their different political cultures and styles of governance. And this decisive difference can lead completely different outlook of each Olympic Game. There seem to be two major forces that
collectively shape the look of modern Olympic games: first, the homogenizing force such as commercialization and globalization, and second the localizing force including local political systems and domestic social economies. Although this article has a particular focus on Olympic games, it also deals with the broader globalization-localization narrative that is the overarching theme to be considered along the later discussion.

The organization of this article is in four chapters. First, the approach chapter establishes the framework that could preserve the heterogeneous nature of the Olympics and at the same time emphasize the government as the core player. Chapter two and three examine the two Olympic games in greater details based on the analytical framework. Finally, the last chapter compares the two cases and relates the case study to the broader geography studies.
Chapter I

Approach

The Olympics is a phenomenon that involves a wide variety of stakeholders whose diversity may blur the role of the government. Therefore, it is imperative to construct a discussion that organizes the scattered pieces of information and at the same time effectively highlights the role government plays. My approach here is to initially center on the event-organizing committees as the key players who, on one hand, are independent and temporary organizations, but on the other hand represent the interests and images of the ruling power. In fact, these organizations are the outcome of various governmental agreements that establish their legal status and are the product of political power that grants them authority to carry out the events. Given the presence of politics in the organizing committees, their power structures and leaders’ political affiliation become important to realize the nature of governmental involvement in planning the games. Building on the organizing-committee-centered scenario, there are two other approaches that derive from the organizing committee-centered scenario, which serve to better organize the Olympic-scattered phenomena with a focus on the government.

First, based on the idea of the entrepreneurial character of Olympic games it is imperative to identify primary private and public stakeholders who contribute to the games. They include different levels of governments, private corporations, International Olympic Committee (IOC), and citizens. In addition to identifying the key players and their contribution to the game, it is even more important to look into their relationships with the government. In fact, as one may find out later, the contributors maintain close
relationships to the ruling regimes, in some cases cooperative and in some submissive, which will be discussed in greater details in the later chapters.

The second approach focuses on the side effects of the business-like characteristics of the organizing committee. Like every business, the Olympic games also produce unexpected outcomes in their operations. The positive effects include economic benefits and an increase in the international status of holding countries and the burgeoning tourism industries, while negative aspects may include widening social inequalities, an increase in disenfranchised population and possible budget deficits. Rather than merely identifying these effects, the analysis also concentrates on how the ruling power reacts to these unanticipated effects that hope to provide significant insight to the nature of government involvement.

The two organizing committees VANOC (Canada) and BOCOG (China) are the primary targets of the discussion in the later two chapters that will open the door to greater details of the two Olympic games. In order to discern the intricate nature of governmental involvement, the discussion will focus on the power structures of the organizing committees, their primary imputers and the potential externalities and how the government regulates and reacts to the diverse players and phenomena. This general research design offers a common comparison base that highlights the different political culture in Canada and China. In fact, as the following text suggests, such discrepancy plays a key role in differentiating the two games and will be discussed in greater details in the final chapter.
Chapter II

Vancouver, Canada

The idea of 2010 Winter Olympics was initiated as early as 1998 when the Canadian Olympic Association\(^3\) approved the city of Vancouver in entering the 2010 bid in the Bid City Agreement. This approval was subsequently followed by several agreements, including the Participation Agreement, the Multi Party Agreement and the Host City Contract, which bound the liabilities of the city of Vancouver and the Province of British Columbia (BC) in holding and financing the game (British Columbia, Office of Auditor General, 2006). In these agreements with the IOC, the organizing committee, VANOC, was granted the legal position of the Bid Corporation.

VANOC

The organizing committee, VANOC, which replaced the Bid Corp in 2003, was comprised of the board of directors and its management team. The board of directors consists of twenty members, nominated by the Government of Canada, the Province of British Columbia, the City of Vancouver, the Resort Municipality of Whistler, the Canadian Olympic Committee, the Canadian Paralympic Committee and local First Nations. The responsibility of the board was to guide and monitor the operation of the management team, which was the actual organizer of the game.

The management team is composed of leaders coming from both the public and the private sectors (see Table 3.1). The CEO, John Furlong, was a former athlete who

---

\(^3\) Now Canadian Olympic Committee (COC).
was named Canada’s Most Influential Sport Figure by both the Globe and Mail and the Canadian Broadcasting Corporation in 2009. Even though Mr. Furlong was a iconic figure of the spirit of sportsmanship, some regarded him merely as the puppet of the more powerful political leaders including the Premier Gordon Campbell and the Vancouver real estate giant Jack Poole who both strongly advocated the Winter Olympic games (Shaw, 2008). However, regardless of whether his qualification to the job, Mr. Furlong had strong team members, who were well-experienced in both private corporations and public services. Ward Chapin, Chief Information Officer, was the HSBC Bank Executive in its IT board; Dan Doyle, Executive Vice President of Construction, have served in British Columbia Ministry of Transportation for his life; David Guscott, Executive V.P. of Corporate Strategy and Government Relations, cannot be more suitable for this position while he served as the Associate Secretary of Cabinet for the Government of Ontario. The composition of the management team is interesting in a way that, by looking at the past experiences of the delegated officers, it reflects the image that the government tries to impose on the public (McCallim, Spencer, Wyly, 2005). In the case of VANOC, the government is trying to build a sport-and-business-friendly image by delegating John Furlong as the iconic figure, but at the same time not losing its control by delegating more experienced and bureaucratic governmental officers.
Primary Imputers

The organizing committee VANOC, comprised of leaders from private and public sectors, has a wide range of contributors. The following discussion lists various imputers relevant to the game and, more importantly, their relationship to the Canadian government.

Legislative Inputs

As mentioned previously, provincial and local governments had been active in the early stages of the Olympic preparation. The governments signed several agreements with the Canadian Olympic Committee and the International Olympic Committee to assure the official status of Vancouver as the bid city. Moreover, the Province of British Columbia “entered into the Participation Agreement with the City of Vancouver (1998)
and the Resort Municipality of Whistler (2002)” to provide the full support (British Columbia Office of Auditor General, 2006, p.13). The collection of these agreements constituted the Candidature File that was the primary document sent to the IOC for the review.

Ultimately, the City of Vancouver won the bid and, with IOC, entered into Host City Contract that detailed the commitment of the federal, provincial and municipal governments. Specifically, the federal government was obligated to provide security forces during the sport event, and provide tax relief of goods that is essential to the operation of the Olympics. Also included was the federal government’s responsibility such as the reallocation of radio frequencies and the legislation concerning ambush marketing (2010 Vancouver, 2003). The Province of British Columbia’s responsibilities were to modify its legislation to prevent ambush marketing and to create space for outdoors advertisement. The host city Vancouver created a series of by-laws that are, according to its administrative report, “critical to the success of the games” (City of Vancouver, 2009). These temporary adjustments included street closures and extended noise control that ensured the venue constructions processes. These endeavors were the direct governmental inputs that created the legal base on which VANOC functioned.

Financial Inputs

A close examination of the Olympic funding sources is useful in identifying different stakeholders in the game. The expenditures covered venue construction fees, marketing fees, facilities purchases, payments to the workforce and the renovation of
transportation infrastructures\(^4\). In the case of venue construction, the federal and provincial governments each contributed approximately $280 million, which covered the major part of the expense, totaling $580 million (VANOC, 2009). In addition, nongovernmental players such as British Columbia Housing Management Commission (BC Housing) and private sponsorships covered a portion of the construction expenditure. Moreover, there are costs for the game-related operations including communication, technologies and payments to the workforce. These expenditures were partially shared by IOC contributions, commercial sponsors, and projected revenues generated from ticketing. What is not listed in the table is the taxpayers’ contribution. According to the Auditor General of British Columbia, approximately $2.5 billion will be collected from taxpayers in the coming years after the game (British Columbia, 2006). Therefore taxpayers, namely Canadian citizens and grocery shoppers, are also the stakeholders who contributed to the game.

<table>
<thead>
<tr>
<th>Budget Sources</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov. of Canada</td>
<td>$280 million</td>
<td>Venue Construction</td>
</tr>
<tr>
<td>Province of BC</td>
<td>$277 million</td>
<td></td>
</tr>
<tr>
<td>IOC Contribution</td>
<td>$290 million</td>
<td>Operating Expenditures</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>$490 million</td>
<td></td>
</tr>
<tr>
<td>Ticketing</td>
<td>$190 million</td>
<td></td>
</tr>
</tbody>
</table>

Data retrieved from *Financial Statement VANOC 2009*

**Image Construction and Others**

One important aspect of the Olympics is its image construction strategies (McCallum, Spencer & Wyly, 2005). In Vancouver 2010, one of the big campaign

---

\(^4\) Including Canada Line (connecting the city to its international airport) and Sea-to-Sky Highway (improving the highway in between Vancouver and Whistler).
slogans was that it was the first green game. In fact, this recognition was highly beneficial to the image of Vancouver for its winter resort industries and natural tourism. To achieve this goal, VANOC hired fifteen international architectural agencies to design the green venues and partnered with renewable energy firms such as Atos Origin to reduce carbon emission during the game. In return, to award companies that contributed to building the green game, VANOC designed the Sustainability Stars Program to encourage the private sectors investment. Moreover, to maximize the use of public transportation the organizing committee allied with the Ministry of Transportation (Constantineau, 2009; Read, 2010). It is evident that the government, trying to construct the image that shows the beauty of Vancouver, assisted local green businesses to also benefit from the scheme. This indicates that the globalized global economy has made the ruling power more and more entrepreneurial.

There are several other important sources of inputs in addition to the image construction scheme of the government. One of the items is land. Due to the nature of the Winter Olympics, many venues are located in the mountainsides where aboriginal people live such as the Lil’wat, the Musqueam, the Squamish and the Tsleil-Waututh Nations (VANOC 2007). To legally use aboriginal lands, VANOC signed several treaties and officially partnered with these first nations. In addition to aboriginal lands, Crown Land, whose property rights belongs to the British Columbia Provincial Crown, was used in the Whistler alpine ski venue (VANOC 2007). In addition to the input of land, there are some additional players worth mentioning. Vancouver Police Department, the Canadian Security Intelligence Service and the Canadian Forces provide the personnel of the huge security forces that were indispensable to the game (VANOC, 2007). Another source of
input that is often overlooked is volunteers. More than 25,000 unpaid workers participated during the game period hoping to provide direction to visitors.

Despite of the diverse stakeholders in preparing the Olympic game, the government played a supportive role. The Canadian authorities were crucial in many aspects. They initiated the bid that later on legalized and financed the event. However, in terms of organizing the game, the government empowered VANOC the power to make important decision regarding to the game. Moreover, the urgent needs to promote the city of Vancouver to the rest of the world actually invited private stakeholders such as local businesses and NGOs to participate the games. The relative autonomy of the VANOC business operation and the participation of various independent stakeholders effectively added an open and liberal impression to the image of Vancouver and the game.

Externalities

Despite the liberal image created by the autonomous governance, such business-oriented operation of VANOC, in fact, creates externalities. This section covers the general debate and concerns of the unexpected effect generated by the Vancouver 2010 Olympics, categorized into economic and social impacts. More than merely describing pieces of facts, it has a particular focus on how the VANOC and the government coped with these side effects.

Economic Impact

The economic impacts of the Winter Olympics were the major debates between the government and the social critics. On one hand, the provincial government claimed
the expected economic benefit to be between $2 billion and $4.2 billion, plus the 45,000 to 99,000 jobs created in local economies and the expanding tourism industry\(^5\) (InterVISTAS Consulting Inc., 2002). On the other end, critics such as online bloggers doubted the veracity of such predictions and criticized the provincial government for channeling expenses for community development to Olympic development (Thomas, 2010). In fact, the game did bring economic benefit in the short term. When the success of the Vancouver bid was announced in July 2002, the stock of Air Canada rose 16\% (Lazarus, 2003). Related industries including hotels and real estate developers also benefited from the immediate optimism of the local economy. Nevertheless, the economic impacts in the middle and the long term were unclear that “there has not been a single study of an Olympics…that has found empirical evidence of significant economic impacts” (Owen, 2005). The British Columbia's auditor-general also raised suspicion toward the expected revenues that they were achievable only when the economy was favorable or when a comprehensive provincial marketing campaign kicked in (BC Auditor General, 2006). The government, regardless of the critics and suspicion, has constantly advertised the economic benefits of the Olympics to the public. Mike Duggan, the chair of Tourism British Columbia, said that the announcement of the successful bid alone was worth $10m in free publicity and various reports projected that the economic fallout would be anywhere between $2billion and $10billion. This, in fact, is a part of VANOC’s image-creation mechanism that constructed a profitable atmosphere to attract investment from the profit seeking individuals and corporations.

\(^5\) Medium expectation of international visitors is 1,908,389 persons in the period of 2002-2015 (InterVISTAS Consulting Inc., 2002)
Social Impact

The most vulnerable population in Olympic commercialism is the minority population living on the edge of the society, which includes “the homeless, the poor, the destitute and the drug addicted [with issues concerning] alleged exploitation of indigenous lands, increased poverty, the criminalization of the poor in Downtown Eastside and a massive cutback in public spending” (Deutsche Press-Agentur, 2010). The police, empowered by the newly passed provincial law, could force the unwanted people out of their winter shelters and such incidents, in particular, takes place in Downtown Eastside where most of the unwanted population dwelled (Hyslop, 2010). Reacting to these problems, the advocates for social equality complained about the violation of human rights. Similar human-rights-violating cases were found in big scale eviction. During the period of 2002 and 2008, homeless population in Vancouver increased 137% and more than 1,400 housings were lost in the homeless concentrated Downtown Eastside, according to Laura Track, a local lawyer and reporter (Track, 2009). Another social issue of the 2010 Winter Game was the unlawful use of aboriginal land. Even though the official partnership between VANOC and the First Nations was regarded as an opportunity for local leaders to share their culture, many still disdained such relationships, considering their land to be stolen for Olympic constructions (Yanchyk, 2010). The social outliers also complained that government expenditures were redirected toward building Olympic facilities away from financing social welfare program and education.

In reaction to such various criticisms, VANOC has established its branch organization, including Legacy Now and Olympic Legacy Affordable Housing. These organizations were dedicated to transforming the former Olympic Village into social
housing modules and turned the remaining facilities into buildings to be used by the community. (Bell, 2010; CNW Group, 2008). Reacting to the indigenous population, VANOC supported 3.5 million Canadian dollars to aboriginal business and artists, and constructed a multi-media center for their cultural exhibits. However, regarding to the displacement of public funding, the government did not react directly but had constantly reassured that the Olympics could bring formidable profit opportunities for the local economy, implying that the funneled funds would be compensated by the expected returns. Regardless of the effectiveness of VANOC’s social welfare program and the validity of the expected economic returns, these reactions show that the government did identify the potential problems and tried to address them with commensurate efforts.

Chapter Conclusion

Through looking at the composition of VANOC, its input sources and the accompanied externalities, this analysis suggests three general afterthoughts. First, the government was an indispensable part of holding the Olympic games. The coordination of related personnel, the cleaning up of revenue sites, and the pacification programs of the disenfranchised population all required the legislative power and financial assistance from the governments. Second, the government bestowed VANOC with relative autonomy that helped improve the image of the city of Vancouver. Similar to an entrepreneurial business, VANOC cooperated with various independent stakeholders including private corporations, aboriginal leaders, and international architecture studios. This approach helped improve the image of the city of Vancouver as a liberal coastal city with friendly business environments. Third, even though undesirable controversies
occurred during the games, VANOC and the government addressed the problems frankly and tried to react with reasonable efforts, a fact which also contributed to the liberal and democratic image of the city. In sum, the government, supporting the game financially and logistically, at the same time granted VANOC adequate freedom to operate entrepreneurially and thus created a beneficial image for the city overall.
Chapter III

Beijing, China

China had longed to hold the Olympic games as early as 1993. In the same year, officials from IOC had visited Beijing to evaluate the city’s candidacy to host the 2000 games. The visit was seen by the Beijing officials as a chance to promote the Chinese culture and modernization (Broudehoux, 2004). Nevertheless, Beijing failed to host the game in 2000, which prompted the central authorities and the Beijing government to better prepare the subsequent bid in 2008. On July 31st, 2001, it was announced by IOC that Beijing would host the 2008 game. With full support from the National People’s Congress (NPC) and the State Council, and signatures of guarantee from several important national leaders, the Beijing Organizing Committee for the games of the XXIX Olympiad (BOCOG) was established in December 2001.

BOCOG

The organizing committee, BOCOG, was composed of the Executive Board as well as 26 other departments. It is surprising that on the Beijing Olympics official website, where the image of the game is delivered the most effectively, relatively little attention is paid to the departments. Instead, most of the space is devoted to the leaders of the Executive Board. Due to the limited information on the departments, the later discussion focuses primarily on the composition of the Executive Board, which is even more effective in exhibiting the involvement from the government.

6 Including China’s Ex-President Jian Zemin, the Ex-Premier Zhu Rongji and Ex Beijing Mayor Liu Qi (The president of BOCOG).
The Executive Board consisted of the president, two Vice-Presidents, three Executive Presidents and eight other Executive Vice-Presidents. The responsibilities of these leaders were to supervise the functioning of BOCOG from the perspective of the government. A closer look at the background of each figure indicates that each one of them held different expertise. Accordingly, the President, Liu Qi, and the First Vice-President, Chen Zhili, both have scientific backgrounds in heavy industries; one of the Executive Presidents, Wang Qishan, was the head of the China Construction Bank; one of the Executive Vice-Presidents, Yu Zaiqing, is experienced in sports management and administration in governmental agencies.

Another important remark about these leaders’ prior positions is that they were either iconic figures in the government or important members in Communist Party of China (CPC) (Ren, 2008). Liu Qi was the Mayor of Beijing when he was assigned the president of BOCOG in 2001. In the same year, Liu Jingmin, the Vice-Mayor of Beijing, was also commissioned as the Executive VP. Moreover, Liu Peng, the Executive President, was once a Deputy Minister in CPC; Jiang Xiaoyu, the Executive VP, the director of publicity department in the Beijing Municipal Party Committee (Table 4.1). For these individuals, the positions in BOCOG provided the chance for even higher positions in the party (Ma & Wu, 2004). Indeed, Liu Qi, after being assigned the President of BOCOG, was delegated to the Chief Secretary of CPC. Based on the

7 Look at table 4.1 for details.

8 For previous positions of the leaders before they took part in BOCOG, see table 4.1.

9 The President, Liu Qi, is now a member of the Political Bureau of the 16th CPC Central Committee. Several members of the board also got promoted in different areas. Visit http://en.beijing2008.cn/ for more details.
examination of the members in the Executive Board, it becomes obvious that the Board not only embodies the Chinese government but also represents the interests of the political party.

Table 3.1 Members of BOCOG Executive Board and their Prior Positions

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Prior position/Experiences</th>
</tr>
</thead>
</table>
| President         | Liu Qi         | • Minister of Metallurgical Industry  
                    |                                             • Mayor of Beijing                           |
| First Vice-President | Chen Zhili   | • State Councilor  
                    |                                             • Vice Chairman of State Education Commission |
| Executive President | Liu Peng     | • Deputy Minister of the Publicity Department of the Central Communist Party of China (CPC) Committee |
| Executive President | Wang Qishan  | • President of China Construction Bank  
                    |                                             • Committee in CPC Guangdong Provincial Committee |
| Executive President | Deng Pufang  | • President of Executive Board of China Disabled Persons’ Federation                               |
| Executive Vice-President | Liu Jingmin | • Ex Vice Mayor of Beijing                                                                       |
| Executive Vice-President | Wang Wei    | • Associate Secretary General of the Beijing Municipal Government                           |
| Executive Vice-President | Yu Zaiqing  | • President of Chinese Sporting Goods Federation  
                    |                                             • Vice Minister of State General Administration of Sports |
| Executive Vice-President | Duan Shijie | • Vice Minister of the State General Administration of Sports                             |
| Executive Vice-President | Jiang Xiaoyu | • Director of Publicity Dept. of Beijing Municipal Party Committee                       |
| Executive Vice-President | Li Binghua  | • Secretary of General Office of Beijing Municipal Party Committee                         |


Primary Imputers

As the composition of the Executive Board suggests, the Chinese government is the most prominent figure in holding the Beijing games. What is unique to the Chinese case than the Canadian case is the Chinese government’s emphasis on the image construction schemes that will be discussed in details after the legislative and financial sections.

Legislative Inputs

As early as the beginning of the bidding process, Beijing has been approved to host the Olympic games by the Chinese states, a couple of provincial governments, the
neighboring municipalities, and private sectors\(^\text{10}\) (BOCOG, 2000). After winning the bid, the establishment of BOCOG legalized the government’s efforts to plan the Olympics. Specifically, the signing of the Host City Contract with IOC was fully advocated by the Central Party Committee, the State Council and countless Chinese citizens (BOCOG, 2000).

In addition to the early legalizing process of the organizing committee, the Chinese governments passed a series of by-laws (Aoyun Lifa) that, for the sake of the game, made the city function more efficiently and safely. For example, to prevent traffic congestion, automobiles with odd plate numbers were allowed to drive on odd-numbered dates and the same rationale applied to cars with even-numbered license plates. Moreover, heavy industry factories in the Beijing neighboring areas were ordered to shut down to prevent air pollution. Curfews were strictly imposed for downtown bars and restaurants to close no later than 2 o’clock in the morning. Governmental officials claimed that these by-laws could possibly become permanent after the feasibility reviews by experts (BOCOG, 2006) in order to maintain the clean air and the social security in Beijing. The government’s legislative power is often considered a privilege, or a hard power, that cannot be disputed by civilians or the press. These hard powers became even more impenetrable when the Chinese government and CPC funded a major portion of the game.

\(^{10}\) Including 70 hotels surrounding the Beijing areas and commercial airlines.
Financial Inputs

The governments played an important role in subsidizing the game. The central government and the Beijing Municipal Government guaranteed that they would fund $100 million for the construction of Olympic venues and the related game facilities (BOCOG, 2000). Other related items included the renovation of the Beijing International Airport and the new subway constructions. In addition to the government source, funding also came from the expected broadcasting revenues, commercial sponsorships, anticipated ticket sales and donations. The details are listed in table 4.1.

Table 3.2 Budget Sources, Amounts and Purposes for BOCOG

<table>
<thead>
<tr>
<th>Budget Sources</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>$100 million</td>
<td>Venue Constructions</td>
</tr>
<tr>
<td>Broadcasting Rev</td>
<td>$700 million</td>
<td>Operating Expenditure</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>#330 million</td>
<td></td>
</tr>
<tr>
<td>Ticket Sales</td>
<td>$140 million</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>#20 million</td>
<td></td>
</tr>
</tbody>
</table>

Data Retrieved from: Bid Report, BOCOG 2000

What was remarkable about the commercial partners was that though they appeared to be non-governmental, they also had close connections to the government or more precisely to the party. Many of the partners were either previously a national enterprise or a key industry to the nation’s development, such as China Net Com and Air China, whose leaders are active members in CPC. For example, the chief director of China National Petroleum Company was the secretary of CPC. The chairman Bank of China had been the representative of National People’s Congress and the chairman of China Mobile was the secretary of CPC. Although it is bold to imply that these enterprises are under the command of the party, it is reasonable to suggest a strong relationship. The Chinese public and the private sectors are more closely tied than those in other countries, partly due to the role of its strong political party.
Image Construction

The Beijing 2008 Olympics was a big step forward for China. Governmental officials, in their comments to the game preparation, constantly praised the ability of this international mega-event to show the rest of the world China’s rapid economic development, beauty of ancient culture, and the patriotism of its people. In order to create such an impression, the Chinese government has implemented a series of image construction mechanisms as early as 2001 (Broudehoux, 2004; Friedmann, 2007; Ren, 2008). These image-improving strategies continued to take place in Beijing and worked parallel to the preparation of the 2008 Beijing Olympics. In general, two massive image construction projects in the Olympics have taken place: the urban gentrification and the social beautification strategies (Broudehoux, 2004). These schemes not only involve the Chinese government, which is the main orchestrator, but also stakeholders from private sectors as well as residents of Beijing.

The very first step of the image construction was the urban gentrification projects, such as the road expansions of the Chang An Dajie and the renovation of old cityscapes along Qianmen Avenue. For more than 400 years, Qianmen Avenue (shown in the photo on the left), had been the golden district of the city before devastating civil and foreign warfare in the early 20th century. In 2004, the Beijing municipal government planned to revive its prosperity by combining the old tradition with modern-looking architecture. The grand opening of Qianmen Avenue was on August 7th 2008, a day before the
opening ceremony of the Beijing Olympics, aiming to jointly celebrate the unification of tradition and modernity of the country.

Such gentrification schemes not only involved the government authorities but also the profit-seeking entrepreneurs from the private sectors. In fact, stakeholders from the private sectors have gradually become more important in the making of the new Chinese cityscape. Unlike the official sponsors of the Beijing Olympics, private stakeholders in the case of the local city gentrification are businessmen of medium-sized enterprises who are more independent from the control of the CPC. Moreover, in an even more basic level, community-based workforces and local NGOs were also major players in the urban gentrification projects. Residents living in the old Beijing areas initiated street cleansing campaigns whose tasks included fixing shattered brick walls and cleaning up the slums (Hooker, 2008). Generally speaking, urban gentrification, although mainly orchestrated by the government, involve the active participation of the private sectors and local residents.

Besides the renovation of physical surroundings, the Chinese government was also actively involved in the so called “social beautification strategies” (Broudehoux, 2004). China has always been categorized as a developing nation where signs of uncivilized culture are still common in the major metropolitan areas. In order to improve such stereotypes, China government has implemented strict social norms in Beijing early in the Olympics preparation period. During this period, these norms were widely propagated by patriotic slogans that promoted the civilized behaviors to people. Lines such as “Love the motherland, love Beijing; promote the peaceful and harmonious cohabitation of all of China’s nationalities and help maintain national stability” were all
over the place (Broudehoux, 2004, p. 181). These slogans were also useful in stirring the sense of patriotism. According to Xinhua News Agency, a prominent media in China, over half a million of volunteers served in the Olympics (Xinhua News Agency, 2008). While banners and slogans maintained the behavior of the mass population in a softer way, there were also hard powers. Countless police forces (Gon-an) were posted at every corner of the city center, and would cast away unfavorable individuals (Mure, 2008). In more important places such as the Tiananmen Square and Olympic construction sites, armed police (Wu-jing) and special military persons would post up sentries to prevent undesired events from happening. These constant supervisions from government and military personnel are also ways to ensure the success of the social beautification projects.

The urban gentrification projects and the social beautification schemes collectively constructed a more civilized and ordered image of the Beijing 2008 Olympics. It was the Chinese government’s hope that the images of the civilized Beijing and the prospering China would provide a better impression to the international communities. And the hosting of the 2008 Olympic games was indeed a great opportunity for the governmental to realize that hope.

Externalities

In addition to looking at how the Chinese government contributed to holding the game with its authoritarian governance, it is also important to see how the ruling power reacted to the unexpected effects, or externalities. With a rather contradictory inclination to promote its liberal market economy on the one hand, and, on the other, to maintain
social stability, the Chinese government openly addressed concerns over the economy, but refused to publicly react to certain sensitive issues that might cause social upheaval.

*Economic Impact*

While the government financed the games and hoped for a local economic boom, the real benefit of the investment is still unclear. According to official BOCOG financial report, the Beijing Olympics cost approximately $2.82 billion and in return received revenues of $2.99 billion, meaning that the organizers made a profit of $170 million (National Audit Office of the People’s Republic of China, 2009). Nevertheless, the $2.82 billion expense only included items that were directly related to the Olympics such as the stadium construction and facilities fees. The excluded items in this official report are projects such as the urban gentrification, the airport renovation and the expansion of the Beijing subway system, whose sum was approximately $40 billion (Wu, 2009). This incited the argument of whether hosting the Olympics was profitable or not. On the one hand, this additional spending was likely to increase tax and transportation fees in the Beijing area, putting the pressures on to local residents. However, on the other hand, governmental officials claimed that the investment in the Olympic games and the urban renewals generated 1.8 million new jobs in the local economy (Beijing Olympic Economy Research Association, 2008; Business Daily Update China, 2005). It seems that the Chinese government’s attitude towards the controversy was fairly confident and assertive.

Another potential economic impact was the rising housing prices in Beijing. Accordingly, the average housing price in Beijing increased 15% in 2005-2006 and 11%
in 2006-2007 (Xinhua News Agency, 2007). Social critiques claimed that the surging housing price affected new mortgage buyers and rent-paying households who generally were middle class and could not afford the increases. This specific group of people became a possible social problem that would generate class confrontations. Although some doubted the direct correlation between the hosting of the Olympics and the skyrocketing housing prices, Jones Lang LaSalle Global Insight, a real estate research institution, proved that the impact of the Olympics on the real estate market is significant and long lasting (McKay & Plumb, 2001). In reacting to the concerns, the Chinese government was quite frank in its press conference. “There were certain [housing] bubbles from 2005 to 2007”, said Chen Jian, the Executive President of the Beijing Olympic Economy Research Association (BOERA, 2008). In general, the Chinese government’s response to the potential economic impact of the Olympics was candid. Nevertheless, the government was not necessarily frank when facing social externalities.

**Social Impact**

In the Beijing Olympics, one of the most controversial social externalities was forced housing eviction. Due to the large-scale urban gentrification and stadium construction, the government, in order to establish these centrally planned zones, coerced residents out of their homes with little or no compensation or re-accommodation plans. It was estimated that the Beijing Olympic Game preparation had displaced more than 1.5 million people (COHRE\textsuperscript{11}, 2007, p. 154). In general, these evicted residents were middle class or low-income populations who lived in old communities and shattered houses,  

\textsuperscript{11} Center on Housing Rights and Eviction.
which made them more vulnerable to the negative effect of losing their homes. Internationally known media, NGOs and the academics constantly criticized the government’s negligence of human rights in these projects and longed for a satisfactory response from the government (Broudehoux, 2004 & 2007; COHRE, 2007; Mure, 2008). The Chinese authorities refused to directly comment on the issue and claimed that the statistics were “groundless and inflated” (New York Times, 2007).

In reaction to this issue, the evicted residents allied with NGOs to protest the unequal circumstances. However, there seemed to be little space for legal protests. According to IOC Olympics Charter, game-hosting nations were obligated to set up peaceful protesting zones for citizens and other interests group to express their grievances (IOC, 2010). In the case of Beijing Olympics, citizens were instructed to apply to the municipal government for approval in order to legally protest in those spaces. Nevertheless, the citizens were unlikely to obtain the approval because “the law prohibits protests that are deemed harmful to national unity and social stability” (Yardley, 2008). In addition to the extreme difficulties to obtain the permission to protest, protest zones were inadequate and underused. These officially set up zones were at the very outer edge of Beijing where little attention was paid. The International Olympic Committee openly criticized the Chinese government’s lack of willingness to provide a sufficient space for protesters (Blitz, 2008). Responding to these criticisms, the Chinese government was rather evasive.

The different reactions to criticisms of economic impacts and to social side effects seem to suggest a certain type of governmental attitude. Aiming to construct an investment-friendly image to the public and the international communities, the Chinese
government addressed potential economic problems of the Olympics with a more direct and open tone. However, cautious with the accompanied social instability of the game, it became rather reticent and evasive.

Chapter Conclusion

The Chinese government, in the Beijing 2008 Olympics, played a prominent role. It was present in almost every aspect of the game, including private sponsorships, social beautification schemes, urban gentrification and even setting up protest zones. This authoritarian government generated problems such as the negligence of human rights which international media often found fault with. And, remarkably, the government was more reluctant to face these social criticisms than facing economic ones. This phenomenon had to do with the Chinese governance culture, which aims to maintain social stability. The government is fearful of social upheavals, and, in the case of holding the Olympic games, is even more cautious with the potential liberal social movements brought by the relatively foreign influences. This unique characteristic of the Chinese government is in fact the core element that differentiates itself from the Canadian government, both of which will be juxtaposed in the final chapter.
Chapter IV
Comparison

The previous two chapters have analyzed the 2010 Vancouver Winter Olympics and the 2008 Beijing Olympics in a similar manner. Based on this common ground, the discussion has shown a certain degree of similarities and discrepancies regarding the way the governments plan the games, which are summarized and modeled by Diagram 4.1.

Diagram 4.1 The Governmental Involvement Models of the Vancouver 2010 and the Beijing 2008 Olympics

Similarities

The role of the hosting-nation government is indispensable. Both Canadian and Chinese governments are on the top of the hierarchy meaning the organizing committees (VANOC and BOCOG) necessarily derive their authorization from the government. In the early stages of the Olympic preparation, the government is the only legitimate entity that can take part in the candidature city bids; they are the only legal bodies that are authorized by the IOC to represent the spirit of Olympicism; last but not least, they are the major funding sources to the games. The Canadian government supports
approximately 54% of the total expected event expenditure while the Chinese proposed to cover the entire expenditure on venue constructions.

After successfully winning the bid, the governments also participate in preparing the games, which is, in the diagram, represented by the arched arrows at the sides of the blocks. The regional and municipal governments established by-laws to avail more convenient game operations, and the federal government constructed desired images of the city and hosting nation. Specific to image construction, the Canadian government was trying to promote the Vancouver area as a world-class winter resort, and the Chinese authority was trying to improve the international stereotype of the nation’s backwardness through urban gentrification and social beautification strategies.

Generally speaking, governments of hosting nations behave similarly regarding the following three aspects. Firstly, they are the representational figures that communicate with IOC and international media regarding the games. Secondly, they authorize the organizing committees to carry out the games and support them wholeheartedly. Thirdly, they respond similarly to the increasing intra-urban competitiveness by promoting place images and boosting local economies by actively participating to prepare the games. However, despite the similarities in a broader sense the Canadian and Chinese Governments behave quite differently with a closer look into the details.

Discrepancies

One of the major elements that nurture the discrepancies is the governance culture of the two nations. The Canadian government tried to keep its profile low in preparing for
the Olympic games by cooperating with VANOC and other private stakeholders. Although some doubted the complete independence of the private sectors from the government, the information available to the public strongly suggests their neutral relationships. The government also maintained an open and liberal character when dealing with different kinds of criticism against the Olympics. In sum, the Canadian government was trying to shape a business-friendly, liberal and democratic image in its preparation of the Olympics.

The Chinese government, quite contrary to its Canadian counterpart, imposed a conspicuous government image on almost every aspect of the game. Looking at the descriptions and organization structure of BOCOG on its official website and publication, it is surprising that most of the attention is focused on the Executive Directors, which are exclusively comprised of important governmental officials and CPC leaders. The image of the government could be found in almost every Olympic matter, including the “private” sponsors, and urban gentrification projects in Beijing. Regarding the externalities, the government was relatively reluctant to comment on the negative social problems, presumably to maintain its image as an authoritarian regime. In conclusion, the Chinese government, with the overwhelming power of CPC, was candid in establishing its overpowering image to its society and to the media.

Such differences between the Canadian and the Chinese cases can also be shown in Diagram 4.1. The first variance is the overlap between the governments and the organizing committees, meaning the direct governmental assistance to VANOC and BOCOG. In the Canadian Model the government has relatively less overlap with VANOC while the Chinese model suggests significant government involvement in
BOCOG. Secondly, the arrows starting from the governments pointing to the various Olympic phenomena indicate the direct involvement in preparing the games such as image construction schemes. While the Canadian government has a thinner arrow, the Chinese counterpart has a much thicker one. This visual representation suggests the fact that the two governments prepared for the Olympics in different ways: Canada, in a more democratic manner while China was more authoritarian. The major factor of such differences is obviously political. Canada’s political system is separated into several tiers: federal, provincial and municipal. Within these tiers are different political parties of equally matching power. Therefore, the process of policy-making involves compromise and negotiation between diverse groups. Nevertheless, the Chinese government, monopolized by the Communist Party of China, carries out policies that stand for the intention of CPC and, therefore, is oftentimes blamed for being authoritarian.

Conclusion

The similarities and differences between the Olympic games of 2008 and 2010 suggest two contrasting forces that nevertheless co-exist. On one hand, Olympic games become more business-oriented because globalization has brought stakeholders of different interests more closely together. These phenomena are shown in different ways, though they both contain similar elements such as huge stadiums, and repeating controversies such as human rights and housing eviction. Nevertheless, the Olympic games are more divergent according to the cultural and social characters of the hosting nations. The Canadian government, by imposing a more liberal and democratic impression through its subtle involvement was better off than the Chinese authority who
tended to terrify the foreign media and visitors with its absolute control. This two-force scenario in fact vividly captures the fact that, despite the homogenizing globalization, local characteristics still play an important part in shaping the urban geography phenomena, in this case the Olympics. It is the hope of this article, by focusing on the nature of government involvement, to contribute not only to the comprehensive understanding of the Olympic games but also to the comprehension of the relationship between globalization and localization.
References


