

The Impact of the 2008 Beijing Olympic Games on Beijing's Economic Growth

Zitai Ren

Beijing Royal School, Beijing, 102209, China

*Corresponding author. Email: renzitai888@163.com

ABSTRACT

The 29th Summer Olympic Games was held in Beijing in 2008. Like the previous Olympic Games, the 2008 Beijing Olympic Games had a profound impact on the local economic growth of Beijing, which could be divided into three stages: the pre-Olympic Games, the mid-Olympic Games, and the post-Olympic Games. However, in these three different stages, factors that influenced on the local economic growth of Beijing were different, and the levels of effect were also different, which could be divided into direct effect and indirect effect. On the whole, the 2008 Beijing Olympic Games created many positive effects on the local economic growth of Beijing, including a great improvement in many different industries, the direct income from hosting the Olympic Games, and an increase in number of jobs.

Keywords: 2008 Beijing Olympic Games, economic growth, infrastructure, industries

1. INTRODUCTION

The Olympic Games began more than 2,000 years ago in ancient Greece, and after the ban of the 394 Olympic Games in ancient Greece, this great cultural event was rediscovered and spread throughout the world in the late 19th century, becoming known as the modern Olympics Games. The Olympics Games is held every four years by major cities all over the world. Because the large number of participating countries and participants and the far-reaching significance it brings, the modern Olympics Games occupies an important position in human civilization, and has become one of the most important cultural activities in human history [9]. When the 2021 Tokyo Olympics and 2022 Beijing Winter Olympics are coming, the two host cities are still being active to host the Games despite the potential risk of the epidemic, which shows that hosting an Olympics Game is of great significance. At the same time, the Olympic Games is not only a large scale cultural event, but also has special economic value. From the Los Angeles Olympic Games held in the United States, the commercial operation mode and the potential economic value of the Olympic Games are gradually used and discovered, which has attracted the attention of many big cities to actively apply to host the Olympic Games [8]. After Beijing successfully bid for the Olympic Games, the Olympic Games brought great economic benefits to Beijing in many aspects, which greatly increased the

economic growth rate of Beijing. The purpose of this research is to find the benefits of hosting the Olympic Games for Beijing's economic development. Through analyzing the differences between before, during and after the Olympics, The author specifically discussed the factors affecting Beijing's economic growth and the ways of these factors at different stages of the Beijing Olympics.

2. THREE STAGES OF THE OLYMPIC GAMES

Since November 1998, the Executive Meeting of the Premier of the State Council of China and the Standing Committee of the Political Bureau of the CPC Central Committee have studied the bidding work of the Olympic Games and decided that Beijing would bid for the 29th Summer Olympic Games in 2008. On July 13, 2001, the 112th plenary session of the International Olympic Committee voted Beijing as the host city of the 2008 Summer Olympic Games. From here on, hosting the 29th Olympics Games has exerted a profound impact on Beijing's economic growth. Hosting the Olympic Games on Beijing's economic growth has many complex aspects, and this paper will divide the Olympic Games into three stages and step by step analyze the impact of the Olympic Games on Beijing's economic growth.

The impact of hosting the 29th Summer Olympic Games on Beijing's economy can be divided into three

stages — pre-Olympic Games, mid-Olympic Games, and post-Olympic Games. The pre-Olympic Games refers to the whole period from the successful bid to the official start of the Olympic Games; the mid-Olympic Games refers to the running period of the Olympic Games; the post-Olympic Games refers to all periods after the end of the Olympic Games. These three periods have their own particularity in influencing Beijing's economic growth, such as direct and indirect impacts, impact degrees, and the continuity of these impacts.

3. PRE-OLYMPIC GAMES

During the stage of Pre-Olympic Games, the impact of the Olympic Games on Beijing's economic growth is mainly reflected in construction of sport venues, development of various industries preparing for the Olympic Games and an increase in the number of jobs.

3.1. Sports Venues

With the birth of the modern Olympic Games, more and more sports join in, which made the requirements of the Olympic Games for sports venues become much higher. There were not only large outdoor stadiums, but also more indoor gymnasiums built for commercial or ornamental needs. It was a great challenge for Beijing to meet the needs of competition and build enough venues, since the number of sports venues in Beijing was far from enough to meet the needs of the Olympic Games.

However, there were many ways to build new sports venues. It was not necessary to build new stadiums or gymnasiums, the expansion of existing venues or construction of temporary venues were also options [6]. During the preparation for the 2008 Beijing Olympic Games, a total of 12 new stadiums and gymnasiums were built for the Olympic Games, including "Bird's Nest" and "Water Cube", 11 new stadiums and gymnasiums were rebuilt and expanded, and 8 temporary stadiums and gymnasiums were built.

Moreover, reasonable construction of stadiums is of great significance to the sustainable economic development of future urban construction. The construction of single function or large unnecessary stadiums would bring burden to the future economic development of the city. Therefore, there were two principles for the establishment of the stadium in 2008 Beijing Olympic Games. First, to ensure that the stadium can be used after the Olympic Games, whether it is to continue to host sports events or for public entertainment. Taking the Olympic Park as an example, the construction of the Olympic Park held another purpose after the Beijing Olympic Games. It formed a large-scale cultural and entertainment center and effectively drove the local economic development [6]. Second, the construction of new large-scale stadium needed a lot of funds, which were not necessarily all funded by the government. In

order to reduce unnecessary risks and increase economic vitality, new channels should be added to get the funds needed for the construction. For example, the two most important sports venues in 2008 Beijing Olympic Games: "Bird's Nest" and "Water Cube". Their construction was not entirely funded by the government. With of all the funds used in the construction of the Bird's Nest, only half of them are funded by the government, and the Water Cube was built with donations from overseas Chinese from all over the world [5].

3.2. Infrastructure

In order to meet the overall smooth progress of the Olympic Games, and according to one of the major tenets of the 2008 Beijing Olympic Games — "Science and Technology Olympics", the government also spent a lot of thoughts on the construction and improvement of infrastructure. At the same time, the construction of these infrastructures made good preparations for the future economic development of Beijing.

First of all, in order to ensure the living conditions of athletes from all over the world, the development of the construction industry was very important. For example, the Olympic village near the Olympic Park, which had strong construction level and function, was sold as high-end commercial housing after the Olympic Games [3].

Second, the development of the construction industry drove the development of the manufacturing industry. In order to improve the construction level of these infrastructures and meet the purpose of "Green Olympics" and "Science and Technology Olympics", many new materials and environmental protection products were used in the construction industry. As a result, the manufacturing industry and the construction industry could develop together.

Third, the communication industry played an important role in the process of hosting the Olympic Games, and progressed during the preparation period. According to the principle of "Science and Technology Olympics" and the development of modern Olympic Games, 2008 Beijing Olympic Games needed the intervention of communication industry in many aspects. In order to provide smooth and perfect information service for the Olympic Games, digital network technology, remote audio and video transmission technology and graphic display technology are introduced. The use of smart card technology promoted the progress of the Olympic Games. Also, in order to meet the statistics of every link in the Olympic Games, many scoring and timing systems were developed [7].

Fourth, the development of transportation guaranteed the Olympic Games. Many intelligent transportation systems were developed and put into use. For example, the modernized traffic command and dispatch system, automatic detection and alarm system for traffic events,

automatic identification of "odd-even" traffic monitoring system, digital HD integrated monitoring system for the Olympic central area, digital traffic law enforcement system with closed-loop management, intelligent regional traffic signal system, flexible control of expressway traffic control system, bus first traffic signal control system, continuously guided large road-side variable information board and real-time traffic condition forecasting system. These systems were not only used during the Olympic Games, but also played an important role in many other industries, such as tourism and service industries.

4. MID-OLYMPIC GAMES

During the Olympic Games, the direct income from hosting the Olympic Games comes from many aspects, and the value is very considerable.

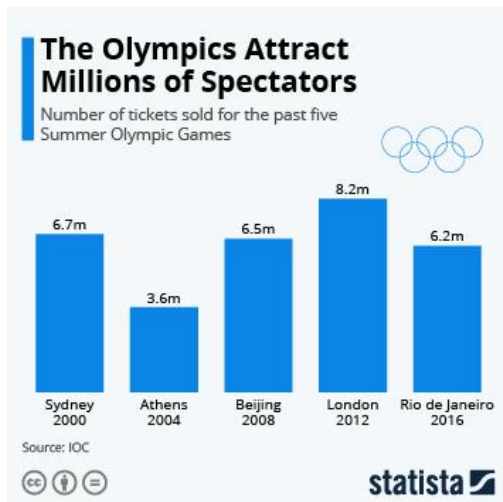


Figure 1 The Olympics Attract Millions of Spectators

The first type of income is the Olympic Games' TV broadcast income, part of which belonged to the IOC, the other part directly become the income of the Beijing Olympic Games Organizing Committee. According to statistics and research, the TV rights of the 2008 Beijing Olympic Games were nearly 1.7 billion US dollars. Therefore, according to the correct allocation plan, the 2008 Beijing Olympic Games Organizing Committee would get 833 million US dollars. Second, through the business license, the NOC and the OCOG could get part of the revenue from the total turnover of the businesses, and its main areas of licensing were souvenirs, drinks and food. Third, through the direct sale of souvenirs with the representative significance of the Olympic Games and the issuance of Olympic commemorative coins and stamps with the characteristics of the Beijing Olympic Games, Beijing could obtain the consumption income from consumers all over the world and in local areas. Fourth, with the gradual increase of local people's income and the gradual popularization of the Olympic Games and various sports, people began to buy Olympic lottery tickets, which brought huge profits to Beijing.

Fifthly, the Olympic Games was a large-scale, global cultural activity, which attracted a large number of foreign and domestic tourists to watch. Such a large number of visitors has greatly increased the ticket revenue. Finally, in order to expand the reputation and popularity of the enterprises, the huge sponsorship expenses brought by the major enterprises also brought huge direct income to Beijing [1].

5. POST-OLYMPIC GAMES

After the end of the Olympic Games, many industries developed further because of the potential help from the Olympic Games, among which tourism and service industries would continue to grow drastically after the end of the Olympic Games, and growth in these two fields will bring a large amount of money to the local area.

5.1. Tourism Industry

Due to the active hosting and preparation of the Olympic Games, Beijing's infrastructure and transportation development improved. At the same time, because Beijing was the host of the Olympic Games, the successful hosting of the Olympic Games also promoted the popularity of Beijing and China. The promotion of the foundation of the development of tourism industry and the improvement of local popularity effectively promoted the further development of tourism industry.

5.2. Service Industry

First, because of the government's investment in infrastructure during the preparation stage of the Olympic Games, many infrastructures in the Olympic Park. The suburbs of Beijing have been greatly improved, which led to the improvement of the business service industry and the consumer shopping environment. Second, due to the convenience of foreign athletes for consumption and in order to provide more convenient services during the Olympic Games, the use of bank cards for consumption became more popular, and the realization of credit card consumption barrier free made the development of commercial services more efficiently. Third, due to the development of tourism and business services related industries during the Olympic Games, business services have also been promoted. The increase of tourists has promoted the improvement of business street environment and further promoted the prosperity of business [2].

6. INCREASE IN JOBS

During the whole preparation period of the Olympic Games, various industries were developing rapidly, and the number of employees required was also increasing sharply. According to the forecast of that year, from 2002

to 2007, a total of 1.94 million new jobs would be created, with an average of 320000 new jobs per year. This was only in the preparatory stage, and more jobs were created after the official start of the 2008 Olympic Games. These jobs were assigned to different industries, including builders of Olympic venues, designers, infrastructure workers, communication technicians, traffic managers and so on [4].

7. CONCLUSION

Holding Olympic Games can bring a large amount of benefits to the holding city and country. Through the analysis and statistical results, it is concluded that the 2008 Beijing Olympic Games created a great impact on the local economic growth in Beijing, and could be divided into three stages for convenient analysis: pre-Olympic Games, mid-Olympic Games, and post-Olympic Games.

At the pre-Olympic Games stage, the preparation for the 2008 Beijing Olympic Games speeded up the construction and expansion of sports venues, the improvement of infrastructure, and the development in many other industries, such as construction, manufacturing, communication, and transportation. Moreover, the promotion of the technology of communication and the rationalization of traffic control not only made a good preparation for the Olympic Games, but also provided a basis for the development of other local industries in Beijing. These industries not only had a good space for development, but also influenced each other and made progress together in the process, which greatly improved the local economic level of Beijing and prepared for the sustainable growth in the future.

At the mid-Olympic Games stage, Beijing earned a lot of money in a great range of fields, including the Olympic Games' TV broadcasts, business licenses, the direct sale of souvenirs, the issuance of Olympic commemorative coins and stamps, Olympic lottery tickets, audience tickets, and huge sponsorship expenses.

Finally, at the post-Olympic Games stage, with the further development in many industries and the improvement of infrastructure, tourism industry and service industry were promoted and brought a huge amount money to the local area.

ACKNOWLEDGMENT

Firstly, I would like to show my deepest gratitude to my teachers who have provided me with valuable guidance in every stage of the writing of this thesis. Further, I would like to thank all my friends and parents for their encouragement and support. Without all their enlightening instruction and impressive kindness, I could not have completed my thesis.

REFERENCES

- [1] Zhang Yunjian. (2002). Beijing Olympic Games direct economic income outlook. *Perspectives of Economy*, 18-19.
- [2] Wang Jing, & Jiang Yi. (2008). Take advantage of the Olympic Opportunity to improve Beijing's commercial services. *Era Trade*, 71-72.
- [3] Liu Jing, Zeng Jing, Liu Anhe, & Qi Xuan. (2008). Green Olympic Architecture -- Design and Thinking of the Olympic Village for the 29th Olympic Games. *Olympic Architecture*, 36.
- [4] Liu Jia. Brief analysis of the impact of the 2008 Olympic Games on Employment in Beijing. *Modern Business*, 284.
- [5] Ding Zhipeng. (2008). Some thoughts on the construction of stadium for 2008 Beijing Olympic Games. *Journal of Physical Education College of Shanxi Normal University graduate thesis special issue*, 29.
- [6] Lin Xianpeng. (2005). Research on the Construction and Post-game Utilization of modern Olympic Stadium. *Journal of Beijing University of Physical Education*, 1442-1444.
- [7] Ma Yujuan. (2002). Study on the Impact of 2008 Olympics on the Development of Beijing's Communications Sector. *Academic Forum on Telecommunications technology*, 19-21.
- [8] Li Xia. (2008). Study on the impact of 2008 Olympic Games on Beijing's Economic growth, 9-12.