Legal Guarantees for Olympic Legacy

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Abstract

Such is the power of the International Olympic Committee (IOC) that they require sovereign states, eager for key cities to host future editions of the Olympic Games, to enact specific legislation designed to protect, amongst other things, the Olympic brand and its associated trademarks; it is also intended to prevent the occurrence of ambush marketing before and during the period of the Games, thereby protecting the commercial interests of the IOC and the sponsors participating in the Olympic Partner program. However, there are no such requirements for guarantees pertaining to the intended legacy outcomes of these Games, either in terms of their physical manifestation, or with regard to their sustainability, despite sustainable development being one of the pillars of the Olympic Movement. This paper argues that if the IOC were serious in their professed intent that Games’ legacies be beneficial for the residents of host cities, regions and countries over time, they could require the enactment of straightforward legislation guaranteeing planned and sustainable outcomes. Furthermore, the paper provides the example of a Canadian educational foundation to illustrate the infrastructure the IOC could impose on host cities to ensure Games’ outcomes are sustainable in terms of the lifespan of venues, infrastructure, facilities and equipment.

Keywords


Introduction

Over recent years, legal guarantees have become an increasingly important mandatory requirement of the selection process potential Olympic host cities have undertaken (McKelvey & Grady, 2004; Townley, Harrington, & Couchman, 1998). Guarantees serve a variety of purposes, including the overall on-time delivery of the Games. They fall into a number of different functional categories such as financial, environmental, technological, security and marketing (e.g., IOC, 2004). One of the prime, yet often understated, rationales for their existence is the continued protection of the International Olympic Committee’s (IOC) extremely valuable Games-related intellectual property rights (IPR) against, in particular, ambush marketing (Ellis, Scassa, & Séguin, 2009). Legal guarantees protect the substantial revenues generated by licensing this IPR, which are enjoyed by the IOC and respective Organising Committees (OCOG) (Kitchin, 2007, p. 103) and which are necessary to host the Games (Wall, 2002). They also protect the significant financial investments made by organisations participating in the IOC’s Olympic Partner (TOP) sponsorship program and other commercial partners associated with the staging of the Games (e.g., Curthoys & Kendall, 2001; McKelvey & Grady, 2004; Payne, 1998; Schmitz, 2005; Townley, et al., 1998; Wall, 2002). Consequently, the overall impact of IPR-related guarantees is to ensure current IPR leveraging opportunities are maximized and future fiscal revenues protected.

Guarantees are provided through the adaptation or extension of existing national and regional legislation, the enactment of new laws created for the specific purpose of Games-related IPR-
The IOC has an explicit mandate regarding Games’ legacies which is enacted through each edition’s Organising Committee: to deliver various planned outcomes that together ensure ‘host cities and residents are left with the best possible legacy’ (IOC, 2004, p. 11) and which are implicitly sustainable in economic, environmental and social terms (Stuart, 2009). However, the complete delivery of such planned, positive and sustainable Games outcomes is not always achieved due to the impact of a number of key factors: economic, environmental, infrastructural, personal, political and those associated with poor and/or inadequate planning (e.g., Coaffee, 2007, pp. 159 - 160; Evans, 2007, p. 300; M. M. Gold, 2007, p. 279; Mangan, 2008).

To avoid future occurrences of such failure it would not be materially difficult for the IOC to use its previously demonstrated coercive power (French & Raven, 1959) to require that national and/or regional host governments, via bid committees and OCOGs, enact supplementary legacy-related legislation designed to remain in force for a period of time appropriate for guaranteeing a consistent set of Games-related sustainable outcomes. Whilst not condoning the IOC’s use of coercive power in order to safeguard and increase their revenue streams, it is not too much of a stretch to suggest that such power could be similarly employed to ensure the IOC’s positive legacy intentions toward the inhabitants of a host city, region and country (IOC, 2007 Article 2:14) are sincere and realised in a planned, positive, and sustainable manner (Liao & Pitts, 2006).

This paper argues that the IOC is eminently well positioned to propose the introduction of additional legislative requirements in the host city bid process to minimize unplanned, negative and unsustainable legacy outcomes from future editions of the Olympic Games, whilst at the same time optimizing those that are planned, positive and sustainable. It does so by first presenting a descriptive overview of the guarantees currently required by the IOC from cities wishing to bid to host an edition of the Games. Subsequently, it provides examples of recently executed guarantees supporting successful Olympic hosting bids in order to demonstrate the widespread acceptance of the IOC’s demands. The paper continues with an analysis of key Olympic documentation regarding the intentions of the IOC in respect of sustainable legacy outcomes from the Games, and suggests that they are often unfulfilled. Thereafter, the paper proposes the example of a successful Canadian non-governmental not-for-profit educational Foundation to illustrate a model of the infrastructure that national or regional governments could be required, by the IOC, to establish as part of their city’s candidature. Such action would contribute to ensuring that future Games outcomes, including all associated facilities, infrastructure, venues and equipment, are planned and managed in a manner that is economically, environmentally and socially sustainable for their expected lifespan and consequently of material benefit to the residents of the host city, region and country. Any costs incurred by the IOC for such a condition would be negligible, as with currently imposed brand protection requirements. The paper concludes by suggesting that the motivation for the IOC to undertake such action would be the overall enhancement and protection of Olympic brand values and hence future earnings from Games-related IPR revenues. Whilst not the main focus of this...
paper, it also suggests that such action would indicate that the IOC recognizes the long-term economic value of legacy projects to their brand, as well as to other key stakeholders.

AN OVERVIEW OF GUARANTEES REQUIRED OF HOST CITIES BY THE IOC AND THEIR PURPOSE

The IOC’s requirement for various binding guarantees from candidate cities bidding to host a Games edition has existed for the past several years; such guarantees are currently contained under 17 separate themes (e.g., IOC, 2004), intimately related to Articles and Rules contained within the Olympic Charter (McKelvey & Grady, 2004). Their main purpose appears threefold: firstly as a metric for evaluating each city’s candidature (e.g., IOC, 2004, p. 33); secondly to protect the IOC and each successive OCOG by ensuring that the Games commence on schedule and proceed in accordance with the successful bid proposal and the established principles of Olympism as the winning city transforms itself from candidate to host (e.g., IOC, 2004, p. 33); and thirdly to protect the IOC’s extremely valuable brand equity, which mostly resides in the rights to various elements of Olympic intellectual property such as the official ‘five rings’ logo and other such indicia (Schmitz, 2005; Wall, 2002).

Prior to a city’s candidature file being formally submitted and evaluated by the IOC, a number of legal guarantees need to be obtained and collated by each potential host city’s bid committee. These guarantees are made, endorsed or underwritten by the prospective host’s national or regional government, and are often adaptations or extensions of existing legislation (Curthoys & Kendall, 2001). To illustrate the broad scope of activities covered by these agreements, Table 1 summarises the guarantees required of cities bidding to host the 2012 Olympics. The guarantees are contained within 17 different themes, each addressing a distinct operational area in the Games’ organisation (IOC, 2004). Whilst the format and sequence of guarantees may differ from one Games cycle to another, the themes have remained constant over a number of years. The chosen example has no special significance; it serves solely to illustrate the range and scope of guarantee sought by the IOC during the host city bid process. To illustrate the breadth of this onerous requirement, a brief description of each of the major guarantee themes follows. Currently, there is no requirement for a guarantee in the first theme dealing with the concept and legacy of the Games.

<p>| Table 1 – A Summary of the Themes and Associated Guarantees Required of Olympic Candidate Cities |</p>
<table>
<thead>
<tr>
<th>Theme</th>
<th>Description of guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Olympic Games concept and Legacy</td>
<td>None required</td>
</tr>
<tr>
<td>2 Political and economic climate and structure</td>
<td>(i) Financial or other, obtained from national, regional and local authorities and bodies involved in hosting the Games</td>
</tr>
<tr>
<td>3 Legal aspects</td>
<td>(i) Covenant from all national, regional and local authorities concerned with hosting the Games; (ii) contra events taking place during or immediately after the Games; (iii) to protect the word mark ‘[city] [date]’ within the territory; (iv) all necessary legal measures be taken to protect Olympic marks; and (v) the Bid Committee is empowered to represent the candidate city</td>
</tr>
<tr>
<td>4 Customs and immigration</td>
<td>(i) Entry into host country using Olympic identity and accreditation card; (ii) temporary entry for Games-related personnel to work and domicile prior to the Games; and (iii) authorising the free import, use</td>
</tr>
</tbody>
</table>
and export of Games-related goods

| 5 Environment and meteorology | (i) Required construction work for the Games compliant with: (a) local, regional and national regulations and acts; and (b) international agreements and protocols regarding planning, construction and protection of the environment |
| 6 Finance | (i) Protect against fiscal shortfall; (ii) other additional financial guarantees; and (iii) hotel and related service price control before and during the Games |
| 7 Marketing | (i) Enclose one fully executed copy of the JMPA, including written guarantees from each National Sports Federation; (ii) confirmation of legislation necessary to combat ambush marketing; (iii) binding options to acquire all existing or hereafter developed outdoor advertising space, advertising space on public transport, and Games-related airport advertising space; (iv) OCOG’s unconditional participation in the TOP programme and IOC international sponsorship and licensing programmes; (v) plans for the proposed (commemorative) coin programme; and (vi) Olympic lottery revenue shortfall protection |
| 8 Sport and venues | (i) Adequate financing of the required work; (ii) appropriate use of venues and control of commercial rights; and (iii) International Federation agreements for use of venues |
| 9 Paralympic Games | (i) Secure funding for the Games |
| 10 Olympic Village (OV) | (i) The OV site accords with the city development plan etc; (ii) adequate financing of the work; (iii) government subsidies and/or rental costs related to the Olympic Village; (iv) use of existing buildings and infrastructure, if applicable; (iv) international accessibility standards for the Olympic and Paralympic Village; and (v) to control commercial rights within the OV; (vi) paying travel costs, in economy class, of participating NOC/NPC delegations |
| 11 Medical Services | (i) Health care investment plans described in the Candidature File are practicable and compatible with the harmonious development of host country, region and city |
| 12 Security | (i) Secure, safe and peaceful celebration of the Olympic and Paralympic Games |
| 13 Accommodation | (i) Statement describing the hotel rating system and hotel room inventory; (ii) candidate city’s total hotel room capacity and other accommodation; (iii) hotel room availability, room rates, minimum stay, price controls etc; and (iv) accommodation construction authorisation, work timelines and financials |
| 14 Transport | (i) Planned and additional transport infrastructure projects; (ii) projected airport capacity improvements; (iii) projected fleet and rolling stock capacity improvements; and (iv) transport and traffic management command and control centre |
| 15 Technology | (i) Allocation of radio frequencies for the organisation of the Olympic Games; and (ii) free access to the Olympic Family to allocated radio frequencies |
| 16 Media operations | (i) Construction for the IBC and MPC, including timelines, financing, possession, retrofit and vacation dates |
| 17 Olympism and Culture | None required |


Under theme 2, covering economic and political issues, indications are sought from national, regional and local authorities regarding their financial and material commitment to, and support for, the bid committee’s proposal to host the Games and the extent to which such support is manifest through legal instruments (IOC, 2004). This protects the IOC and the OCOG by contractually ensuring that the host city is capable of delivering the Games as specified and on time.

A second category of guarantee focuses on the visitor experience during the Games. The IOC seeks to ensure an appropriate level of Olympic visitor accommodation at prices that are not inflated. Guarantees are required regarding the capacity of the designated international airport, its associated infrastructure and projected increases in the city’s public transport system. Further, the IOC requires that all transport activities in the ‘Olympic region during the Olympic Games’ are integrated and coordinated with the OCOG and operated by a single designated authority (IOC, 2004, p. 202).

The needs of IOC members and officials, International Federation (IF) and National Olympic and Paralympic Committee (NOC/NPC) delegates and athletes and their entourages, are catered for under several different themes: customs and immigration, technology, the Olympic Village, medical services and media operations. Governments must guarantee access to the country before and during the Games for all individuals with Olympic accreditation and cover participating NOC/NPC delegations’ travel costs. Also required are several guarantees related to the Olympic Village, in particular that the site aligns with the city’s existing development plan, and that all relevant national and international planning and construction standards are complied with, particularly with regard to Paralympic athletes’ specific needs.

Guarantees are required relating to Games financing, the environment, sport and venues, and the Paralympic Games. A financial guarantee is required from the host’s national government covering any shortfall in the OCOG’s operating budget. Environmental guarantees connect with those concerning sport and Games venues; all construction work has to comply with ‘local, regional and national regulations and acts, and international agreements and protocols regarding planning, construction and protection of the environment’ (IOC, 2004, p. 88).

A guarantee concerning security aspects of the Olympics is also required; the intention being to ensure a ‘safe and peaceful’ Games (IOC, 2004, p. 175). Due to an accumulation of various high profile international terrorist activities ranging from the 1972 Munich Olympic massacre to the non-sport-related atrocities witnessed in New York on 11 September 2001 and in London on 7 July 2005, the day after the 2012 Games were awarded to that city (Pitts & Liao, 2009, p. 17), Games security has become an issue of inordinate importance to the IOC and one that is increasingly addressed by the guaranteed allocation of significant levels of financial and other resources from national, regional and municipal governments. Indicative of the serious nature of
this issue, the final security budget for the 2010 Vancouver Winter Olympics will exceed $1bn (Dowd, 2009; Krashinsky, 2009), whilst that for the 2012 Summer Games in London is currently estimated at $3bn (Merrick, 2008).

The final category of guarantees, and those most related to this paper, incorporate the IOC’s most comprehensively stated legal prerequisites. They impact on Olympic marketing and sponsorship in general and, more specifically, the protection of the IOC’s IPR from ambush marketing. It is via the consistent delivery of these particular guarantees that, since 1993, the IOC’s coercive power is most evident. As McKelvey and Grady observe, ‘a growing number of major countries have enacted special legislation…in support of the [brand protection components of the] Olympic Charter’ (2004, p. 194). It is acknowledged that the Games could not take place without the financial support of those most protected by such legislation (e.g., SOCOG, 2001; Wall, 2002).

Under the provision of guarantees associated with IPR, hosts have to demonstrate that ‘appropriate measures’ have been taken to protect the city’s name in association with the year for which the Games have been awarded, i.e. London 2012 (IOC, 2004, p. 78). National governments must also declare that all ‘necessary legal measures’ have been, or will be, taken to protect, in the name of the IOC, all registered Olympic ‘symbols, emblems, logos (and) marks’ in accordance with the Olympic Charter and host city contract (IOC, 2004, p. 79). Furthermore, since 1997 (Curthoys & Kendall, 2001), candidate cities are required to ‘prepare the local marketplace’ by providing guarantees from their government that the ‘legislation to reduce and sanction ambush marketing,’ eliminate street vending, and control advertising and air space during the Olympics will be passed a minimum of two years before the Games (IOC, 2004, p. 122). In this extension of the IOC’s ‘clean venue’ requirement, intended to encompass the broad parameters of the city (Townley, et al., 1998), the municipality also has to ‘secure all advertising space within the city limits of the Games for the entire month in which the Games are to be held’ (McKelvey & Grady, 2004). This is done by obtaining ‘binding options’ from each space owner to acquire all ‘existing or hereafter developed’ billboards, public transport advertising space and indoor and outdoor advertising space at the airports used for the Games (IOC, 2004, p. 122). Control of all commercial rights associated with the Olympic Village, all stadia and other venues has to be retained by the OCOG including, ‘in-stadium signage, catering and concession signage and services, venue naming rights, etc.’ (IOC, 2004, p. 135). The bid committee also has to provide a guarantee confirming the OCOG’s unconditional participation in the exclusive TOP program and all IOC international sponsorship and licensing programs.

From the foregoing it is evident that a substantial number of the IOC’s bid city guarantee requirements have the exclusive intention to protect the IOC’s commercial interests, IPR and other properties associated with the Olympic Games. This confirms Scassa’s observation that ‘the IOC asserts rights over any conceivably proprietary aspect of the Games’ (2008), reinforces Wang’s suggestion that ‘the Olympic Games’ prestige and the fiercely competitive bidding process place the IOC in the position to dictate necessary IPR protections from the host country’ (2007), and reinforces the conclusion by the Sydney Games Organising Committee that ‘the Games would not be possible without the receipt of…guarantees and legislative support’ (2001, p. 33).

Having established the range and scope of the guarantees required of candidate host cities by the IOC, it is appropriate to present some recent examples of Games-related legislation enacted by nation states to satisfy the IOC’s requirements specifically in relation to IPR protection.

**GAMES SPECIFIC ADDITIONS AND EXTENSIONS TO EXISTING NATIONAL IPR PROTECTION LEGISLATION**

The IOC’s IPR encompass many intangible elements and is considered the organisation’s most valuable asset (Wall, 2002). Without IPR licensing revenues, generated via sponsorship and broadcasting, the Olympic Games would probably not exist in their current format (e.g., Curthoys & Kendall, 2001; Payne, 1998; Shani & Sandler, 1998). Prior to the 1996 Atlanta Summer Games the IOC considered host countries possessed sufficient national legislation to protect Games-related IPR. Much of this legislation still exists worldwide, is solidly founded on the 1883 Paris Convention for the Protection of Industrial Property (World Intellectual Property Organization, 2009b), and is considered effective for most commercial trademark purposes. Latterly, a number of host countries incorporated the 1981 Nairobi Treaty on the Protection of the Olympic Symbol (World Intellectual Property Organization, 2009a) into their brand
protection legislation to provide even more comprehensive protection for Olympic trademarks and indicia. However, since Nike’s sustained, widespread and high profile ‘ambush’ of the official marketing campaigns associated with the ‘highly commercialized’ Atlanta Games (e.g., Curthoys & Kendall, 2001; Payne, 1998; Shani & Sandler, 1998), the IOC has taken a ‘very aggressive attitude in protecting its rights’ (Payne, 2006, p. 145), and has sought to gain additional legal protection for Olympic trademarks and other IPR in host territories (McKelvey & Grady, 2004; Townley, et al., 1998).

In short, the IOC has successfully used its coercive power to achieve the extraordinary outcome whereby sovereign states enact national legislation solely for the protection of the Olympic brand, its revenues and those of commercial organisations associated with the Games. In the light of comprehensive pre-existing legislation, many consider these additional legal instruments wholly unnecessary (e.g., Scassa, 2008). Such is the allure and perceived, though often illusory, material benefit of hosting the Olympic Games (J. R. Gold & Gold, 2007c, p. 6; 2008; Mangan, 2008), that national authorities are willing to expend significant scarce resources, such as time and tax revenues, to protect the IPR of an external agency: the IOC.

Table 2 documents the IPR protection related legal instruments specifically created for recent Summer and Winter Olympiads, from the millennium Games in Sydney to those in Rio de Janeiro, the recently appointed host city of the 2016 Summer Games.

<table>
<thead>
<tr>
<th>Year</th>
<th>Games</th>
<th>Legislation</th>
<th>Enacted</th>
<th>Rights Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sydney 2000 Games (Indicia and Images) Protection Amendment Act 1997</td>
<td>1997</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Italian State Law 167/05</td>
<td>2005</td>
<td>1999</td>
</tr>
<tr>
<td>2010</td>
<td>Vancouver</td>
<td>The Olympic and Paralympic Marks Act</td>
<td>2007</td>
<td>2004</td>
</tr>
</tbody>
</table>
Potential candidates are evidently willing to enact national legislation protecting the IOC’s IPR in order to be considered eligible in the Olympic Games host bidding process (Townley, et al., 1998). However, and despite the increasing importance of sustainable legacy plans in the Olympic bid process (e.g., Stuart, 2009), there is no evidence of any palpable concern surrounding their implementation, neither is there any formal mechanism to guarantee the post-Games delivery of pre-Games legacy promises. To robustly develop this paper’s argument the following section introduces the concepts of legacy and sustainability in relation to the Olympic Movement and demonstrates how they are linked through an analysis of key Olympic documentation.

SUSTAINABILITY AND LEGACY WITHIN THE OLYMPIC MOVEMENT

For as much as access to, and participation in, sport is a human right (e.g., IOC, 2007, p. 11; UN, 2003, p. 3; UNESCO, 1978), sustainable development is a profound human responsibility and one that must be acknowledged increasingly by the sport community (Chernushenko, van der Kamp, & Stubbs, 2001, p. 231). In this context sustainable development incorporates three main dimensions: economic, environmental and socio-cultural (Pitts & Liao, 2009, p. 4; UNDESA, 2005). Whilst sustainability is not a pre-requisite of the legacy outcomes of large scale and mega sports events, within the Olympic Movement the two concepts are conjoined through core documentation such as the Olympic Charter, the Olympic Movement’s Agenda 21: Sport for Sustainable Development and the Candidate Procedure and Questionnaire guidelines for cities wishing to host an edition of the Olympic Games. Sustainability featured prominently during the IOC’s 2002 symposium, ‘The Legacy of the Olympic Games 1984 – 2000’ (de Moragas, Kennett, & Puig, 2002), with three chapters of the proceedings devoted to the sustainability of environmental (Tarradellas, 2002), infrastructural (Essex & Chalkley, 2002), and cultural (García, 2002) aspects of Games legacy. The concept continues to be manifest in current and future Games through the Olympic Games Impact Program. To articulate the linkage between sustainability and Games legacy within the Olympic Movement, the three key Olympic documents previously referred to are analysed, together with the Baseline Report from the Vancouver 2010 Olympic Games Impact Program.

THE OLYMPIC CHARTER

The Olympic Charter is the ‘codification of the fundamental principles, rules and bye-laws adopted by the International Olympic Committee…it governs the organisation and running of the Olympic Movement and sets the conditions for the celebration of the Olympic Games’ (IOC, 2009, p. 9). It is the preeminent document of the Olympic Movement, taking precedence in the Olympic litany. The Charter is dynamic and was amended in 1996 to incorporate the concept of...
sustainable development. Article 2.13 states part of the IOC’s role is to ‘encourage and support a responsible concern for environmental issues, to promote sustainable development in sport and to require that the Olympic Games are held accordingly’ (IOC, 2007, p. 15). The subsequent Article states another role of the organisation is to ‘promote a positive legacy from the Olympic Games to host cities and host countries’ (IOC, 2007, p. 15). Despite the Charter not explicitly conjointing sustainable development and legacy outcomes, it implicitly requires that the legacy outcomes of the Games are positive and sustainable for citizens of the host city, region and country.

**AGENDA 21: SPORT FOR SUSTAINABLE DEVELOPMENT**

Agenda 21 is a ‘comprehensive plan of action to be taken globally, nationally and locally by2 organisations of the United Nations System, Governments, and Major Groups in every area in3 which human impacts on the environment’ (UN, 2010). The UN conceived Agenda 21: the Rio Plan for Sustainable Development in 1993; its principles are predicated on economic, environmental, and social factors. In 1999 the IOC became a signatory to the UN plan, simultaneously publishing the Olympic Movement’s sport-related adaptation. The IOC claim this publication ‘demonstrates the commitment of the Olympic Movement to protection of the environment and sustainable development’, and that the IOC subsequently ‘sets its action in the framework of sustainable development’ (1999, pp. 13, 20). Furthermore, the IOC became a strong advocate for sustainability, as all members of the Olympic Family were transformed into ‘effective campaigners for sustainable development’ and all future actions undertaken by the Olympic Movement would be in the ‘spirit of sustainable development’ (1999, pp. 32, 33). Consequently, IOC Agenda 21 irrefutably articulates the embodiment of the three key elements of sustainable development within the Olympic Movement and clearly describes the notion of the Games leaving something behind for future generations, for example, the creation of a sustainable legacy. Agenda 21 therefore creates a clear validation of the linkage between sustainability and legacy outcomes.

**CANDIDATE PROCEDURE AND QUESTIONNAIRE: GAMES OF THE XXX OLYMPIAD IN 2012**

This document states that, as a ‘responsible organisation’, one of the key messages regarding Games outcomes that the IOC wants to communicate to potential future hosts is the need to4 ‘maximise the Games’ benefits’ thereby ensuring ‘host cities and residents are left with the best possible legacy in terms of venues, infrastructure, environment, expertise and experience’ (2004, pp. 11, 14). In particular, venue planning should ‘support the concept of sustainable development as it applies to the Olympic Games in general, and to venues specifically’ and new venues should only be constructed if ‘there is a legacy need’ and if their future use is incorporated into municipal long-term planning (2004, pp. 132, 169). Taken in tandem with Agenda 21, there is a clear intention that the planned Games legacy should be sustainable in economic, environmental and social terms.

**VANCOUVER 2010 OLYMPIC GAMES IMPACT PROGRAM BASELINE REPORT**

In 2003 the IOC created the Olympic Games Impact (OGI) Program in recognition of ‘the2 importance of sustainable development and social responsibility’ (VANOC, 2007, p. 6). The5 intention is to measure the global impact of the Games, to create a comparable benchmark across future Games and to facilitate pertinent knowledge transfer between outgoing and incoming Organising Committees. For each Games a series of ‘126 indicators measuring the status of many environmental, socio-cultural and economic dimensions of the host city, region and nation’ (2007, p. 3) may be assessed over an 11-year period, from ‘the date a city applies to host an Olympic Games to three years after the Games are over’ (2010). By creating a project incorporating a post-Games evaluation of elements of sustainable development, the IOC is clearly linking the two concepts of sustainability and legacy.

This brief analysis indicates quite clearly that, according to pre-eminent Olympic literature Games outcomes, and consequently their legacies, should be planned and delivered in a manner that is economically, environmentally and socially sustainable. However, this is very often not the case (e.g., Baade & Matheson, 2002, pp. 127, 144; Chalkley & Essex, 1999, p. 383; Coaffee, 2007, pp. 159–161; J. R. Gold & Gold, 2007a, p. 320; 2008, pp. 301, 309; M. M. Gold, 2007, p. 280; Kelso, 2009; Mangan, 2008; Mendick, 2009; Moore, 2008; Preuss, 2007; Scott, 2008; Toohey, 2008).

As indicated in Table 1, the Host City Candidate Procedure and Questionnaire contains no2 requirement guaranteeing such planned and positive legacy outcomes, neither are there7
conditions present for the imposition of post-Games sanctions. The shortcomings of these two omissions can be rectified by the introduction of a requirement guaranteeing the establishment of a single legal entity to be responsible for the planning and delivery of Olympic legacies. The model introduced in the next section is an illustration of the type of non-governmental, not-for-profit Foundation that could be mandated by the IOC to guarantee sustainable Games legacies for host communities.

**NON-GOVERNMENTAL NOT-FOR-PROFIT FOUNDATIONS**

There are various models for creating legacy infrastructure that could be imposed on host countries, some of which have already been voluntarily adopted. For example, 2010 Legacies Now was created as a non-profit corporation at the time of the bid preparation for the Vancouver 2010 Winter Olympics. The company’s vision is, ‘To create sustainable legacies that will benefit all British Columbians as a result of hosting the 2010 Olympic and Paralympic Winter Games’ (2010 Legacies Now, 2010). The Board of Directors consists mostly of private sector entrepreneurs and professionals, but also includes a member VANOC and the executive director of the 2010 Winter Games in Whistler. The organisation works with governments and private sector companies to raise funds for various initiatives aimed at producing sustainable Games legacies. The bulk of the organisation’s funding originated from the Province of British Columbia. The incorporation of such a society was not mandated by the IOC; it operates independently of VANOC and its funding is independent.

The non-profit corporation model offers a structure that can survive the winding up of an Olympic Organising Committee. With appropriate government commitment to funding the legacy objectives, there is also the potential to actually achieve some of them. Nevertheless, the model has its shortcomings; its status as a private corporation does not engage government responsibility for ensuring that legacy commitments are met. Further, government plays no role in structuring representation on the board of directors, nor does it play a role in identifying the legacy objectives and milestones for achievement. Thus there is a disconnection between the legacy commitments of governments during the bid process and the projects supported by the private corporations. There are no mechanisms for public audit, review, or political accountability. A private corporation is not accountable to the general public and where there has been a substantial commitment of public funds to the organisation of the Games, with promises of legacy benefits to the public, such accountability may be warranted.

A more effective model for providing a legal infrastructure to ensure legacy outcomes are met, or at least to provide greater accountability for Games outcomes, might be a statutory trust or foundation. The enabling legislation of such an organisation could set out its public goals and mandate, ensure proper stakeholder representation on the board of directors and establish requirements for greater public accountability and transparency.

During the late 1990’s the Chrétien government in Canada used foundations, in some cases established by legislation, as a vehicle for meeting certain public policy objectives (Auditor General of Canada, 2005; Whitaker, 2006). Foundations established to achieve public policy objectives included the Canadian Foundation for Innovation, Genome Canada, Canada Health Infoway, the Aboriginal Healing Foundation, and the Millennium Scholarship Foundation.

The experience with the Canadian Millennium Scholarship Foundation (Foundation) is considered here as an example of what could be achieved through such a vehicle for public policy and what pitfalls should be avoided. The Foundation was established to meet the specific public policy objective of improving access to post-secondary education. Its 10-year mandate was to provide scholarships to post-secondary students who demonstrated both financial need and academic merit (Millennium Scholarship Foundation, 2010). The Foundation was established by an Act of Parliament under the (Budget Implementation Act, 1998).

The enabling legislation established the Foundation as a corporation without share capital, established the specific mandate of the Foundation (s.5) and provided the Foundation with the powers necessary to carry out its mandate (s.6). The legislation also set out a Board of Directors for the Foundation, with a Chair to be appointed by cabinet (s.8(2)) on the recommendation of two Ministers, who were also responsible for recommending five other Board members. The remaining nine Board members were appointed after consultation with provincial and post-secondary education stakeholders. The Act specifically provided that appointments to the Board should be made from all the regions of Canada and that the appointments result in the Board
having expertise in post-secondary education and the needs of the Canadian economy. In addition to a Board of Directors, the Foundation comprised 15 members reflecting the same expertise and regional diversity as the Board.

The statute specifically provided for $2.5bn to be paid to the Foundation from the Consolidated Revenue Fund (s.46). The Foundation was given the responsibility to invest the money according to guidelines set out in the legislation and to use it to grant scholarships over its 10-year mandate. The statute set out the eligibility requirements for the scholarships (s.27), as well as the duration of each scholarship (s.30) and the total amount receivable by any individual (s.31). The Foundation was required to keep records (s.35) and was made accountable through annual reports (s.36), a five-year review (s.37) and an annual internal audit (s.41). The Foundation was required to offer its services in both official languages (s.44). The statute also made provision for the winding up of the Foundation after its 10-year term and for the disposition of its assets (ss.48-52 and s. 94).

The model offered by the Millennium Scholarship Foundation demonstrates the potential for ensuring the achievement of legacy outcomes. In particular, the model has several advantages. It reflects a legislated government commitment to achieving certain clear objectives. In the case of the Foundation, the guaranteed funding made it more difficult to diminish the impact of the Foundation by starving it of revenues or cutting operating funds after the initial fanfare of its creation. The clear 10-year term also made it politically more difficult to kill the project earlier by saying that it had met its objectives, or was no longer needed.

The legislation also structured the commitment of government not just financially, but through a range of functions including the appointment of Board members. Although government was not specifically represented on the Board (a statute could be drafted so as to guarantee such representation), government played a role in the appointment of Board members. The interests of other stakeholders were represented through a requirement to consult on some of the appointments. The legislation was also used to embed certain public policy goals into the functioning and objectives of the Foundation. It required the Foundation to operate in both official languages and it mandated regional representation on the Board, as well as certain specific areas of expertise.

A review of the Foundation prior to the expiry of its mandate was largely favourable and found that overhead costs were relatively low and the program generally effective with few complaints. Nevertheless, it recommended that any extension of the program beyond its 10-year term be accompanied by legislative amendments to clarify more precisely its mandate and to increase public accountability by requiring reporting directly to Parliament or through a Minister (Samson & Associates, 2007). Accountability concerns were also raised by Roberts (2002), who points out that setting up such a body at arm’s length from government limits transparency and accountability by placing the organisation’s records outside the reach of access to information laws.

The issue of accountability is an important one, and should not be sidestepped (Auditor General of Canada, 2005, Chapter 4; Good, 2007). Indeed, the Auditor General has expressed repeated concerns about the accountability of foundations and has made numerous recommendations to improve this. The government has responded to these concerns and changes to a number of different foundations established by the federal government were implemented. These changes include the tabling of annual reports in Parliament, reporting on significant plans and results and placing the annual reports and other details on departmental and ministerial web sites. The Auditor General was also critical of the lack of reporting of specific outcomes or benefits for citizens (as opposed to reporting of expenditures or activities). In addition, she has made repeated recommendations that foundations established by the federal government be subject to audit by the Auditor General and not by other external auditors. These latter recommendations have been rejected, on the basis that such Foundations operate independently of government and should be free to appoint their own external auditors (Auditor General of Canada, 2005, Chapter 4).

Although Foundations have raised concerns about accountability in the spending of public funds, they do provide a useful model for ensuring that legacy commitments are fulfilled. The foundations established by the federal government in Canada have been studied, critiqued and reformed in response to concerns raised by the Auditor General. It is now a more robust model than it was at its inception (Auditor General of Canada, 2005, Chapter 4) and it has many
distinct advantages over the often vague and unstructured legacy commitments that evaporate with the end of an Olympic event.

DISCUSSION

The Olympic Games, widely considered as ‘ mega events’ (Poynter, 2009, p. 13) and ‘ megaprojects’ (J. R. Gold & Gold, 2007c, p. 6; J. R. Gold & Gold, 2008, p. 303), continue to increase in both scale and scope (Preuss, 2004, pp. 28 - 34), consuming vast amounts of multiple scarce resources in the pursuit of sporting and, increasingly, entertainment excellence. They compete for prominence with other global cultural, entertainment and sporting events and are concomitantly used by cities wishing to establish and (re-)position themselves on the world stage (e.g., Chalkley & Essex, 1999, pp. 369 - 370; Essex & Chalkley, 1998, p. 188), thereby reaping some of the many perceived benefits of Games hosting (Essex & Chalkley, 1998, p. 189; J. R. Gold & Gold, 2008, p. 301). Whilst tangible and intangible sustainable legacy is an increasingly prominent feature of hosting bids (e.g., J. R. Gold & Gold, 2007c, p. 8; 2008, p. 308; Pitts & Liao, 2009; Vigor, Mean, & Tims, 2004, p. 7) and is, to some extent, cautiously used as a metric by the IOC in their evaluation of these bids (J. R. Gold & Gold, 2007a), there is increasing evidence that the post-Games reality is far removed from the promises of bid and Organising Committees and the hopes of the citizens who ultimately provide the financial resource to fund the Games and who are supposed to gain long-term benefits from hosting them (e.g., Borger, 2007; Chorley & Amara, 2010; COHRE, 2008; Davenport, 2004; Dyckhoff, 2007, 2008; J. R. Gold & Gold, 2007a; 2007b, p. 46; 2008; Jinxia & Mangan, 2008; Kissoudi, 2008; Latouche, 2007; Mendick, 2009; Moore, 2008; Scott, 2008; Tziralis, Tolis, Tatsiopoulos, & Aravossis, 2006; Voigt, 2008; Warner, 2008, 2009; Weiner, 2009).

Such a reality could be expected, given the tendency of bid committees, in line with the4 promoters of other mega projects to underestimate a project’s cost whilst overestimating the1 revenues it generates (e.g., Baade & Matheson, 2002, p. 133; Essex & Chalkley, 1998, p. 191; Evans, 2007, p. 303; Flyvbjerg, Bruzelius, & Rothengatter, 2003, p. 16; J. R. Gold & Gold, 2007a, p. 318). The failure of the Games to deliver sustainable legacies is even more likely given the phenomenon of rapidly escalating capital costs in the pre-Games phase (e.g., National Audit Office, 2007, p. 5) and the lack of any framework of guarantees or other viable structure of accountability for non-compliance with legacy promises.

So where does the responsibility for such an outcome lie? Whilst the IOC and associated IFs4 dictate the number, scale and size of the venues required for hosting (Pitts & Liao, 2009, p. 217), some have argued that cities use the opportunity of the Games to develop unnecessary and unrelated infrastructure (Huberty & Wange, 1976; Pound, 2009). And yet, without much of this infrastructure, which is often aimed at facilitating improved ingress and egress to the Games, bids would prove unacceptable to the IOC. Similarly, OCOG budgets usually cover venue and Olympic Village development and Games delivery; they are not financially responsible for other infrastructure costs (Pitts & Liao, 2009, p. 24). Neither, due to contractual obligations limiting the Committee’s tenure, are they accountable for post-Games legacies. This allows most OCOGs to break even or return a profit (Pound, 2009) whilst the host city and nation can incur residual and lasting economic and social deficits (Latouche, 2007; Monclus, 2007). In many ways, the IOC itself creates this situation: benefitting from the kudos associated with successful Games delivery and yet distancing itself from inevitable and significant cost overruns associated with necessary, though not required, infrastructure improvements and the many demonstrable instances of Olympic ‘white elephants’ (Mangan, 2008): the often unfulfilled and unsustainable legacies of the Games.

Given evidence that many of the perceived benefits associated with Games hosting appear4 dubious over time and that cities and countries are required to provide many potentially punitive3 financial, environmental and social guarantees to host the Games (Baade & Matheson, 2002, p. 195; Coaffee, 2007, p. 127; Pitts & Liao, 2009, p. 159), it is surprising that there is an increasing number of cities wishing to host future Games (Pitts & Liao, 2009, p. 374). This is indicative of the potential of the IOC for exerting coercive power to achieve their goals, consequently adding value to their own intellectual property. Cities and countries mobilize their scarce economic, environmental and social resources to safeguard the outcome of a brief event whose sole guaranteed long-term economic beneficiary is an external agent, the IOC (Chalkley & Essex, 1999, p. 374; Donnelly, 1996, p. 240), with scant regard to the usability or sustainability of most legacies which remain when the Games have ‘left town’ (J. R. Gold & Gold, 2007a, p.
There is no real consensus regarding the ‘evolving’ (J. R. Gold & Gold, 2008, p. 313) and ‘nebulous’ (J. R. Gold & Gold, 2007a, p. 319) concept of Olympic legacies; a situation compounded when conjoined with the associated concept of sustainability (Pitts & Liao, 2009, pp. 4, 10; Vigor, et al., 2004, p. 8). This is particularly so given the Games’ ambulatory nature (J. R. Gold & Gold, 2007c, p. 5); different host cities each with a different interpretation of the Games and with diverse economic, environmental and social priorities (Pitts & Liao, 2009, p. 39). The IOC prefers to place emphasis on the almost-impossible-to-evaluate intangible elements of legacy (de Moragas, et al., 2002, p. 492), when a simple definition of the tangible components would allow the outcomes to be meaningfully evaluated and compared.

As there is no explicit definition of sustainable legacy in the Olympic context, it is unsurprising that many Games outcomes continue to be uncertain (e.g., Preuss, 2007). Often the much-vaunted planned and positive outcomes either do not materialize, or they become markedly different and negative over time (e.g., Chalkley & Essex, 1999, p. 390; J. R. Gold & Gold, 2007b, p. 46; J. R. Gold & Gold, 2008, p. 313). This is due in part to planned legacy projects becoming underfunded as other Games-related budgets overrun (Cashman, 2006, p. 82), post-Games funding not being included in the original plans (Warner, 2010a), or other issues associated with insufficient and inadequate planning (J. R. Gold & Gold, 2007c, p. 6; 2008, p. 301). At the same time, given the escalating economic (Preuss, 2006, p. 183) and physical scale (Chalkley & Essex, 1999, p. 369) of the Olympics, and the bounded decision-making (Simon, 1997) that surrounds their delivery against an immutable deadline, there are many positive and negative outcomes that are unforeseen. In such a risky undertaking the organisers can only hope that the long-term positives outweigh the negatives. However, as the OCOG does not legally exist two years post-Games, their accountability is practically non-existent, as are post-Games legacy evaluations.

Evidence exists that the high levels of risk associated with delivering mega projects on budget and on time are rationally calculated by the commercial sector (Flyvbjerg, et al., 2003, p. 141). Consequently, the sector appears less likely to commit capital to either the venue or infrastructure of an Olympic Games, as witnessed recently in both the Vancouver 2010 and London 2012 Olympic Villages (Bula, 2009; Gibson, 2009; House of Commons Public Accounts Committee, 2008, p. 34; Pitts & Liao, 2009, pp. 202 - 203). In contrasting, once the decision to conduct a bid has been made, governments do not follow the same risk evaluation and management procedures that are employed by the private sector. This is evidenced by a wholesale acceptance of ballooning budgets (e.g., Flyvbjerg, et al., 2003, pp. 46 - 47; House of Commons Public Accounts Committee, 2008, p. 3). This enhances the opportunity for unplanned and uncertain outcomes over time: once the decision to bid is made, government focus crystallizes on the on-time delivery of the Games and the post-Games phase is either conveniently overlooked or deliberately ignored.

Consequently, the implementation of promised sustainable legacy plans suffers from inadequate prior planning, insufficient funding, poor management (e.g., Coaffee, 2007, pp. 159 - 160; Evans, 2007, p. 300; M. M. Gold, 2007, p. 279; Mangan, 2008) and, in line with other mega projects, with no real clarity regarding where long-term responsibility and accountability lie (Flyvbjerg, et al., 2003, p. 111). The Games-related outcomes from this are often increased capital costs to convert stadia to more appropriate post-Games usage (Warner, 2010a), ongoing stadia and other venue-related infrastructure maintenance costs (M. M. Gold, 2007, p. 280) and a lack of long-term public usage (J. R. Gold & Gold, 2008, p. 309). In other words, they become a burden on those originally intended to benefit (Essex & Chalkley, 1998, p. 188).

For example, the bid committee for London 2012 originally focused strongly on post-Games legacy outcomes (Culf, 2006), and LOCOG, the Organising Committee for London 2012, claimed legacy being 'mainstreamed' through all its decision-making to avoid negative outcomes (London Assembly EDCSTC, 2009, p. 7). However, at the time of writing, there is still no clear indication of what will happen to the Olympic Park post-Games. In September 2009, a company was established to manage 2012 Games legacy and is presently completing a public consultation to determine the future usage of the stadium (Olympic Park Legacy Company, 2010); more seriously, it has also identified a near $1bn shortfall in funding (Warner, 2010b) to convert the Olympic Park from a Games-oriented space to 'the largest new urban park created in Europe for 150 years' (London 2012, 2008). The Chair of the London Olympic Park Legacy Company commented, 'I was never under the impression that the...capital required...to finish the Park...
would come from the Olympic budget' (Warner, 2010a). There was no suggestion as to the source of the required additional funding.

If one accepts that the IOC are at least partially responsible for the creation of such issues surrounding the sustainability of Games’ legacies, it is legitimate to argue that they should do something that lies within their purview to ameliorate them, particularly for the inhabitants of the host city, region and country who are supposed to benefit from the sustainable outcomes of Games hosting. Parallel to the successful model the IOC have developed to protect their valuable IPR, they could similarly use their coercive power to require host nations to enact legislation as part of their bid to establish a single body to assume full responsibility for the initial planning of intended sustainable legacy outcomes, guaranteeing financial and other management plans are in place before the construction phase starts, and to remain accountable for them throughout the intended lifespan of such properties (e.g., Evans, 2007, p. 316). An appropriate non-governmental not-for-profit model has been described in this paper. By adopting it, the host nation would assume responsibility for ensuring that taxpayers’ money is not wasted on unnecessary and unsustainable sporting venues and associated infrastructure. This concept aligns directly with the Fundamental Principles of Olympism as articulated in the Olympic Charter.

Given the evidence presented by many researchers over a considerable period of time supporting the view that Olympic legacy promises are often unfulfilled, concern for sustainable Games’ legacies is legitimate. It is evident that unless something radical is introduced into the bidding process to provide accountability well beyond the OCOG’s legally mandated two-year post-Games limit, uncertain, unplanned, unsustainable and consequently negative outcomes from the Olympic Games will continue to proliferate in conjunction with the expansion of the scope and scale of the Games.

As demonstrated, the Olympic Games are visibly positioned at the pinnacle of world sport, therefore organisers of other large scale and mega sporting events mimic what they see as the IOC’s ‘successful practice.’ Consequently, there has been a propagation of IOC-inspired legal guarantees in respect of the bidding requirements for other global events. Should the IOC decide to require guarantees concerning sustainable legacy outcomes from the Games, as suggested in this paper, it could well be that the organisers of other events would follow suit, thereby creating a values-based sustainable legacy best practice benchmark. This would have an additional benefit for the IOC, and cities bidding to host future editions of the Games, in that the citizens of cities, regions and countries associated with, and ultimately funding, the bid would know that they would be assuming less risk regarding the eventual outcome of the Games in exchange for their considerable economic, environmental and social investment. By so doing, the IOC would also add to the tangible and intangible value of their IPR, as an evidence-based argument for hosting the Games would exist with long-term benefits accruing to more than just the current elite few.

**CONCLUSION**

This paper has demonstrated that the IOC is able to exercise considerable coercive power over sovereign states. This is evidenced by compliance with the requirement that nations with cities wishing to bid to host the Olympic Games provide a significant number of legal guarantees in relation to different aspects of the Games. These include the introduction of unnecessary and wide-ranging legislation to protect the Olympic brand, symbols and indicia, and their IPR-associated revenues. Whilst the concept of planned and sustainable legacy outcomes from the Games is embraced by the Olympic Movement, an integral part of the Olympic Charter, and increasingly, incorporated in the candidacy files cities submit in their attempt to host the Games, there are no guarantees currently required by the IOC to ensure their post-Games delivery in accordance with pre-Games plans and promises. Due to the very nature of the process by which the rights to host an edition of the Games are awarded, it is impractical to suggest that the IOC impose post-Games sanctions if any of the planned legacy outcomes fail to materialize, or are substantively different in delivery from their Candidature File articulation. Therefore, whilst not condoning coercion, it is reasonable to propose that the IOC, which demonstrably uses such power for their own benefit, uses similar coercion to protect planned and promised Games legacy outcomes for the citizens of countries which support the Olympic aspirations of their key cities and whose funding ultimately underpins the Games.

This paper has proposed a future Olympic host city candidacy requirement should be the pre-
Games creation of an independent non-governmental not-for-profit Foundation to be responsible for planning and implementing the administrative and financial aspects of post-Games legacy for an amount of time to be fixed by the expected lifespan of the key facilities, infrastructure, venues, and equipment associated with the Games. The paper has also provided an example of a Canadian educational Foundation as a suitable model for the IOC’s consideration. Finally, the paper suggests that by undertaking such activity, the IOC would enhance the value of the Olympic brand with key stakeholders, thereby providing a measure of protection for current and future revenue streams.

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