

# New Beijing, Great Olympics: Beijing and its Unfolding Olympic Legacy

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For many months in early 2001, Beijing was a city obsessed with the dream of the Olympics: its city streets were filled with posters and slogans, its newspapers focused on the Games, and its leaders monitored developments within the International Olympic Committee (IOC) with great anticipation. When IOC President Juan Antonio Samaranch finally announced on July 13 that Beijing had won the right to host the 2008 Summer Olympic Games, the entire city erupted into a “flag-waving, horn-honking, music-jamming, firecracker-exploding party.”<sup>1</sup> For Beijing and for China as a whole, the IOC announcement came as a form of redemption, especially after the failed 1993 bid for the 2000 Games.<sup>2</sup> For the rest of the world, the Chinese victory was more controversial. Some critics, including many from the United States, argued that China’s poor record on human rights made it incapable of upholding the ideals of peace and freedom embodied in the Olympic Charter. For others, though, a Chinese Olympics was an eventual necessity, due to China’s economic power and its growing stature within the Olympic movement. The debate still rages today, focusing on the impact of the 2008 Games on Beijing, on China, and on global politics.

This article will examine Beijing’s bid and the current state of its preparation for the Games and will address some of the Olympics’ political and economic effects on Beijing. To address economic issues, this paper will draw on Beijing’s current efforts in urban planning and economic information about Beijing’s Olympic budget. In examining possible political lessons that China’s leaders may be able to draw from this experience, this article will look at previous Summer Olympic Games held in Mexico City (1968) and Seoul (1988), which provide important insights into the political nature and long-term ramifications of the hosting process.

## Beijing’s Bidding Process

China’s decision to bid for the 2008 Summer Olympic Games was officially made by the State Council in November 1998, but its desire to host the Games began as early as the late 1980s. In 1993, when Beijing first bid to host the Games, Beijing’s detractors, led by many in the United States, focused on China’s human rights record, considered to be especially poor in the light of the Tiananmen Square demonstrations only four years before. This mindset was balanced by the desire of many within the IOC and the

<sup>1</sup> Alan Abrahamson, “New Beijing, Great Olympics’: 2008 Games Represent a Chance to Bring about a Dramatic Turning Point in Chinese History,” *Los Angeles Times*, July 13, 2001, D10.

<sup>2</sup> “Major Landmarks of 2008 Bid,” *See You in Beijing* (Beijing: Beijing 2008 Olympic Games Bid Committee, February 2001), 28; “Olympic Bid Election History – Voting Records and Results,” <<http://www.gamesbids.com/english/archives/past.shtml>>.

36 *New Beijing, Great Olympics*

China

world community to fully bring China into the Olympic movement. Though Beijing lost the 1993 bid, the Chinese government was determined to win the right to host. After declining to bid for the 2004 Games, the Chinese government in 1998 again offered their candidacy for the 2008 Games.<sup>3</sup>

The motivations behind the government's most recent bid were largely the same as those behind its earlier attempts to host the Olympics. Like many other nations, China saw the Olympics as a developmental engine that could spur growth in Beijing and the surrounding area for years to come. The Olympics could also increase China's international prestige and project an image, both domestically and internationally, of national strength and unity. The need for international prestige has long been a key part of China's foreign policy thinking, as its leaders remember all too well China's "century of humiliation" in the 1800s. China's foreign policy also rests on the need for projection of national strength, since much of the ruling Chinese Communist Party's (CCP) legitimacy rests on its commitment to national strength and continued economic growth.<sup>4</sup> The Olympics would also provide the government with an opportunity to improve Beijing's infrastructure, as well as the rationale to devote significant funds to the project.<sup>5</sup>

The Olympics thus presented an important opportunity for China to achieve many goals simultaneously. In November 1998, China's Central Committee formally decided that Beijing should bid for the 2008

Olympics, and solicited a formal application from the Beijing city government. Beijing submitted its application to the Chinese Olympic Committee (COC) on November 25, 1998, and the COC then forwarded to the IOC. After Beijing's acceptance as a candidate city on April 7, 1999, the IOC then sent local officials a detailed questionnaire that addressed every major area of Olympic planning. From this point, Beijing could prepare itself as an official applicant, and China's State Council approved the Beijing 2008 Olympic Games Bid Committee (BOBICO) on September 6, 1999. Members of the new body included officials from the Beijing municipal government, the State Council, the State Sport General Administration, and several other national agencies with a stake in Olympic planning.<sup>6</sup> After a great deal of planning, BOBICO submitted the completed questionnaire in June 2000. On August 28, 2000, the IOC Executive Board formally announced that Beijing had been accepted as a candidate city to host the 2008 Olympics, along with Osaka, Istanbul, Toronto, and Paris.<sup>7</sup>

Throughout the latter half of 2000, 28 delegations from international sports federations visited China to examine closely the existing facilities and facilities plans. Official Olympic visits by the IOC Evaluation Commission to candidate cities were scheduled for early 2001. During their February visit, the Commission toured all of Beijing's major sporting facilities and met with city planners. They also visited several other non-sporting facilities in Beijing,

<sup>3</sup> Ezra Vogel, "How Can the United States and China Pursue Common Interests and Manage Differences?," in Ezra Vogel, ed., *Living with China* (New York: WW Norton, 1997), 25-6; Dwight H. Perkins, "How China's Economic Transformation Shapes Its Future," in Ezra Vogel, ed., *Living with China* (New York: WW Norton, 1997), 143.

<sup>4</sup> Heidi Haugen, "The Construction of Beijing as an Olympic City" (University of Oslo: proposed Master's thesis, 2003), 1-2.

<sup>5</sup> Matthew J. Burbank, Gregory D. Andranovich, and Charles H. Heying, *Olympic Dreams: The Impact of Mega-Events on Local Politics* (Boulder: Lynne Rienner Publishers, 2001), 158.

<sup>6</sup> "Major Landmarks of 2008 Bid," 28.

<sup>7</sup> *Ibid.*

including a local hospital and the headquarters for China Central Television.<sup>8</sup> In the Commission's official report, Beijing's bid was recommended as "excellent," along with the bids of Paris and Toronto. It noted possible environmental and traffic problems, but felt these concerns could be easily overcome with Beijing's ambitious planning efforts and its strong governmental capacity.<sup>9</sup>

From the beginning of its bid process, the Chinese government attempted to garner broad domestic support, from both key public figures and the general population. For instance, in April 2000, BOBICO announced that Zhang Yimou, a Chinese director famous internationally for films such as *Raise the Red Lantern* and *Red Sorghum*, would direct a video supporting Beijing's Olympic bid. This occurred in spite of the many years of official criticism that Zhang had faced for his films satirizing Chinese society and government.<sup>10</sup> Other notable public figures signed on to support the bid, including Fu Mingxia, a three-time gold medallist in women's diving.<sup>11</sup> China also attempted to mobilize popular support through various public relations campaigns, both domestically and abroad. The government established Olympic service groups to encourage public support for Beijing's bid through events and programs. Some of the most widely publicized

programs were those that dealt with city beautification and foreign language instruction. Polls conducted by IOC research teams during the bidding period found that 96 percent of Beijing's population supported the Olympics.<sup>12</sup>

As in 1993, however, world opinion was divided over the issue of Beijing's bid. China's environmental problems, including Beijing's poor air quality, were of concern to environmentalists, medical specialists, and athletes. Officials in many governments argued over China's human rights record, and many international human rights organizations claimed that rewarding China with the hosting of the Olympics would only exacerbate the country's human rights problems. A bipartisan coalition of American congressmen introduced resolutions to the House and Senate in March 2001, demanding that the IOC reject Beijing's bid because of its poor record on human rights.<sup>13</sup> Prevailing world opinion in 2001, however, was more in favor of engagement than it had been eight years before, arguing that the Olympic movement's continued growth and success depended upon China's involvement. The IOC Evaluation Commission's official report noted that a Beijing Olympics would "leave a unique legacy to China and to sport."<sup>14</sup> These proponents of engagement also framed

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<sup>8</sup> International Olympic Committee Evaluation Commission, *Report of the IOC Evaluation Commission for the Games of the XXIX Olympiad in 2008* (Lausanne: International Olympic Committee, 2001), 99, 103.

<sup>9</sup> *Ibid.*, 95-6.

<sup>10</sup> "Major Landmarks of 2008 Bid," 28.

<sup>11</sup> "Beijing Presents Itself to the World," *See You in Beijing* (Beijing: Beijing 2008 Olympic Games Bid Committee, February 2001), 29.

<sup>12</sup> "Zest for Foreign Languages," *See You in Beijing* (Beijing: Beijing 2008 Olympic Games Bid Committee, February 2001), 64; International Olympic Committee Evaluation Commission, *Report of the IOC Evaluation Commission for the Games of the XXIX Olympiad in 2008*, 60.

<sup>13</sup> Kate Snow, "Chinese envoy urges Congress not to block Olympic bid," *CNN*, April 10, 2001, <<http://www.cnn.com/2001/ALLPOLITICS/04/10/congress.olympics/index.html>>.

<sup>14</sup> International Olympic Committee Evaluation Commission, *Report of the IOC Evaluation Commission*, 95.

38 *New Beijing, Great Olympics*

China

debate on Beijing's bid as an opportunity to encourage growth and reform in the country.

Debate only intensified through the summer of 2001. Beijing was widely considered to be the frontrunner because of the advanced state of its preparations and because of its strategic importance. A Beijing victory, though, was hardly a foregone conclusion. In 1993, Beijing had been considered the frontrunner for much of the bidding process, only to lose to Sydney. In 2001, its main challengers were Paris and Toronto, the two other cities whose bids had also been rated as excellent. Yet when the final voting was tallied, Beijing had won by a large margin on only the second ballot. Not since 1981 had the Olympic host been decided on so few ballots.<sup>15</sup>

### Pre-Olympic Preparations

After the IOC's selection of Beijing, the Chinese government wasted little time in initiating official Olympic preparations. On August 7, it formed a preparatory panel, headed by Beijing Vice Mayor Liu Jingmin; on December 31, 2001, this panel officially established the Beijing Organizing Committee for the Olympic Games (BOCOG). The new committee was headed by Liu Qi, Beijing's mayor, and included officials from Beijing's municipal government, the State Sports General

Association of China, and the Chinese Olympic Committee.<sup>16</sup>

Less than two weeks after its establishment, BOCOG published a three-phase plan for the Olympics. The first phase, from October 2001 until mid-2003, would include consolidation of supervisory organizations, drafting and initial implementation of a comprehensive Olympic Action Plan, securing of funds for facility construction, and the drafting of blueprints for major facilities. The second phase, from mid-2003 until mid-2006, would encompass the bulk of facility construction. During the final phase, from mid-2006 until the opening of the Games in mid-2008, officials would conduct double-checks of facilities, execute

test runs of the competitions, and make any final adjustments or last-minute preparations for the Games.<sup>17</sup>

On March 28, 2002, the BOCOG publicly released its Olympic Action Plan (OAP), which outlined the

committee's strategic themes and objectives and its overall plans for the Olympics.<sup>18</sup> In sections on facilities construction and management, the OAP focused on new construction, distribution of facilities, and post-Games use of facilities, as well as compatibility with the pre-existing Tenth Five-Year Plan and Beijing's "Strategy for Three-phased Development."<sup>19</sup> The OAP also

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<sup>15</sup> In that election, Seoul won the right to host the 1988 Games over its only other challenger, Nagoya. See Seoul Olympic Organizing Committee, *Official Report: Games of the XXIVth Olympiad, Seoul 1988*, Vol. 1 (Seoul: Seoul Olympic Organizing Committee, 1989), 40-2; "Olympic Bid Election History," online.

<sup>16</sup> "Beijing 2008 Organizing Committee to be Formed in Two Months," *People's Daily*, August 20, 2001, <[http://fpeng.peopledaily.com.cn/200108/20/print20010820\\_77759.html](http://fpeng.peopledaily.com.cn/200108/20/print20010820_77759.html)>; "Beijing Launches Organizing Committee, Promises Open and Frugal Games," *People's Daily*, December 13, 2001, <[http://english.peopledaily.com.cn/200112/13/eng20011213\\_86600.shtml](http://english.peopledaily.com.cn/200112/13/eng20011213_86600.shtml)>.

<sup>17</sup> Du Minghua, "Beijing Fixes Timetable for Olympic Games Preparation," *People's Daily*, December 26 2001, <[http://fpeng.peopledaily.com.cn/200112/26/print20011226\\_87492.html](http://fpeng.peopledaily.com.cn/200112/26/print20011226_87492.html)>.

<sup>18</sup> These themes, which were originally proposed in Beijing's candidacy materials, included an environmentally friendly "Green Olympics," a modern "High-Tech Olympics," and a "People's Olympics" organized around cultural exchange and popular hospitality. For more, see Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan* (Beijing: Beijing Organizing Committee for the Olympic Games, 2002), I.1-I.2; "Beijing Unveils Action Plan for 2008 Olympic Games," *Xinhua*, March 29, 2002.

<sup>19</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, I.1.

addressed other necessary areas of Olympic preparation, including communications infrastructure, transportation issues, and environmental improvement. In all, the document proved to be comprehensive and was well received by members of an IOC delegation that visited in late April 2002.<sup>20</sup>

Under the BOCOG plan, the Olympics would utilize 37 competition venues in China. Of the 32 venues in Beijing, 19 would be new and 13 would be renovated preexisting structures. The largest share of the facilities, 14, would be located around the Olympic Green, an area in northern Beijing. The Olympic Green would include the Olympic Village and the Media Village, as well as other press facilities and communications infrastructure.<sup>21</sup> Other secondary areas of Olympic activity would include the University Area in northern Beijing, the Northern Tourist District, and the Western Community Area, centered on the Wukesong Culture and Sports Center. This decentralized clustering was known as the “one center, three districts” development model.<sup>22</sup> In December 2002, BOCOG proposed an altered plan, lower in cost, that would build and utilize more venues on university campuses to “avoid wasting resources after the Games.”<sup>23</sup> In June 2003, BOCOG announced an official cut of US\$180 million from its budget, due to adjustments in venue planning and the number of Olympic sports.<sup>24</sup>

After the development of its specific plan for facility construction and management,

BOCOG continued to work with multiple levels of government to divide ownership of the new facilities and responsibility for their construction. The largest number of venues lies under the jurisdiction of the Beijing city government and the governments of its districts. Several venues, however, fall outside of the scope of the Beijing municipal government. Many university facilities, such as Qinghua University Indoor Stadium, are planned for use as training sites with only minor modifications; the universities will resume management of the modified sites after the Olympics.<sup>25</sup> Venues in other cities, like Shenyang Wulihe Stadium, are being constructed and managed by their municipal governments, which will control them after the Games. The central State Administration for Sports also owns and controls a few major venues within Beijing, including the Sports Hall at Beijing Physical Education University.<sup>26</sup>

These other bodies that were given control of venues were allowed the freedom to govern the construction or modification of facilities and to govern their after-games usage. Most have chosen to issue open bidding for design, construction, and management of their venues. BOCOG has already selected several bids for the design of the Olympic Green and the Wukesong Cultural and Sports Center and has issued open calls for the sporting venues in those areas through a centralized website (<http://www.bjinvest.gov.cn>).<sup>27</sup> Final

<sup>20</sup> “Beijing Olympic Action Plan Receives Active Response,” *Xinhua*, April 29, 2002.

<sup>21</sup> “Geographic Locations of Competition Sites for Beijing 2008 Olympic Games,” *See You in Beijing* (Beijing: Beijing 2008 Olympic Games Bid Committee, February 2001), 78.

<sup>22</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, II.1.

<sup>23</sup> “Beijing Plans to Build More Olympic Venues on Campuses,” *Xinhua*, December 27, 2002.

<sup>24</sup> “Beijing Cut Olympics Construction Budget by US\$180M,” *Business Daily Update*, July 1, 2003.

<sup>25</sup> “Beijing 2008 – Best Sports Facilities,” *See You in Beijing* (Beijing: Beijing 2008 Olympic Games Bid Committee, February 2001), 81.

<sup>26</sup> Istituto Nazionale per il Commercio Estero, “Appendix” (Rome: Istituto Nazionale per il Commercio Estero, 2002), 1-4.

<sup>27</sup> Two firms – Sasaki Associates from the United States and Tianjin Huahui Engineering and Architect Design Company from China – received first prize, but elements from all of the winning designs are expected to be included in the final green space. For more information, see “BOCOG Confident of Completing Venue Construction by End of 2006,” *Xinhua*, December 27, 2002; “Beijing Offers Seven Bids for Olympic Stadiums, Gymnasiums,” *Xinhua*, October 26, 2002.

40 *New Beijing, Great Olympics*

China

decisions on most of these venues, based on design, plans for post-Games use, and overall cost, were made by the end of 2003, and construction on many of them, including the National Stadium, has already begun. The remaining venues will begin construction by the end of 2004.<sup>28</sup> In late 2003, overall costs for the Games venues were estimated at US\$1.39 billion, with US\$1.14 billion of that from construction of new facilities and US\$0.25 billion from renovation of old facilities.<sup>29</sup>

BOCOG also addressed the issue of accommodations in both its Olympic bid and subsequent construction plans. The current layout for the Olympic Village includes accommodations for 15,000 athletes and team officials. The Village complex will also include restaurants, libraries, cinemas, and shops. Beijing's public accommodations are largely completed; as BOBICO pointed out in its reply to the first official IOC

questionnaire, the city already had sufficient infrastructure to host the Olympics, with 241 star-rated hotels and 71,669 rooms. BOBICO anticipated an additional 28,464 rooms becoming available by 2008.<sup>30</sup> BOBICO also stated Beijing's intention to open some university student apartments (8,990 rooms) and other lodging facilities (including private homes, with 63,358 rooms) for visitors.

Communications infrastructure is a high priority for BOCOG, especially high-tech telecommunications infrastructure. The Games concept advocated by BOBICO and BOCOG calls for a "high-tech Olympics" with the latest in communications hardware and software.<sup>31</sup> As in previous Olympic Games, the BOCOG plans to construct an International Broadcasting Center (IBC) and a Main Press Center (MPC), both of which will be located in the Olympic Green area near the Press Village.<sup>32</sup> In its OAP, BOCOG also announced plans to standardize and "clean up" radio frequencies, increase substantially the amount of fiber-optic cable in the city, install a new broadband digital communications system, expand the use of e-commerce and SmartCard technology, and introduce artificial intelligence to ease linguistic difficulties of athletes and spectators.<sup>33</sup>

Beijing's transportation system, which was largely overhauled in the late 1990s for the fiftieth anniversary of the founding of the People's Republic, is undergoing further changes in preparation for the Olympics. The urban transport system is organized around a series of concentric ring roads that loop around the city; in 2001, when Olympic preparations began, Beijing had three completed ring roads.<sup>34</sup> Beijing's two-line subway system and its extensive bus system were both popular methods of public

“ **THE GAMES CONCEPT ADVOCATED BY BOBICO AND BOCOG CALLS FOR A ‘HIGH-TECH OLYMPICS’ WITH THE LATEST IN COMMUNICATIONS HARDWARE AND SOFTWARE.** ”

<sup>28</sup> "Beijing Kicks Off Construction of Olympic Venues," *Xinhua*, December 24, 2003; Beijing Organizing Committee for the Olympic Games, "Tender Notification: 4. Time Schedule," <<http://olympic.bjinvest.gov.cn/english/tender/tender04.jsp>>.

<sup>29</sup> Istituto Nazionale per il Commercio Estero, 1, 4.

<sup>30</sup> Of these new rooms, 7,368 would be in star-rated hotels, 15,096 would be in university housing, and 6,000 would be other lodging facilities. See Beijing 2008 Olympic Games Bid Committee, *Replies to Questionnaire* (Beijing: Beijing 2008 Olympic Games Bid Committee, 2000), 28, 32.

<sup>31</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, I.1.

<sup>32</sup> International Olympic Committee Evaluation Commission, *Report of the IOC Evaluation Commission*, 73.

<sup>33</sup> Beijing 2008 Olympic Games Bid Committee, 18; Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, III.4

<sup>34</sup> As of 2001, Beijing already had three major ring roads – the First, Second, and Third Ring roads. The Fourth Ring Road, already underway in 2001, was completed in 2002. See Beijing 2008 Olympic Games Bid Committee, *Replies to Questionnaire*, 34.

transport, and Beijing Capital International Airport could handle 35 million passengers daily. Current plans include major transportation changes, such as:

- Construction of the Fifth Ring Road (completed in October 2003) and the Sixth Ring Road (scheduled to be finished by 2005).
- The expansion of several expressways and railways connecting Beijing to surrounding cities (including Shanghai and Qinhuangdao).
- Construction and reconstruction of 318 kilometers of roads and 154.5 kilometers of urban light railway.
- Construction of eight new subway lines connecting all areas of the metropolitan area, one of which is already complete, and the renovation of Beijing's two existing lines to include automatic ticketing systems.
- Expansion of Beijing's bus system to include 18,000 buses and a passenger capacity of more than 4.5 billion passengers per year.
- Addition of Olympic lanes to many main roads for use by athletes, officials, and the press.
- Expansion of Beijing Capital International Airport and possible construction of a new airport, as well as modifications to Tianjin International Airport, Nanyuan Airport, and Xijiao Airport for support purposes.<sup>35</sup>

These changes to Beijing's physical landscape, many of which are already well

underway, are rapidly improving Beijing's transportation capacity.

Environmental issues have been another target for BOCOG in its Olympic preparations, especially considering the widespread concern expressed about Beijing's environment during the candidacy process. These concerns led BOBICO, along with the city's environmental bureau and twenty NGOs, to found the Green Olympics Project (GOP). This project pledged US\$5.6 billion for environmental cleanup and protection activities from 1998 to 2002, with an additional US\$6.6 billion for projects from 2002 to 2007. Parts of the GOP included strategic environmental assessments for all aspects of Olympic preparation and a permanent Education Center for Sustainable Development, to operate in the Olympic Green during and after the Games.<sup>36</sup> It also addressed specific environmental concerns, including airborne pollution and deforestation. By 2008, it aims to increase the number of buses and taxis operating on natural gas by thirty percent.<sup>37</sup> Beijing also plans to decrease coal consumption, from 26 million tons in 2002 to 15 million tons in 2007, and replace it with natural gas.<sup>38</sup> Reforestation and increased green space are also major concerns for government planners; in an August 2, 2003 press release, BOCOG stated that its reforestation programs planted more than two million trees and three million square meters of grassland in 2002 alone.<sup>39</sup> While environmental concerns are still considerable, Beijing has

<sup>35</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, III.3; Beijing Organizing Committee for the Olympic Games, *Transport Construction and Traffic Management Plan* (Beijing: Beijing Organizing Committee for the Olympic Games, 2002), 2.1-2.2, 3.2; "Beijing's First Ring Highway Opens to Traffic," *Xinhua*, November 3, 2003; Li Heng, "Beijing Pondering over Second International Airport to Greet Olympic Passengers," *People's Daily*, April 1, 2002.

<sup>36</sup> Beijing 2008 Olympic Games Bid Committee, *Beijing 2008*, Vol. 1 (Beijing: Beijing 2008 Olympic Games Bid Committee, 2000), 53-55.

<sup>37</sup> In 2001, these figures were 60 percent for public buses and 40 percent for taxis; by 2008, the government aims to have converted 90 percent of public buses and 70 percent of taxis to natural gas. For more, see Beijing 2008 Olympic Games Bid Committee, *Beijing 2008*, 55.

<sup>38</sup> "Beijing Cuts Energy Rates by Half to Discourage Use of Coal," *Xinhua*, September 12, 2002.

<sup>39</sup> Beijing Organizing Committee for the Olympic Games, "The Olympic Games and the Development of Beijing," <<http://en.beijing-2008.org/91/29/article211612991.shtml>>.

42 *New Beijing, Great Olympics*

China

shown signs of progress.

BOCOG has been working closely with officials from the IOC throughout the process and has also used several other regional games and sporting events as its models for study. In 2002, BOCOG sent representatives to study the Seventeenth Commonwealth Games in Manchester; it has also sent delegations to the Salt Lake City Winter Olympics, the South Korea/Japan World Cup Finals, and the Asian Games in Busan.<sup>40</sup> Chinese officials have held several meetings with officials from the Organizing Committee for the 2004 Athens Games.<sup>41</sup> The BOCOG works closely with the IOC to ensure that preparations run smoothly and on schedule. For example, the IOC Coordination Commission, responsible for ensuring proper interaction between a Games' local Olympic Organizing Committee (OOC) and the overall body, has visited Beijing several times and has praised the scope and speed of Beijing's Olympic preparations.<sup>42</sup>

**Economic and Budgetary Considerations**

The initial budget for the 2008 Olympic Games was formulated during Beijing's candidacy process, and was drafted in conference with government officials on all levels, the IOC and Chinese Olympic Committee, and international financial consultants. Beijing officials also used the Sydney budget as a close working model. The budget, as finalized on December 14,

2000, provides US\$1.61 billion for the Organizing Committee, with a surplus of US\$16 million.

Revenues from selling broadcast rights to major television networks represent by far the largest portion of expected revenues, at US\$709 million (43.6 percent). An additional US\$260 million (16 percent) will come from sponsorships, both domestic and abroad.<sup>43</sup> In its candidature files, BOBICO stated its intent to select approximately ten international corporations and ten to fifteen domestic companies to serve as official Olympic sponsors.<sup>44</sup> Kodak, Samsung, and Coca-Cola, among others, have already inked agreements to sponsor the Games, and more sponsors should be announced in the coming months.<sup>45</sup> Donations are difficult for any OOC to estimate, as they are completely dependent on the voluntary actions of a broad sector of businesses and individuals. US\$20 million seems like a large figure, but not an unrealistic one in light of figures from Sydney and Atlanta.<sup>46</sup>

On the expenditures side, the BOCOG budget deals mainly with operations costs and other direct Olympic expenses; operations costs comprise 88.2 percent of the BOCOG budget. One important feature of the budget is the "subsidies" area, which includes a US\$50 million contribution by the national government and a combined US\$50 million subsidy from several municipal governments, including Beijing's

“ WHILE ENVIRONMENTAL CONCERNS ARE STILL CONSIDERABLE, BEIJING HAS SHOWN SIGNS OF PROGRESS. ”

<sup>40</sup> Gao Peng, "Sports Yearender: Beijing Olympics – A Good Beginning is Half the Battle," *Xinhua*, December 26, 2002.  
<sup>41</sup> "IOC to Send BOCOG Staff to Participate in Preparations for Athens Olympics," *Xinhua*, December 4, 2002; Beijing Organizing Committee for the Olympic Games, "BOCOG Learn from Overseas Games Organizers," <[http://www.beijing-2008.org/new\\_olympic/2002-08-28/59.shtm](http://www.beijing-2008.org/new_olympic/2002-08-28/59.shtm)>.  
<sup>42</sup> "Beijing Praised for Progress in Planning the 2008 Olympics," *Xinhua*, December 4, 2002.  
<sup>43</sup> Olympic Games Bid Committee, *Beijing 2008*, 73.  
<sup>44</sup> *Ibid.*, 83.  
<sup>45</sup> "Beijing Launches 2008 Olympic Marketing Plan," *Agence France Presse*, September 1, 2003.  
<sup>46</sup> Olympic Games Bid Committee, *Beijing 2008*, 73.

contribution. In a US\$1.6 billion BOCOG budget, these figures are relatively minor; however, to local governments, these numbers loom large and will certainly have an effect on local governance.

The BOCOG budget seems deceptively small because most of the Olympic expenditures are borne solely or largely by other institutions. A more realistic estimate of the budget is US\$15.9 billion; this includes only those projects that can easily be tied closely to the Olympic Games. This figure is nearly ten times the stated BOCOG budget.<sup>47</sup> In many cases, the BOCOG plans to team up with a local city government or local business to construct a facility. Of the US\$1.6 billion required to construct the 37 sports facilities, the BOCOG budget covers only 13.36 percent of funds, or \$220 million. The Olympic Village, for instance, is anticipated to cost US\$482 million, of which only US\$40 million (8.2 percent) will be paid by the BOCOG. Thus, the financial burden placed on average Chinese citizens is two-fold, from the official BOCOG budget *and* from the Olympic expenditures undertaken by local governments and businesses. This budget is still flexible, and could change as costs adjust and products change. For example, if Beijing decides to build a second international airport, this will increase costs some and perhaps cut into the BOCOG's current surplus – although, as a capital expenditure, the cost of the airport would likely be largely borne by the Beijing municipal government. Yet it is important for both the government and for China watchers to remember that the burden of Olympic expenditures will be supported not only by residents of Beijing, but also by citizens in

other parts of China, who will not directly see the benefits of their contributions.

### Infrastructural Ramifications for Beijing

Beijing's urban landscape is currently undergoing changes on an unprecedented scale, as vast areas of the city are being remade in preparation for the Olympics. The last time major changes in Beijing's landscape were made was in 1997-98, for fiftieth anniversary of the People's Republic of China.<sup>48</sup> New facilities will greatly add to Beijing's capacity for both sporting activities and other large-scale events. This widespread construction, however, has raised some serious concerns, as is illustrated in current debate over historical preservation.

BOBICO has made the post-Games use of its sporting facilities a high priority in its candidature documents. After the Games, many of the university facilities – including gymnasia at Qinghua University and Beijing University of Science and Technology – will be returned directly to their original university environments. Many facilities, including the National Stadium, Wukesong Culture and Sports Center, and National Swimming Center, will be maintained as sports facilities for future international sporting events held in Beijing.<sup>49</sup>

The Olympic Village will be converted into a permanent residential area, and athletes' residences will be sold off as commercial apartments, helping to ease Beijing's serious housing shortage. Other facilities, including an entertainment center, a convention center, and even an international school, will also emerge out of the Village.<sup>50</sup> Open green spaces will be

<sup>47</sup> Ibid.

<sup>48</sup> "Beijing Construction – Capital Investment," *China Economic Review*, October 4, 2002, 17.

<sup>49</sup> Beijing Organizing Committee for the Olympic Games, "National Stadium," <<http://olympic.bjinvest.gov.cn/english/project/index01.jsp>>; Beijing Organizing Committee for the Olympic Games, "Wukesong Culture and Sports Center," <<http://olympic.bjinvest.gov.cn/english/project/index06.jsp>>; Beijing Organizing Committee for the Olympic Games, "National Swimming Center," <<http://olympic.bjinvest.gov.cn/english/project/index02.jsp>>.

44 *New Beijing, Great Olympics*

China

converted into public parks or, like the Beijing Countryside Horse Racetrack, even into golf courses.<sup>51</sup> Beijing's construction plans conform closely to previous city planning models, but also seek to expand and develop new growth centers. The Olympic Green represents one such development objective, and serves as the "center" of the "one center, three districts" development model.<sup>52</sup> It is being constructed on the north side of the city, along the city's traditional north-south axis, in an area that has recently seen strong growth. City planners hope that the Olympic Green can become the hub of a new downtown.<sup>53</sup> While two of the Olympic districts, the Western Community Area and the University Area, lie in largely developed urban regions, the third district, the Northern Tourist District, is far less developed. Beijing's planners hope that this area, approximately 35 miles northeast of the Olympic Village, can develop into a new commercial and recreational center. In general, Olympic development is focused in the northern areas of the city, which reflects planners' hopes to push development outward and develop viable "satellite towns" along the lines of Fengtai and Beiyuan.<sup>54</sup>

One critical issue facing Beijing's city planners is the proper balance between urban

development and historical preservation. The necessity of modern facilities for the Olympics has forced the government to stress development, but not without incurring a cultural and historical cost. According to Shan Jixiang, the head of Beijing's planning commission, Beijing had already spent RMB 300 million (approximately US\$39.8 million) on cultural renovation and protection as of March 2002; Beijing has also pledged an additional US\$75 million through 2008.<sup>55</sup> Several areas, however, including the Nanchizi area west of the Forbidden City, have seen major renovations, resulting in the loss of many of Beijing's historic *hutong*. Although Nanchizi had been designated by the government as a protected area for

special preservation, district leaders bypassed the government directive and brought in developers, allegedly to "beautify" and "preserve" the area.<sup>56</sup> This balance of new and old is a tense one in Beijing, but the Olympics seem to have given the pro-development forces the upper hand.

China's nascent historical preservation movement, led by scholars such as Fang Ke and Zhang Yan, is still relatively disorganized and has little sway with the government. Government planners still regard historical preservation as an "obstacle to progress."<sup>57</sup> This cultural and historical

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<sup>50</sup> Beijing Organizing Committee for the Olympic Games, "Olympic Village," <<http://olympic.bjinvest.gov.cn/english/project/index04.jsp>>.

<sup>51</sup> Beijing Organizing Committee for the Olympic Games, "Beijing Countryside Horse Racetrack Venue," <<http://olympic.bjinvest.gov.cn/english/project/index08.jsp>>.

<sup>52</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, II.1.

<sup>53</sup> Du Minghua, "Olympic Park to Become Heart of 'Second Capital' to Beijing," *People's Daily*, October 31, 2001.

<sup>54</sup> "Beijing Construction – Capital Investment," 17.

<sup>55</sup> Beijing Organizing Committee for the Olympic Games, "The Olympic Games and the Development of Beijing," online; "Beijing Olympics Seek Balance between New and Old," *People's Daily*, March 28, 2002, <[http://fpeng.peopledaily.com.cn/200203/28/eng20020328\\_93031.shtml](http://fpeng.peopledaily.com.cn/200203/28/eng20020328_93031.shtml)>.

<sup>56</sup> "Beijing Construction – Capital Investment," 17.

<sup>57</sup> Fang Ke and Zhang Yan, "To Redevelop Beijing or to Destroy Beijing?: The Paradoxes and Problems in the Renewal of the Old City of Beijing from the Perspective of the Widening of Ping'an Avenue," *Architect*, vol. 84 (1998), 2.

loss casts a shadow on the future and viability of Beijing's development plans.

### Political Ramifications for China

The impact of the 2008 Games on the Beijing landscape is not limited to its infrastructure. Many have speculated, with good reason, that the Olympics could play a role in shaping Beijing's political future. The debate in 2001 over Beijing's bid provides a perfect example, as the two sides painted starkly different pictures of a post-Olympics China. Critics claimed that China's poor record in areas such as population policy and human rights should disqualify it from the honor of hosting the Olympics and feared that the Olympics could even give the government a freer hand for oppressive action in areas like human rights. The government, for example, could cite the need for stability and order in repressing public demonstrations or an independent media. Rewarding China, they argued, would only encourage repressive behavior and stunt political reform.

Supporters of a Beijing Olympics, in contrast, advocated the policy of engagement, claiming that the increased international exposure brought by the Games could contribute to China's international integration. This integration could lead China's leaders to seek greater world involvement in other areas, thus encouraging the country to be a responsible world power with a stake in international norms and institutions. Advocates also claimed that amplified media attention could constrain the government from acting against its citizens and could empower the public voice, leading to political reform and greater political freedom. Beijing's supporters point to the marked changes in China's political system

that have taken place since China's rapprochement with the United States and the West in the 1970s.

Which prognosis is correct? It may still be too early to predict the impact of the Olympics on China, but some clues may be found about the current situation with the help of two previous Games as examples. Mexico City (1968) and Seoul (1988), like Beijing, were host cities in less developed countries, which won the right to host the Summer Olympic Games for partly political purposes. Mexico City represented the first time that the Olympics were held in Latin America, and Seoul marked the first Asian Olympics outside of Japan.<sup>58</sup> Their experiences provide key insights into what Beijing and the rest of the world may realistically expect in the coming years. In both Seoul and Mexico City, major protests led by university students occurred shortly before the Games opened and posed a serious threat to the operation of the Games themselves. These protests occurred, however, in different social contexts. In Mexico City, the students – and the people in general – had little role to play in the Games preparations, and were frustrated at the large sums that were spent on Olympic preparations instead of on social welfare. The government, fearful that the Games could be cancelled or moved, responded quickly and harshly with a violent crackdown, known as the Tlatelolco Massacre. The suppression temporarily ended public debate and strengthened the government through the Olympics. In the long run, however, Tlatelolco strengthened the public voice and widened factions within the ruling party, the Institutional Revolutionary Party (PRI). This facilitated Mexican political reform and the eventual

<sup>58</sup> David B. Kanin, *A Political History of the Olympic Games* (Boulder: Westview Press, 1981), 92; Christopher R. Hill, *Olympic Politics*, 2nd ed. (Manchester: Manchester University Press, 1996), 119-120.

46 *New Beijing, Great Olympics*

China

end of PRI electoral dominance.

In Seoul, protests were a final spark that ignited the fires of political reform. The student-led protests in 1988 were preceded by the events of the “Seoul Spring,” a period of relative political liberalization in 1980 that ended with the government harshly suppressing riots in Kwangju (the so-called “Kwangju Massacre.”) Unlike in Mexico City, however, the government under strongman Chun Doo-hwan made real attempts to include the South Korean public in the Olympic preparations, through propaganda campaigns and public programs. Therefore, all sides – the students, government, and the middle class – felt that they had a stake in the success of the Olympics. This constrained any radical action, and gave both sides a shared concern and a common time frame. The students thus confined their demands to their political aims of free elections and a new constitution, and protests were largely non-violent. Chun’s government, mindful of Kwangju, was averse to political violence and so sought more peaceful means of resolution. The shift away from political violence, coupled with the urgency of action prescribed by the Olympics, helped to pave the way for compromise and substantive political reform.

Based on the experiences of these previous Games and Beijing’s own political context, the Beijing government is likely to confront political activity, possibly protest, in the run-up to the Games. Protests, especially student-led ones, have a history in China; university students have taken an important role in several periods of major political change in China, including the Republican Revolution and the Cultural Revolution. The Falun Gong, largely under control, could attempt to spark such protest, or a new

political actor could arise. Protests or other manifestations of political dissent are far more likely in the event of slowing economic growth in China. Such a situation is possible but unlikely, considering both the strong attention that the CCP pays to continued growth and the economic effects of Beijing’s Olympic construction. Chinese economists have estimated that the additional investment and consumption associated with the Olympics could boost GDP by as much as 1.67 percent annually until 2007.<sup>59</sup>

If it materializes, political dissent is unlikely to be anywhere near as big or important politically as it proved in Mexico City or in Seoul. The trouble in Mexico City arose when students felt alienated from the preparations. Through both the bidding and preparation periods, Beijing has made real efforts to involve the public and stress the “importance” of the Olympic Games for China. According to Beijing’s Olympic Action Plan, one of the three key elements of BOCOG’s overall strategic concept is the concept of a “People’s Olympics,” with the “widest possible participation of the people in the preparation for Games.”<sup>60</sup> By giving the people a stake in the preparations process, China’s leadership has attempted to blunt political dissatisfaction with the Games. In Seoul, the impetus for protests arose from the events of the “Seoul Spring” and memories of the Kwangju Massacre. Although China also has a violent incident in its recent past – Tiananmen Square – this incident does not figure as prominently in the Chinese public discourse as Kwangju did in Korea. The leaders of Tiananmen, unlike their Korean counterparts, are also now largely abroad and thus have little public voice within China.

In terms of political reform, the

<sup>59</sup> Beijing Organizing Committee for the Olympic Games, “The Olympic Games and the Development of Beijing,” online.

<sup>60</sup> Beijing Organizing Committee for the Olympic Games, *Beijing Olympic Action Plan*, I.1.

Olympics will, in the short-run, help the CCP solidify its control over China and will strengthen CCP claims as the defender of a strong China and Chinese nationalism. The CCP, however, cannot hope to control the forces that an international event like the Olympics will bring to China. Such a mega-event, simply by its scale and its multinational nature, focuses international attention and political pressure on China in a way that few other events can. The public voice and public participation that the government and the BOCOG have attempted to encourage during the bidding and preparations process paradoxically may help to inculcate an independent public voice that endures after the Olympics. If this public voice grows and truly becomes independent, it can push for government accountability or even reform. In this sense, the Olympics could contribute to long-term political reform in China and further changes in the CCP.

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### Lessons for Beijing

The Beijing government thus faces the Olympics knowing the seriousness of its task and the significance of the events it is planning. The Olympics have the potential to remake Beijing, both politically and physically – and they have already started to do so. The ruling CCP wants to run a smooth, successful Games with a minimum of political protest. They hope that the Games will allow them to broaden their international contacts and that an incident-free Games will cause a shift in worldwide opinion in favor of China and away from the human rights regime advocated by many in the West. The Seoul and Mexico City Games give them a course of action to follow, a number of

distinct lessons to study, and a primer for the outcomes of government tactics in handling the Olympics and their preparation. What lessons can the national government under Hu Jintao draw from these examples?

First, the CCP should take care to frame the Olympics in the public consciousness carefully. They should use public projects and propaganda campaigns to present themselves as the driving force behind the Olympic bid and preparations. The CCP should also attempt to frame the public dialogue to advocate that a successful Olympics are important, if not vital, to China's stance as a major world power. If successful in this regard, this will allow them to avoid the mistakes of the Mexico City

Games. By continuing to implement small-scale, decentralized projects for handling micro-areas of Beijing's Olympic preparations, the government could make political protest less likely by empowering the citizens within the Chinese Olympic movement. To this point, the

Chinese government has shown that it recognizes the importance of this step and has garnered support from a broad coalition of Chinese. Government officials have been surprisingly savvy in public relations, through speeches, personal contact, and their use of information channels like the Internet. The government has spent substantial sums on public relations campaigns through the bidding process. The estimated Olympic budget includes an additional US\$60 million for advertising and promotion during the pre-Games period. While some of these funds are intended for international audiences, domestic advertising is – and should be – a critical priority for the Beijing

China

government.

Second, the Beijing government must be careful about how it handles public dissent, if any arises. It must walk a fine line between controlling public protest and violently suppressing it. In both Seoul and Mexico City, as well as in Tiananmen Square, harsh suppression of student protests only spawned more public protest. Though the government will assuredly be nervous about anything that might disrupt the security of the Games, it must avoid serious crackdowns. This will be even truer in light of the international media presence in Beijing. Beijing can help itself out by trying to maximize positive media coverage of the Olympics, which would have a beneficial impact on world opinion. Any violent government response could damage Beijing's image. Though the government fears the chaos of political dissent (*luan*), it should also fear the ramifications of suppressing that dissent; Mexico City provides a perfect example of why they must do so. The CCP must then balance the perceived need for an orderly, successful Olympics with the possible negative media attention that a harsh crackdown could bring. Beijing could forestall any political unrest by meeting with representatives from a few key groups, including university students and possibly entrepreneurs, to gather input on the Games and on political reform. These meetings could easily be set up by the government to discuss the concerns and positions of both sides. Closed consultation sessions would give the appearance of a commitment to liberalization and reform, but would ensure the lack of a media presence. China's actual movement toward reform

would play out during and after the Games, and it could decide how far it wanted to move towards liberalization once the immediate concerns of the Olympics were past.

From an infrastructural perspective, BOCOG has already mapped out a solid plan for success, and has begun most of its Olympic construction. Previous Olympics have illustrated the importance of pre-Games planning for post-Games use, and also the financial benefits of pursuing close links with business. Beijing must continue to work with both domestic and international firms to encourage high levels of donations and sponsorship. It must maintain its commitment to environmental expenditures, and also must be mindful of the need for historical preservation. Beijing has technically done this, as its site selection generally avoided historic areas. As the whole city prepares for the Olympics, Beijing's planners must weigh carefully the city's development needs against its history and tradition not only for the sake of preservation, but also to maintain popular support and avoid negative media attention.

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### Summary and Conclusions

The Beijing Olympics already is one of the most anticipated mega-events of this decade, and anticipation will only grow as 2008 approaches. This is due, in no small part, to divided world opinion on China and the country's paradoxical status as both a strong power and a weak one, as a Communist state with an increasingly capitalist economy. Yet, Beijing of 2008 will be drastically different from today's Beijing,

considering the rapid pace of change in the Chinese capital. The Olympics will be a major catalyst for this change; indeed, the Beijing landscape has already begun to feel the effects of the Olympic Games. Construction is everywhere in the city, and Beijing's government aims to have construction and modification of 26 venues finished by 2006. On top of these sporting venues, Beijing is also laying the framework for a better transportation network with greater capacity, one that will not only draw in more of the Beijing metropolitan area but will also integrate Beijing with Hebei province and with greater northeastern China. Beijing's environmental changes will also be drastic, as the city tries to clean up the air and water.

From a political standpoint, the time between now and the Olympics is likely to remain mostly, though not entirely, quiet. Protests are possible, even likely, as China

certainly has enough groups which would seek to use the forum presented by the Olympics to make a political statement. Public gestures of political reform, as Chun Doo-hwan did in South Korea, would be credible under new CCP Chairman Hu Jintao. Indeed, many political theorists have independently speculated that Hu will be a reformer. By 2008, he should have been fully able to consolidate power and may even be able to begin his own legacy independent of Jiang Zemin. In the short run, however, the Games are not likely to be severely affected by political activity, and any political reform will be small in scope. The CCP should emerge from a problem-free Olympics with strong popular support and a positive international reputation. In the long run, however, the Olympics may accelerate China's drive towards international integration and will further political reform and increased personal freedom within the state.