

# The Economic, Municipal, And Social Impact of Major Sporting Events on Host Countries – The World Cup as Examples

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**Abstract.** The full name of the World Cup is the FIFA World Cup, which is participated by the world's national football teams, symbolizing the highest level of football, the highest honor, and the greatest influence. If a country wants to host the World Cup, it first needs to be a member of international football. The second is to submit an application to the national FIFA (which can be hosted by two or even three countries), and then voted by all FIFA member states. So the World Cup venue is very strict because the World Cup has always been a significant sporting event which will bring many benefits to the local area. Of course, there are many disadvantages. This paper analyzes the bidding experience and risk assessment of hosting the World Cup over the years, analyzes and puts forward relevant risks by identifying the Qatar World Cup, summarizes the hidden dangers and problems existing after the World Cup, provides effective concepts and solutions for the construction of risk response strategies, and puts forward specific measures for future World Cups for the problems raised.

**Keywords:** Qatar World Cup; Risk analysis; International sports events.

## 1. Introduction

Sports have been an indispensable part of people's lives since ancient times, and with the development of the times, holding sports events has become an important form and method for developing the sports industry. Many cities have developed the hosting of sports events into an important symbol and milestone of the city and have become the embodiment of the competitiveness of urban development. Sports events have expanded from simply strengthening the body and enriching life to an industry with wide influence that promotes the characteristics of the city. At the end of 2022, the National Bureau of Statistics released that the total scale of the national sports industry in 2021 was 3,117.5 billion yuan, and the added value was 1,224.5 billion yuan. Compared to 2020, the total output of the sports industry increased by one-tenth (13.9%) [1].

Historians refer to ancient Greece as the oldest birthplace of the international Olympic movement. According to records, the world's first tournament was a grand and meaningful event held to commemorate the warriors of Petchollers. After the event was successfully held, the local people made it an important part of the future celebration. Major sports events to see the construction of sports facilities as the entire development plan was Indians in 1970. It was he who suggested that the city host the major sporting event as an opportunity to rebuild the host city's economic society. His successful use of major sporting events to rebuild the declining urban centers of host cities has attracted the attention of many cities and governments, and more cities want to use this method to revitalize development.

The success of large-scale sports events hinges on robust local support. These events have a global reach and offer several advantages, not only showcasing a city's unique characteristics but also significantly impacting its economic development and the entire country. Large-scale sports events attract tourists and investments, bolstering local industries such as hotels, restaurants, and transportation, which in turn create job opportunities and boost economic income. Additionally, they foster social cohesion and cultural exchange, providing residents with spiritual enjoyment and entertainment, ultimately enhancing overall well-being and happiness.

However, it's crucial to acknowledge the potential risks and drawbacks associated with such events. One of the primary concerns is the substantial capital investment required. If not meticulously

organized and planned, these events can lead to financial burdens. Furthermore, they can disrupt residents' daily lives, causing issues like overcrowding, noise pollution, and traffic congestion.

Another significant consideration is the environmental impact and resource consumption. Large-scale sporting events demand substantial energy and water resources for venues, lighting, heating, and more. They can also result in environmental challenges, including waste generation and sewage. Moreover, the impact on the lives of non-profit groups within the city and the utilization of venues and facilities after the games require thorough examination.

While successful large-scale sporting events can elevate a host city's reputation and offer opportunities for local economic and urban development, there has been limited research on the various costs and non-economic social impacts associated with such events. Taking the 2022 Qatar World Cup as an example, it's unfortunate that there have been unprecedented numbers of deaths and exploitative practices during the event's preparation, with an estimated 4,000 workers losing their lives in Qatar.

In conclusion, large-scale sports events bring significant benefits but also pose considerable challenges and ethical concerns. Comprehensive research and planning are necessary to strike a balance between the positive impacts and potential drawbacks, ensuring that these events contribute positively to host cities and their residents.

Through research, this paper points out that there are many aspects of social impact (positive and negative effects and measures) of sports events on host cities, including economic benefits, economic costs, city honor, urban development, transportation facilities, and security pressures. This research can help governments or sports organizations better understand people's perceptions and concerns about hosting sporting events and how to avoid them.

## **2. Reasons for Qatar's successful bid for the World Cup**

### **2.1. Qatar's Economy Booms**

In recent years, more and more countries and cities have begun to compete for the right to host major sports events, which can promote tourism marketing and the wide dissemination of national characteristics. Since 1995, Qatar's massive oil and gas exports have accelerated the country's rapid development, making Qatar's citizens one of the richest in the world, with a personal GDP of \$140,000 in 2013. The situation in Qatar has provided financial support for its bid to host the World Cup. However, there are also concerns that Qatar is too dependent on a limited supply of hydrocarbons, so it launched the Vision 2030 policy in 2008 to diversify its economy. In the letter of intent included in the report on hosting the World Cup in Qatar, there is a commitment to zero carbon emissions. The development goal is to transform Qatar into an economic and commercial hub by 2030, with a significant political, economic, and socio-cultural status. Tourism contributes to the diversification of the economy and integrates sports tourism with the "world's biggest sporting event" [3].

### **2.2. Complete Facilities in Qatar**

In addition, international competitions are characterized by a short period from bidding to hosting and high preparation pressure, which has certain challenges. This requires builders to strengthen fair and transparent processes, increase public participation, and make efficient use of decision-making resources. For comprehensive international events (such as the World Cup), the host city needs to build multiple stadiums and supporting facilities at the same time, and the location and layout of the new venue, the planning and infrastructure construction of its surrounding urban areas are all issues that require special attention. Another characteristic of international competitions is their great influence, which can often guide the region's history and culture, folk customs, economic development and scientific and technological progress. Therefore, the venue design under international competitions should be innovative. Dare to break through and promote new processes, new materials and new products [4].

### **2.3. The Legal Risk is Low in Qatar**

The modular design of Qatar Stadium allows the stadium to be freely dismantled after the World Cup and then rebuilt in poor developing countries. Therefore, FIFA determined that the legal risk of Qatar hosting the World Cup was low. Qatar in order to have the capacity to provide appropriate equipment and infrastructure, aviation, and other resources. These advantages are due to the strong support of the national government, the concentration of power in the hands of a ruling family, and the rapid formulation and implementation of policies, unlike the democratic systems in Western countries, which played a crucial role in Qatar's bid to host the World Cup.

The hosting of the World Cup is about the country and the world, and naturally, there are many setbacks. As mentioned above, the workers needed to build the World Cup facilities in Qatar are mainly from poor South Asian countries, and foreign workers account for a huge proportion in Qatar, with Qataris accounting for only about 12%. The urban construction industry owes its prosperity to overseas labor. They are poorly paid, but they have to endure long hours, live in substandard dormitories, have their passports confiscated, have no freedom, and the law often fails to protect their health and safety, and their labour is exploited. This situation continues to play out in other Gulf states and Asian countries, but the World Cup highlights the unfair treatment of labor in Qatar.

### **3. Risk Analysis During the Preparation and Holding of the Qatar World Cup**

However, the most important thing is the 2022 Qatar World Cup, a small country with an area of only more than 11,000 square kilometers and a population of only 1.68 million, which is watched by more than 1 billion people in the World Cup and the event lasts for up to 1 month. With a cost of more than 220 billion US dollars, the Qatar World Cup entered the global vision with the most magnificent World Cup, marketed the national image, enhanced its international status, and took a key step towards the "2030 National Vision"--- paving the way for national transformation and high-quality development in the "post-oil era." [6] The World Cup in Qatar also made a name known to the world - Lusail. The main stadium of the 2022 World Cup is called Lusail Stadium. With repeated focus on global television cameras, Lusail Stadium has become one of the most recognizable landmarks of this World Cup and will become Qatar's "city of the future". Lusail will also have the world's largest cooling system, a natural gas pipeline network that connects the entire city, as well as smart metering, smart grid, and integrated traffic management systems covering the entire city. The Qatar World Cup not only aims to create an open, modern and friendly international image in front of the world, attract more investment and tourism opportunities, but also promote the overall infrastructure speed and quality with the help of the event, and eventually become one of the most important scientific, cultural, and trade hubs in the Middle East and even the world [7].

However, the Qatar World Cup, on such a large scale, has the highest number of deaths in history, with about 15,000 (15,021) of all foreigners dying within its borders [8]. This is mainly due to three points.

#### **3.1. Accountability for Workers' Rights**

First, the Qatari government has historically held little accountability for workers' rights, and the number of work-related deaths in Qatar is increasing despite reforms such as the so-called "workers' charter" aimed at raising wages. Workers are trapped in the Kafala system, which is unique to the Middle East, known as the guarantor system, which is essentially modern slavery, which stipulates: the employer keeps the worker's passport and cannot leave the country without the employer's approval; Workers are not allowed to change jobs without the approval of the employer; They must not join trade unions and cannot enter labor dispute procedures; It is a crime, etc., to leave the workplace without permission. Labor is subject to the Kafala system, more like disposable goods. [9] Since Qatar won the right to host the 2022 World Cup, about 1,200 migrant workers from India and Nepal have died. It is estimated that in the eight years leading up to the World Cup, 4,000 workers in

Qatar will die in World Cup-related accidents, some in stadiums and some while building other facilities. Qatar has said it will work to reduce the number of deaths.

### **3.2. Qatar's Laws are Imperfect**

Second, after the World Cup, it was estimated that about 6,750 workers lost their lives due to extreme working conditions, lack of proper safety measures, and medical care. This number may be higher, but it is difficult to determine the exact number due to the lack of transparency by the Qatari government (NetEase News, 2023). The International Labour Organization, the United Nations body, believes that this is an underestimation of the real situation. Qatar does not classify cases of heart attacks and deaths from respiratory failure as work-related – in fact, these are frequent symptoms of heat stroke because the highest temperature in Qatar is 50 degrees. Foreign workers who come to Qatar to work in the heat every day, work in harsh construction sites, and water in the desert is so precious that most employers do not provide free drinking water to workers to further reduce costs. In addition, some workers died of heart failure after 148 days of continuous work. However, according to local law, the deceased is treated as a natural death if it is not an autopsy, but only criminal cases are eligible for free autopsy, so workers are judged to die of natural causes [10].

### **3.3. The Lack of Site Facilities**

Thirdly, construction risk primarily pertains to the challenges associated with venue and infrastructure development, encompassing design, technology, construction, environmental considerations, and more. In the case of Qatar hosting the 2022 World Cup, the country faces the ambitious task of constructing nine new stadiums while renovating three existing ones. While Qatar boasts substantial financial resources due to its oil wealth, it confronts a unique challenge. The region experiences scorching summer temperatures, with surface temperatures reaching nearly 50 degrees Celsius, rendering it unsuitable for players and spectators.

To address this issue, Qatar is employing cutting-edge technology to build stadiums equipped with air-conditioning systems, ensuring that the temperature inside the stadiums remains a comfortable 20 degrees Celsius. The Qatari government has also committed to ensuring that these stadium air-conditioning systems meet "zero carbon emissions" standards. Despite achieving this remarkable feat in creating "Showcase" stadiums with advanced cooling systems, the construction risk remains substantial, particularly when building massive stadiums capable of accommodating up to 50,000 spectators [11].

## **4. Qatar's Means of Avoiding the Risk of Hosting the Event**

### **4.1. Setting the Kafala Policy**

The Government of Qatar, which had received complaints from the population, was developing a comprehensive training course on dispute resolution, with plans to design standard operating procedures and monitor the efficiency of grievance mechanisms, in addition to developing the skills of mediators. Workers' representation and social dialogue are the ILO's top priorities when negotiating reforms with the Qatari government. Social dialogue took various forms, and new legislation led to the establishment of joint committees for workers' management at the enterprise level. An ILO study is exploring the feasibility of making joint commissions mandatory for companies of a certain size. The authors propose that the ILO should create more sectoral bodies to support the goal of broader social dialogue at the sector level. Since 2019, the Qatari government has established 14 Qatar Visa Application Centers to provide appropriate information to migrants in 6 countries and reduce opportunities for contract fraud. Qatari law states that workers should not pay recruitment fees, but a recent survey conducted by the Qatar Institute of Social and Economic Survey found that 54 percent of low-wage workers come to Qatar for a fee, illustrating Qatar's inadequate policies and the resulting debt often leaving workers vulnerable to exploitation or abuse [12].

#### 4.2. Ensure the Authenticity of Labor Contract

Second, according to Qatari state media, the Qatari cabinet has announced changes to the Regulations on the Administration of the Entry and Exit of Foreigners this week. Employers can no longer decide whether workers should be granted exit visas but instead leave it to government committees to decide [13]. The author argues that Qatar should introduce a minimum wage system as soon as possible so that foreign workers can be treated as a signed labor contract, so as not to be lowered by their employers upon arrival, so as to ensure the authenticity of the contract.

#### 4.3. Apply More Funds to Improve

For construction risks, the government should establish a reasonable financial budget and supervision mechanism, control capital investment and risks, ensure the sustainability and economic benefits of the event, and apply more funds to invest in design, technology, construction, environmental protection, etc. Environmental protection and resource conservation should also be strengthened, such as the use of clean energy, water-saving measures, and garbage disposal and sewage treatment. With the development of the times, the World Cup should be guided by the construction of the "smart fire protection" system through the large-scale event security remote monitoring system, comprehensive use of big data, cloud computing, Internet of Things, mobile Internet, and other new technologies, venues, hotels and surrounding key areas to carry out fire protection facilities Internet of Things transformation.

### 5. Conclusion

The economic, socio-cultural, political and environmental spheres are closely linked to the sports industry. The benefits of hosting the World Cup are very attractive to potential host cities in this situation, but the cost of hosting the World Cup is huge and it is likely to exacerbate existing inequalities in the social system.

This article is only a personal point of view, there are still some shortcomings, mainly including several aspects. 1) the research scope is limited. As a result, the reliability and authenticity of the research have been limited. 2) There are some defects in the research method. Although the various research methods used in this study can explore the research problem from different angles, there may be some defects in the specific operation process. For example, literature reviews may be insufficiently informative. Therefore, it is necessary to further improve the research methods and improve the reliability and scientific of the research in the future. 3) There are some limitations in the research conclusions. Due to the particularity and complexity of the research object, the conclusions of this study have certain limitations and may not be fully applicable to other fields or problems. Therefore, it is necessary to further expand the research objects and explore related issues in the future research, so as to improve the universality and feasibility of the research conclusions.

This study has some advantages and disadvantages, which need to be further improved and optimized in the future research. It is hoped that this study can provide some reference and reference for the research and practice in related fields and make certain contribution to the development and progress of this field.

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