The 2010 Winter Olympics: 
The Role of Planners in the 
Economic Realm

by Eric Vance

Summary
In the run up to the 2010 Olympic and Paralympic Winter Games, a heated debate is unfolding regarding the economic merits of the event. The author briefly summarizes this debate and makes a cogent argument for why planners should be more actively involved in the process, working to maximize the games’ benefits and minimize their potentially negative consequences.

Sommaire
Les préparatifs pour les Jeux olympiques et paralympiques d’hiver de 2010 engendrent un débat orageux sur les mérites économiques de ces événements. L’auteur résume rapidement ce débat et avance un argument convaincant pour justifier une participation plus active des urbanistes dans la démarche, afin de maximiser les retombées favorables des jeux et de minimiser leurs conséquences potentiellement négatives.

There is nothing like a mega-event to draw mega-interest and mega-debate. In July 2003, the International Olympic Committee selected Vancouver, British Columbia, as the host city of the 2010 Olympic and Paralympic Winter Games. Both leading up to the announcement and since then, many claims have been made about the potential impacts, positive and negative, of the games for the Vancouver-Whistler area, the province and even the country as a whole. What the games really mean in the long run will not be known until well beyond 2010, when the luxury of hindsight will help to evaluate the effects from a variety of perspectives, including financial, economic, social, cultural and environmental. Even then, full consensus on the true benefits and costs of having held the event will not be achieved.

Divergent Views
Strong differences of opinion about the event became clear following the release of a report commissioned by the provincial government in 2002 on the anticipated economic benefits to British Columbia of the 2010 Olympics if Vancouver was the successful bidder. The report estimated that British Columbia stood to gain as many as 244,000 person-years of employment (a figure not to be confused with number of jobs, although it is often cited as such) and as much as $10.7 billion in Gross Domestic Product as a result of the games. These figures are commonly quoted in the mainstream media and elsewhere as proof that hosting the Olympics will be an economic windfall for the province.

However, the province’s report was quickly followed by a study pointing out that there has been no weighing of the public costs of the 2010 Olympics against the projected benefits, so there is no way of determining whether or not the games are in fact a good use of public funds. Using a multiple account evaluation approach, the study noted many issues that the province’s report had not addressed, such as the potential environmental consequences of development associated with the games and the social effects if housing prices rise and low income tenants are displaced, as was experienced by Vancouver when it hosted Expo 86.

Re-evaluating the Planner’s Role
Whether or not the 2010 Olympics ultimately prove to be beneficial and to whom are moot points for the moment. With Vancouver having been selected, the focus has shifted to preparing for the event. However, some of the issues surrounding the games serve as good examples of what planners need to spend more time thinking about and establishing a position on when major events are proposed.

Most troubling is that it is typically economists and not planners who are at the forefront of the debate on whether or not major events that require significant government support are a good use of public resources. While economists quite rightly point out that their discipline is about the study of the use and distribution of limited resources, particularly in the public realm, it is equally the role of planners to consider how resources are used in terms of the physical, economic and social efficiency of communities and of their health and well-being.
Yet planners are not the ones who are normally heard from in the debates. Their role is largely relegated to helping figure out how to make events work on the ground once funding decisions have been made, rather than having real influence during the high-level decision-making process itself. So why is this? Much of it has to do with many planners being timid to tread into the world of economics, fearful that whatever arguments they might mount will be quickly shot out of the water by those better versed in the intricacies of the “dismal science”. However, when the economics that actually go into the economic arguments are closely examined, they are usually not very complex. They are generally based on analytical methods and assumptions that are not particularly difficult to grasp or question intelligently given a bit of thought.

**The Economic Debate**

Shaffer et al. make this point in their study questioning the economic rationale presented by the province for the 2010 Olympics. They note that simply spending money to create economic stimulus does not necessarily make it the right thing to do: “Economic impact analysis will not differentiate between $10 million spent on seismic upgrading of a school, $10 million to build a new hospital wing, or $10 million to dig a hole in the ground. Yet, clearly selecting the hole project over the hospital or school would constitute a waste of resources, given the other opportunities available.”

So, there is ample room for planners to move into the economic debate to help make sure that proposed major events are not merely “holes”. This task is made somewhat easier of late by the growing understanding and interest among decision makers in the principles of sustainability, where environmental and social considerations are gaining more equal footing with the traditionally purer economic arguments for or against how public funds are allocated (job creation, economic growth, investment attraction and so on). However, the environmental and social arguments still tend to carry more weight with many decision makers when they can be tied to economics by attaching a value, preferably monetary, to them.

Many of the most significant planning decisions have already been made for the 2010 Olympics, but there are still areas of economic analysis where planners can help ensure that the benefits of the games are indeed maximized, and the potentially negative consequences minimized. For example, consider the following issues:

> Hundreds of millions of dollars of public funds are being spent to host the games, mostly for investments in new and improved facilities and infrastructure in the Vancouver-Whistler area, including upgrading the Sea-to-Sky Highway that links the two communities. This heavy allocation of funds to the Olympics could divert money away from other areas of municipal, provincial and federal government funding, including projects and programs with significant planning implications. Planners need to analyze the potential implications and find creative ways for other important public initiatives to also move forward.

> The 2010 Olympics are predicted by some to drive up the price of real estate in the region and further skew affordability, a trend that is already being observed in the Squamish-Whistler-Pemberton corridor (although it is admittedly hard to differentiate the effects of the games from the general upturn in the region’s economy over the past several years). Rising prices are good news for those who own real estate, but the long-term effects on renters, including individuals and small businesses, and those trying to enter the ownership market are unknown and need to be addressed.

> The cost of non-residential construction projects in the Lower Mainland is accelerating rapidly as a result of a shortage of materials and labour owing to heavy competing demand, with prices increasing by an average of 1.2 percent a month in 2004. A variety of factors influence these rising prices, but Olympic-related construction is one of the drivers. The results are being felt by many public projects in the region, with rising costs quickly chewing through contingencies. This is adversely affecting the public facility and infrastructure plans of some communities and could delay some projects by years. Planners need to help guide the decisions on priority setting and find innovative ways to deal with funding shortfalls.

> Many of the economic benefits of the Olympics will accrue to the Greater Vancouver-Whistler region. Exactly how most communities elsewhere in the province stand to gain from the games has not yet been clearly articulated. Some communities are hanging onto the hope that they will benefit through vaguely defined spill-over economic effects. Planners need to do considerable work on the economic development front assisting communities to create and implement concrete, realistic strategies for capitalizing on the potential opportunities.

> The Squamish-Whistler-Pemberton corridor is a major outdoor recreation draw for Greater Vancouver residents and visitors; its attraction will grow in the coming years even without the focus put on it by the Olympics. As the capacity of this area to accommodate recreational activity is reached, will it become predominantly a playground for the well-to-do rather than the average citizen, and will the Olympics accelerate this process? The recreational planning implications need to be understood, including who pays and who benefits.

> A range of environmental consequences will result from activities such as Olympic venue construction and expansion, transportation and recreational use. The significance of some of these impacts, how they will be mitigated and the costs involved have been partly evaluated, but much more work is needed on the planning front, particularly in terms of long-term effects.
Conclusion
The reasons why the public might want to support the 2010 Olympics are many, such as community pride, cultural promotion, showcasing the region or the contribution to Canadian sports. However, it is not at all clear how much the Olympics will ultimately benefit the economy of the province and its communities, particularly when weighed against the financial, social and environmental costs.

Fruitful ground exists here for students, researchers and others looking for interesting planning projects to tackle. However, the time to do the work is now, while at least a few of the project and policy decisions can still be influenced, not several years out when preparation for the games is largely complete. Furthermore, the 2010 Olympics aside, planners need to be far more front and central alongside the economists in evaluating major events for the decision makers and making their views publicly known.

References and Notes
2. Although not often noted by the sources quoting these numbers, they include the combined effects of the games and the expansion of the Vancouver Convention and Exhibition Centre.