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Trans Border Cooperation, Sport Mega-events and Development: stakeholders, interests and mechanisms behind the EURO 2012 European Football Championship in Poland and Ukraine

ABSTRACT

MAREK W. KOZAK. Trans Border Cooperation, Sport Mega-events and Development: stakeholders, interests and mechanisms behind the EURO 2012 European Football Championship in Poland and Ukraine. Sport mega-events are advertised as bringing significant benefits to the organizing places. However, according to international literature on the subject, those benefits are doubtful, if not negative. This paper offers an analysis of the mechanism behind it, the stakeholders, distribution of costs and benefits among them. The main thesis is that EURO 2012 in Poland and Ukraine, instead of expected benefits, resulted in large costs to the public budgets which were never compensated in any way. In order to verify the thesis, the available evidence is discussed. Due to the recent developments in Ukraine, most of the data come from Poland.

Key words: sport mega-events, EURO 2012, trans border cooperation, mechanism

INTRODUCTION

Sport mega-events are more and more frequently organized in cooperation by the neighbouring countries. It was not different in the case of the 2012 UEFA Football Championship, or EURO 2012, co-organized by Poland and Ukraine. This relatively new approach relates mostly to events less complex than the Olympic Games, but nevertheless complex and expensive. With the overall costs going up (the costs of the Winter Olympic Games in Sochi, Russia, are estimated at no less than \$ 51 billion), it may be expected that this example will be copied more often. It is a novelty not only in terms of the organization of a sport mega-event, but also – in theory at least – it creates a new dimension for international transborder cooperation (TBC) on the highest level.

There is a widespread belief that sport mega-events bring numerous and significant benefits to the organizing regions (places). However, according to international literature on the subject those benefits are at least doubtful as far as the analysis of costs and benefits is concerned. For years, it was the knowledge limited to experts who have carefully analysed the available data. Potential benefits from the organization of sport mega-events (understood as “large-scale cultural (including commercial and sporting) events, which have a dramatic character, mass popular appeal and international significance” [ROCHE 2000]) are supposed to cover at least five spheres: economic, social (integration), infrastructural, promotional (image) and, finally, revitalization of degraded areas where most of specialized sport infrastructure is to be developed. That is the official point of view of the most active proponents and stakeholders of the event, distributed in the media and in the form of super-optimistic presentations in “scientific reports” and publications commissioned by the key organizers and widely circulated (in Poland, it was the “IMPACT” report published in 2010, which claimed that the EURO 2012 hosting country would be a scene of numerous quantitative and qualitative positive changes that would never be likely to occur without the event)ⁱ. No more than three months after the event, three “post-event” reports were published (commissioned by the Minister of Sport and Tourism or in cooperation with the PL.2012 company: Forbes, “IMPACT” update, Deloitte), which concentrated exclusively on the alleged benefits of EURO 2012 to Poland, attained, naturally, mostly thanks to the activities of the company PL.2012). Whatever results were planned under the Cohesion policy in this period in Poland, they were credited to EURO 2012. In this simple way, every positive change was attributed to the mega-event, while the negative side-effects were totally neglected. As official statistical data are neither collected nor presented on a monthly or quarterly basis, all the information was based mostly on assessments by the authors. That was obvious for everyone who was familiar with the international experience.

In case of Ukraine very few information on influence of EURO 2012 on development was being provided by the state institutions or the event organizers “family” and were officially positive (for instance: EURO is said to result in attracting 24,6 million foreign tourists [!] and receipts from tourism in 2012 reached the level of UA *hrivna* 28,8 bn, that is 2,8% of the GDP)(KORRESPONDENT 2013; see: BORONIN 2013; KAPUSTIN 2013). Comments from readers to Boronin article suggest that there is significant disagreement with official data. Up to now no independent reports were identified.

Before we go into an analysis of the EURO 2012 mechanism, let us have a look at the conclusions from international research on sport mega-events.

As for the economic sphere, it was subject to numerous critical analyses. First of all, instead of an increased number of tourists coming to the country thanks to the event, in most cases the tourist figures dropped. In the Seoul 2002 FIFA Mundial, instead of 640 thousands of visitors only 403 thousands showed up (LEE, TAYLOR 2005 p. 601). In Australia, the number of tourists increased in Sydney in 2000, but at the same time it decreased in other Australian cities (MATHESON, BAADE 2003). According to ETOA (2006: 14), three years after the event there was a downturn in hotel occupancy. In 1996, hotel occupancy in Georgia fell from 72.9% in 1995 to 68% despite (or because of) the Olympics (OWEN 2005). “An important conclusion (...) is that tourism from participating countries increases more than tourists from countries not participating in the mega-event. While this is not surprising, it holds important implications for countries that consider bidding for a mega-event” (FOURIE, SANTANA-GALEGO 2000: 1369). However, this is not a rule. In Poland in 2012, Czech fans came to Wrocław hosting the match of the Czech team only to see the match and immediately return to Czechia (ca 100 km away). There was also a shortage of visitors willing to pay for tickets at the 2004 Olympic Games in Greece, where one third of tickets were unsold. To avoid showing empty seats at the stadiums (since the media and advertisers do not like it), some of the unsold tickets were distributed free among the public in Athens (KOZAK 2009: 101). Facing expensive accommodation, some less affluent visitors attracted by the event, shorten the time spent in the city or seek the cheapest accommodation, sometimes in a ‘grey economy’ establishment. As a result, the local income is lower than expected. Additionally, during sport mega-events, many local residents plan to leave the place, in this way contributing to the diminished income from local sales (PREUSS 2007). What is more, not only a quantitative but also a qualitative change takes place: instead of regular tourists interested in history, society, culture, heritage, the visitors come not for the country itself but for the event. As a result, well-developed, competitive and highly profitable tourism sectors (congress tourism) suffer from the event (OWEN 2005:7; ETOA 2006: 14). For some cities (Barcelona 1992), the event led to a crisis on the hotel market and, ultimately, helped to improve the position of South-European cities (Venice, Florence, Lisbon) competing for domination in the region (ETOA 2006: 10-12). As Porter (1999) suggests, the sales during the event are either overestimated in the best scenario, or totally made up in the worst scenario. But, as ETOA comments, if there is a reported surge in revenue per available room (like in Athens 2004), it results mainly from the organization of games in the low season and the decision not to build any additional hotel capacity, which in turn may result in an undersupply during the Games (ETOA 2006). In general, the displacement of tourists, high

prices, strictly controlled logo use in business and anxiety about crowds disorganizing normal city life reduce the expected benefits and often bring negative mid-term results (lower occupancy, maintenance cost to be covered by public authorities, etc.)

Infrastructure may be divided into two types. First, specialized sport infrastructure, built often exclusively for the needs of the event (like rinks for speed skating or tracks bobsleigh, not very popular sports, but also big football stadiums that in many cases serve not tens of thousands, but hundreds or few thousands of spectators after the event). In Portugal after EURO 2004, six loss-making stadiums were not demolished only because there was nobody willing to cover the cost of the exercise. Their construction did not take into account their future use. In Vancouver, from the very beginning special funds were set aside to rebuild the Oval building (constructed exclusively for the needs of speed skating). This is still dependent on public support (CAD 5.5 million in 2012 from the Games Operating Trust and the Richmond City Hall; [MACKIN 2014]). Similarly in Calgary (1988), if not for the additional funding set aside in the city budget, the sport infrastructure would remain unused. In general, Matheson & Baade (2003) argue that the less developed country, the better the chances that it will be left with a huge public deficit and increasing maintenance costs of the underutilised infrastructure after the event. Another point relates to the general-use infrastructure (airports, roads, etc.). The results depend on a simple factor: to what extent its planning was based on the diagnosis of the existing needs of the region (locality). If not, it is mostly overdeveloped and the maintenance costs become a source of serious problems (e.g. the new Montreal airport, the oversized Beijing airport, the Olympic Village apartments in Vancouver 2010, not to mention energy infrastructure, car parks, roads leading exclusively to stadiums, etc.). It is rather a rare situation when the constructed infrastructure serves the region well after the event (like the motorway from Vancouver to Whistler which solved the problem of seasonal bottlenecks). In most cases, it depends exclusively on the deep integration of the event into the local life and the development strategy.

The argument used most frequently by the event's proponents is about its promotional benefits (image change) that will bring numerous positive results in the years to come. The main message is that the visitors of the event will come back later, will persuade other people to come, and – possibly - will invest there, as their familiarity with the place and good opinion about it are important decision-making factors. This is all based on two fundamental assumptions. First, that sport mega-events visitors do not come exclusively for taking part in the event. It is a risky if not totally false assertion, as they come motivated first and foremost

by the event, not the place. Second, the media services are expensive and the media (including social media such as FB) devote coverage to the event, to commentaries by experts or breaking news (such as riots, scandals, poor preparation and organization). There is no free promotionⁱⁱ. Likewise, there is no evidence that the image of the place (country) has improved as a resultⁱⁱⁱ. Apparently, neither the Beijing (2008) nor the Sochi (2014) Olympic Games – against the wishes of the organizers – changed the image of the country. Preuss (2004) suggested that place awareness improved thanks to the Calgary Winter Olympic Games in 1988. However, the awareness of the name cannot be understood as the knowledge of the place. The Calgary 1988 Olympics proved unable to change the image of Calgary on the US market as a stampede (rodeo) seat (WHITSON 2005). A typical feature of all promises in terms of promotion is that actual viewers of the event are always replaced by potential viewers (with the number of people living on the Earth being the limit). According to the International Olympic Committee, in Athens 60% of the global population (three billion people of the world having access to electricity and the media were watching the Games, making it the most important event ever (ETOA 2006: 5-6). Meta-evaluation of real viewing data shows that there are no more than 5-8% viewers watching (of course, not all the disciplines) the Olympic Games (ETOA 2006: 7-8).

It is even more difficult to find any evidence of benefits in the social sphere (integration; opening up to other people, etc.). There is no proof whatsoever that any of sport mega-events has helped to remove or reduce the existing social tensions or conflicts. During the event, news cover mostly the event and not social and political problems, which does not mean, however, that they have ceased to exist. Recently, quite often sport mega-events have even given rise to tensions (Brazil 2014), as it is more and more clear that the public budget funds spent on the event's preparation could be used for other, more important purposes (education, social affairs, demographic change consequences, etc.). Contact with other people may change the attitudes on both sides, but visitors more often than not come with strongly embedded stereotypes, and it would take more than just one short visit to change this, in particular when every local business sees the visitors exclusively as an easy source of money. And, in the case of sport fans, it is not unlikely that there will be some local brawl (often with alcohol in the background), thus reinforcing the existing stereotypes. The cost of security forces and information systems is enormous (in Beijing, it was estimated before the event at CNY 3.1 billion^{iv}).

The final sphere of the promised benefits is related to the revitalization of degraded areas, where most of the sport facilities are located. As revitalization is a complex and lengthy process, in most cases there is no financial or organizational capital that would successfully support revitalization. Instead, the local population is often relocated (hundreds of thousands in Beijing and Seoul, hundreds of homeless people *de facto* arrested in Barcelona, well over one thousand people resettled recently in London due to the construction needs of the event). In Warsaw (EURO 2012), for instance, the housing district (Praga) nearby remained degraded, while instead of a dilapidated multi-purpose stadium, used previously as a bazaar employing thousands of people, the local community was presented with a new football stadium (mostly empty) and two renovated train stations in its vicinity. In Beijing, large, poor historical communities (*hutongs*) were demolished and the huge area was used for constructing the main Olympic Village. Today, it is a large empty space and a set of mostly abandoned structures, of no use for anybody. The Sochi Olympic Games (2014) area resembled a military zone to many visitors. The only successful example of development through revitalization relates to the Lisbon EXPO in 1998, where the event was used instrumentally to revitalize the area and develop the city of Lisbon, and Portugal as a whole. Today, it is a flourishing part of the city. However, EXPO can hardly be regarded as a sport mega-event.

The new phenomenon is a growing social awareness. Recently, an increased number of social protests against sport mega-events were organized and several municipalities resigned from bidding for their organization (Stockholm, Munich) or protested against the organization of expensive events at the expense of other pressing social needs (Brazil, Poland). The reason for this was simple: it was the recent crisis and the lack of convincing data on the potential benefits. However, still a large number of places (regions, cities, countries) decides to bid for the organization of sport mega-events. Representatives of sport organizations, authorities, the media and general public often tend to share a positive attitude towards sport mega-events, presenting short and long term benefits in the field of economy, infrastructure development, urban renewal, place marketing and promotion. This is largely happening under a strong influence of public presentations and interviews by the representatives of organizations (bodies) most interested in the holding of a given sport mega-event. There is no proof that the benefits occur or that they prevail over the sunk costs, persistently omitted (or at least understated) in all proposals or presented as leading to positive changes (benefits). At the time of making the decision by the public authorities, it is a question of faith in the promises, not

facts about the costs, as these are ultimately known much later (and increasing after the event). As in the case of many public projects, real costs are much higher than those provided in the proposal, since many cost elements are minimized or not presented at all while the benefits are extremely overstated in order to convince the public opinion and decision makers. Why is it so? Why do so many people (including government representatives) tend to be seduced by such promises? The answer seems to be hidden in the mechanism behind it and in the carefully planned activities by the main stakeholders. And the model of this mechanism is the main objective of this article.

The following topics will be taken into account: review of the literature on sport mega-events' costs and benefits, analysis of the process leading to the final decision about the organization of the event, identification and characteristics of the motivation of the main stakeholders before, during and after the event, brief assessment of the results of the event two years after. The paper will end up with the conclusions and recommendations for public bodies as the main financial contributors to the organization budget.

FRAMEWORK FOR ANALYSIS

The main thesis of this paper is that EURO 2012 in Poland and Ukraine, instead of the expected profits (benefits), brought large costs to the public budgets which were not compensated in any way (and even increased after the event). What is more, it did not have any sustainable influence on transborder cooperation between these two neighbouring countries.

In order to corroborate this thesis, our analysis will be based on desk review, study visits and IDIs with the representatives of the main stakeholders. When planning this text, visits to Ukraine were to be made at the turn of 2013. The recent developments (starting in Autumn 2013) in Ukraine made it impossible to do. As a result, most of the observations will be based on the situation in Poland, less on that in Ukraine. The author believes, however, that the system described here in detail can soundly explain the mechanism of sport mega-events and is of a universal value. Before going into an analysis of the mechanism itself, it is important to understand the motivation and role of the stakeholders.

STAKEHOLDERS AND THEIR MOTIVATIONS

Understanding sport mega-events is not possible without the identification of the main stakeholders and their roles in their organization.

The main, most active and mysterious stakeholder is the logo (and rights) owner (the International Olympic Committee or international football associations like FIFA or UEFA and similar organizations). These organizations are not established by governments (states), but are private organizations, with similarly non-governmental members in individual countries. Being a member is a basic prerequisite of participating in the events organized on a regular basis by the international organization (later referred to as “Organization”). The Organization and its members form something called for instance the “UEFA family”. Organizations are famous not only because of their sport activities, but also due to repeated corruption accusations and profits that they make. Up to date, Organizations announce bids for individual countries, which prepare them in close cooperation with the national Organization members. The Organization takes the lead during the event, while before and after the event, all responsibility rests with the government.

National Organization members in practice should be considered as nothing but subsidiaries of the Organization, paid for their activities by the Organization in the form of modest remuneration for the organization of the event (and lobbying, one may assume) plus bonuses for the successes of the national teams during the event (in Poland, ca USD 9 million; MAŃKOWSKI 2012). The Organization, using the national member in less demanding affairs as its representative, formulates the main conditions for the selection of the organizing country, referring mostly to the quality of the services available on the spot (for instance, a satisfactory number of beds in five-star hotels) and – first of all – to the potential income from sponsors and the media, in addition to the tax and financial privileges granted.

The Government, in daily relations represented by the minister in charge of sport, after signing an agreement with the Organization, takes full responsibility for the entire preparation process. A part of the agreement is a secret contract which stipulates the privileges of the Organization during the event (tax exemptions, including VAT). Before making the decision on taking part in the bid for the event, the government officials are exposed to a massive information campaign and suggestions about the potential benefits of the event. Numerous channels are used – the media, coalition parties, sports organizations and individual celebrities. Needless to say, the proponents also suggest the sources of financing (in case of EURO 2012, the Cohesion policy in Poland and private capital in Ukraine^v). An important (and famous for the discrepancy between the poor results and the high bonuses) part of the system was the PL.2012 company^{vi} controlled by the Minister of Sport and Tourism, in charge of all the preparatory work. The organization of 15 matches in Poland remained,

however, in the hands of the Local Organization Committee established by the PZPN (Polish Football Association), that is, a UEFA family member, at UEFA's request. For most politicians, a mega-event seems to be safe: due to long preparations (six to eight years), it is much longer than the political cycle (four to five years), which means that, most probably, someone else will take the responsibility for the results (if negative). And saying "no" to "people's" ideas is always politically risky.

The local authorities bidding for hosting the event are specific and active stakeholders. Apart from the "promised land" vision painted by the proponents, there is also a very practical reason – a given city hopes that, thanks to the approved bid, the central authorities will provide it with additional funding for the infrastructure that would help solve many problems^{vii}. Unfortunately, in most cases, the local authorities do not take into account that, after the event, they will be left with costly specialist sport infrastructure.

Among particularly important stakeholders are also the representatives of big business. First of all, these include multinational corporations able to pay for using the logo and receiving as part of a deal a monopoly to sell their products in big stores and places where fans gather – stadiums, fan zones, meeting points and transport hubs. Local businesses cannot afford the price and miss the profits. The trade marks (including the mascots Slavek and Slavko, designed by an American company) belong mostly to the Organization. There were 10 global sponsors^{viii} and three national event sponsors in each host country (E.Wedel, Bank Pekao, MasterCard in Poland and Ukrtelecom, Ukrasotsbank and Epicenter in Ukraine). Only those sponsors had the right to use the official logo of EURO 2012, the UEFA name or to refer to the Championships in ads, promotion or packaging (Kozera 2012, p. 7). Another important part of the businesses involved are sport journalists (counted recently in thousands) and the media paying for coverage (on TV and radio), but making a living on the income from advertisements which, again, are mainly global, not local. According to pre-EURO 2012 estimations, sponsorship and broadcasting revenue by UEFA was estimated at not less than USD 1.6 billion.

One not very big, but important group of stakeholders are representatives of sport (sportsmen, coaches, medical and other services, paid "activists"), promising best results and repeating all the benefits which can (?) be brought by the expenditure, and not saying a word about the costs.

Sport fans, for whom the event is an opportunity to see an international contest (on top of their strong belief in the potential benefits) represent an additional, massive and active force, easily mobilized by the media and sport organizations.

Finally, there is the general public, usually strongly influenced by the main stakeholders and fed, day by day, with the information on the potential benefits. The general public as a rule has neither experience nor competence to challenge or at least verify the feasibility of the promoted benefits. The recent change, which did not play any role in 2012, have been the social protests against mega-events, viewed as a waste of money that could be used for social needs.

THE MECHANISM

The analysis of the motives of the main stakeholders helps to understand the basic concept of the mechanism. Its main goal is not to organize the event and fulfil the needs of the population. It is first of all intended to offer an opportunity for making big money (how big is partly unknown due to the strictly secret contract signed by the Organization and the Government). The contract was signed by the government headed by Prime Minister Kaczyński, but the bulk of the preparations was done by the government led by Prime Minister Tusk. When the new finance minister took his post, among his first announcements was a proposal to terminate the contract. However, never after did he return to his idea. Instead, during the regular visits of the Organization's representatives, one could see high-ranking Polish and Ukrainian civil servants trying to please them, to go low-profile to save the event. This relationship started much earlier.

The idea of organizing EURO 2012 in Poland and Ukraine was mooted in Ukraine in 2003. In the same year, the cooperation agreement was signed. Both governments covered the costs of the bid's preparation (against expectations, most of the costs of preparing the bid and the mascots went to foreign companies). In April 2007, somewhat unexpectedly, the Polish–Ukrainian offer won the bid. The Ukrainian oligarch and simultaneously president of the Ukrainian Football Association, Hryhoriy Surkis, was called the father of this success. It was finally agreed that four stadiums would be used in each country (Warsaw, Gdańsk, Poznań and Wrocław in Poland; Kiev, Lviv, Donetsk and Kharkiv^{ix} in Ukraine), with the opening ceremony to be held in Warsaw on 8th June 2012 and the closing one in Kiev on 1st July 2014.

Since the agreement with UEFA both governments became hostages: full responsibility for the preparation and covering of all the costs remained the burden of the public administration (on the Ukrainian side, co-financed by the oligarch). On the Polish side, the Government planned to spend ca PLN 70 billion (ca USD 22 billion), to a large extent already earmarked for investments not directly related to EURO 2012 (motorway system construction, modernization and development of the railway system and railway stations, roads, etc.), so efforts were made to complete the projects for the opening ceremony of EURO 2012. In vain, in most cases. Almost none of the planned investments were ready in 2012, and a side-effect of speeding up the investments at all costs was the bankruptcy of many constructing companies, which further delayed the finalization of the transport projects. The Berlin–Warsaw motorway was opened only thanks to the changes made in the Construction Law, as the road between Łódź and Warsaw did not fulfil the requirements set by the Polish regulations. And, still in 2014, the motorway system is far from being finalized (with the motorway to the Ukrainian border still under construction). Among the modernized railway stations are also those which – against the law – are not fitted with facilities for the disabled (e.g. Warszawa Wschodnia). As the European Union made it clear that it would not co-finance the construction of football stadiums in Warsaw, Poznań, Wrocław and Gdańsk, all of them were constructed (or enlarged, as in Poznań) for the funds from the Polish budget. The Warsaw stadium is very symptomatic – supposed to cost PLN 0.6 billion (ca USD 0.2 billion), it finally cost PLN 2 billion (USD 0.6 billion) (excluding the cost of land and other costs like adversarial litigation).

As the time passed, the list of the officially planned investments was getting shorter and shorter, and finally it was limited to investments related directly to the event's accessibility in the hosting cities (cf. MSiT 2013).

The third phase and the most important element of the mechanism covered the three weeks' period of the actual EURO 2012 event. It was the first and last time when the responsibility for the event was assumed by the Organization. For all this time, the Organization was exempted from all taxes relating to all business operations (broadcasting fees, advertisements, logo use, etc.). Also special lanes in the streets were reserved for this period for the Organization and VIPs. Officially, it was explained that this was for the city inhabitants' convenience.

One specific feature of the mechanism described above is the knowledge about promotion and contemporary tourism development mechanisms (the role of advisory firms). The event's organizers dedicated a lot of time and effort to prepare attractive and convincing materials before and after, to mobilize as many groups and institutions as possible in order to provide these materials to the people, and finally to play on emotions, wherever possible (MCCANNELL [2005] says that what is produced and sold is a pure experience)^x. This is a typical approach of modern tourism development (and promotion) in the times when tourists are attracted to specific locations mostly by the atmosphere, feeling of being part of something interesting and important. Since the inhabitants of big cities are also most active tourist community members^{xi}, the use of such an approach was most obvious and simple, in particular in the countries which for years were isolated from the global world and willing to prove their European roots and character. All of these elements could be observed in Poland (the media used only positive data about the potential benefits) and its particularly symbolic sign was a slogan used everywhere at the final stage of the preparation and during EURO 2012: *Wszyscy jesteśmy gospodarzami EURO 2012* ("We all are hosts of EURO 2012"). In this way, the "family" stressed that it is something important for the whole society.

RESULTS IN SHORT

This is a brief information piece describing the impact of EURO 2012 on the cities hosting the event, i.e. Gdańsk, Poznań, Warsaw and Wrocław. The data from two other cities are presented for comparison. One city, Łódź, decided not to participate in the bidding for the event, whereas the other, Kraków, did not win the right to host it. It turned out that even though almost two years have passed since EURO 2012, some statistical data concerning 2013 are not available. Therefore, certain data can be only compared for the period before and during the event. The results still confirm the findings about other mega sport events presented above.

Did EURO 2012 have a positive impact on finances of the cities involved, as promised? Table 1 provides the data against such a conclusion.

Table 1. Own city income, PLN, 2010 and 2012

City	2010	2012	2010/2012 in %
Warsaw	4,903.53	5,179.57	5.6
Poznań	3,119.36	3,382.91	8.5

Wrocław	3,711.34	4,057.71	9.3
Gdańsk	3,045.38	3,193.62	4.9
Łódź	2,297.37	2,801.68	21.9
Kraków	2,830.77	3,121.82	10.3

Source: GUS BDL, accessed 20.03.2014

Despite promises, the budgets which were most successful in economic terms in 2012 as compared to 2010 were those of the cities not hosting EURO 2012, i.e. Łódź and Kraków. Own income increase for all the host cities was lower than that of these two cities. What is even worse is the fact that the maintenance costs of the stadiums built for EURO 2012 are still in the red and instead of profits, they bring constant losses (except for Poznań, where from the very beginning the stadium was meant as a future seat of a local football club). What is interesting is that the highest losses are brought by the national stadium in Warsaw (incidentally, it is the third specialist football stadium in the city where athletic competitions cannot be organized) and in spite of that the executive board of the state-owned company in charge of the preparation and management of the sport infrastructure built for EURO 2012 were offered financial bonuses of PLN 2.75 million (ca USD 0.86 million) (GAŚIOR 2013)^{xii}.

Did the host cities report a radical increase of tourists? Statistical data leave no doubt that the number of foreign tourists and overnight stays in the cities hosting the event increased in 2012 in comparison with 2011 by (in many cases) much less than in the cities that were not hosting EURO 2012 (Table 2).

Table 2. Foreign tourists accommodated at hotel type establishments and overnight stays, 2011 and 2012.

City	Foreign tourists accommodated at hotel type establishments 2011	Foreign tourists accommodated at hotel type establishments 2012	2011/2012 in per cent	overnight stays of foreign tourists 2011	overnight stays of foreign tourists 2012	2011/2012 in per cent
Warszawa	899636	990233	1.1	1596593	1792801	12.3
Gdańsk	160699	213115	32.6	407995	504928	23.7
Wrocław	229914	249256	8.4	433748	478759	10.4
Poznań	150772	175012	16.1	308032	324003	5.2
Kraków	805664	916445	13.7	1846690	2114277	14.5
Łódź	66887	83767	25.2	152274	192286	26.3

Source: GUS BDL, accessed 20.03.2014

Looking at the bed occupancy rate, it is clear that it increased only in Gdańsk - by 4.9 percentage points (pp), and in Kraków - by 3.4 pp. In Wrocław, it decreased by 1.3 pp (Table

3). There is no readily visible pattern, but it is clear that EURO 2012 was not the reason for the increased bed occupancy.

Table 3. Beds occupation rate (%) in 2010-2012

City	2010	2011	2012	2010/2012 in %
Warsaw	47.1	47.9	47.6	1.1
Kraków	39.9	41.1	43.3	8.5
Poznań	33.3	34.9	35.1	5.4
Wrocław	40.8	42.0	39.5	-3.2
Gdańsk	35.7	39.8	40.6	13.7
Łódź	34.7	33.2	32.6	-6.1

Source: GUS BDL, accessed 20.03.2014

Finally, attention should be given to the cooperation with Ukraine and its impact on the visitors' movement. Soon after the decision granting the organization of EURO 2012 to Poland and Ukraine was announced, the preparations in both countries were done in isolation rather than cooperation: each country encountered different problems and sought different solutions. At the beginning, the claim that considerable benefits would arise from close cooperation with Ukraine in the economic, social and political sphere gained some currency. As the time passed, it was less and less used as – in the context of delays in preparations on the Ukrainian side – the president of the Polish Football Association suggested in public that, should the need arise, Poland could organize the Championships with Germany, where all the facilities were already in place. It did not increase visits between the two countries during the preparatory phase. Also in 2012, as compared to the previous year, the increase of individuals crossing the border between Poland and Ukraine showed a lower dynamics than the Polish average (Table 4). Recent data on nights spent by tourists in 2013 compared to 2012 shows mixed effects: it increased in Poland by 1,5%, while in regions hosting the event by: in wielkopolskie minus 3,8%, mazowieckie (capital) +6,1%, dolnośląskie +3,6, pomorskie +2,3%. In not host regions by + 1,2 in małopolskie and minus 4,8 in łódzkie. Not a word connected the changes with EURO 2012 (GUS 2014: 5).

Table 4. External EU border crossings in Poland, 2012

External EU border in Poland with:	2011	2012	Change 2011/2012 per cent

Ukraine	13,870,528	15,039,698	8.4
Byelarus	8,245,954	8,800,591	6.7
Russia	2,373,517	4,073,142	71.6
Crossings by air	8,537,267	934,121	9.5
Crossings by sea	272,864	284,745	4.4
Total crossings external EU border in Poland	33,300,130	37,540,297	12.7

Source: STRAŻ GRANICZNA 2013.

In Russia most of the increase was thanks to just started local crossborder tourism from Kaliningrad area which in 2012 reached the level of ca 1 million additional border crossings [US 2014]) and increases by 50% a year. In none of other bordering Eastern European countries the number of personal border crossings being higher than average was reported. Interestingly, for the period of EURO 2012 (4 June -1 July 2012), border controls were temporarily reintroduced between Poland and Lithuania, Germany, Czech Republic and Slovakia. The relevant figures are low: border with Germany: 8625 crossings, Lithuania 1806, Slovakia 1061 and Czech Republic 15,655 (another team in EURO 2012). 74 citizens crossed the border by sea and 1759 – by air (STRAŻ GRANICZNA 2013).

One last question should be asked: was it an event bringing a high influx of foreign tourists? Were the dynamics for 2012/2011 higher in the host countries? The data presented in Table 5 do not confirm that thanks to EURO 2012 tourist arrivals and tourism receipts were extremely high or higher than in any other country in the region.

Table 5. International tourists arrivals and international tourism receipts, 2010, 2011, 2012

Country	International tourists arrivals (in million). In brackets change 2013/2014 in %.				International tourism receipts (USD billion). In brackets change 2013/2014 in %.			
	2010	2011	2012*		2010	2011	2012*	
Poland	12.5	13.4	14.8	(10,4)	9.5	10.6	10.9	(2,8)
Ukraine	21.2	21.4	23.0	(7,5)	3.8	4.3	4.8	(11,6)
Czech Republic	8.6	9.0	8.9	(-1,1)	7.1	7.6	7.0	(-7,9)
Germany	26.9	28.4	30.4	(7,0)	34.7	38.9	38.1	(-2,1)
Russia	20.3	22.7	25.7	(13,2)	8.8	11.3	11.2	(-0,9)

* - data for 2012 tentative, provided to UNWTO by the member states.

Source: UNWTO 2013: 8.

An increase in the number of foreign tourists provisionally estimated at a level of 1.4 million (2011-2012) led to the income increase only by \$300 million (Table 4). Not much in a country with the global GDP estimated in 2013 at USD 814 billion (PPP standard) or USD 514 billion (official exchange rate standard)^{xiii} (CIA 2014). In Ukraine number of tourists increased by 1,6 million and receipts by only \$500 million.

The author tried to assess the costs of EURO 2012 in Poland (excluding the technical infrastructure not directly relating to EURO 2012 and maintenance costs of stadiums afterwards) and came up with the following figures: cost of sport infrastructure– ca USD 1 billion, opportunity lost in the form of tax exemptions (ca USD 0.4-0.6 billion), other costs ca USD 0.4 billion (altogether, ca USD 1.8-2.2 billion). UEFA's revenue (sponsorship, broadcasting, sale of certain rights, tickets) can be estimated conservatively at a level of USD 2 billion (KOZAK 2012: 32).

Infrastructure

In general, it should be said that while in Poland some infrastructural investments other than sport were completed (although it was only a fraction of what was promised), in Ukraine, according to the best information available, the only investments that were finalized were related to the stadiums and their close vicinity. Therefore, we shall concentrate on the analysis of results in Poland. The only infrastructure whose provision can be attributed to EURO 2012 in Poland, where the stadiums which not only cost much more than planned but also entailed high maintenance costs (the maintenance costs of only one stadium in Warsaw are over PLN 20 million a year and to date this cost was not counterbalanced by income; in 2013, the deficit was estimated at ca 50%). Among non-sport infrastructure, some local transport improvements were done on time (renovated railway stations, roads leading to the stadiums, energy grid, car parks). No major infrastructural projects promised to be ready on time for EURO 2012 (part of the potential benefits that EURO 2012 was supposed to bring, with mostly European and Polish budget funds) was actually finalized. Even worse, the attempts to accelerate the construction of e.g. the motorway system that was supposed (according to the EURO 2012 proponents) to be ready before the event resulted in numerous bankruptcies of construction companies and delays in construction. None of the motorways has been completed. The major Warsaw airport is still under renovation. The new airport in Modlin (40 km north of Warsaw, the pride of the regional government^{xiv}) was finished and made operational two weeks after EURO 2012, on 15 July 2012, and it closed down for security

reasons (fissured runway) in December 2012 (to reopen in June 2013). If other, more needed projects were completed, it had nothing to do with EURO 2012: almost all the infrastructure construction was planned in the Cohesion policy and the state budget (Cf. MSiT 2013).

Social benefits

They were seen by the proponents in the social mobilization and integration (both in the short and long run). However, there is no proof that after the mobilization of volunteers assisting the visitors with local information and advice the level of volunteering increased. No research reported any increase after 2012, though some sociologists^{xv} the author had interviewed believed that it would happen. There are no data confirming any increase of social integration. The Polish report *Diagnoza społeczna* (social diagnosis research panel done every two years) does not report any increase in terms of social capital (understood mostly as trust in other people and/or social participation). The Polish society is still among the least trusting in Europe (DIAGNOZA 2013, p. 286). Worse still, according to Diagnoza 2003-2013 reports, Poles are the society which is the least involved in NGO activities and this rate decreases (despite EURO 2012) (Cf. DIAGNOZA 2013, p. 287). Only the people hired by the UEFA family or indirectly by the company PL.2012 could suggest that EURO 2012 increased the Polish society's integration. Why should one expect that a sport mega-event is able to reduce all the social tensions and conflicts? Words of gratitude should go to the volunteers, though there is no proof that they remained active socially afterwards.

Promotional benefits

As in most cases, it was promoted in the following spheres: by people taking part in the event and by those watching them on TV (and radio listeners). The number of viewers watching the event is similarly overestimated as in all other mega-events analyzed by ETOA (and others).

One has to remember that during the event most media coverage was about the matches and their analyses by the "talking heads" in the studios, interrupted by advertisements and few headlines. As a result, there was no space for presenting the country and its people. Before the event, BBC sent worldwide its broadcast on Polish xenophobia and racism and the risk it represents for non-white sportsmen. That was truly biased, but the fight of Polish fans (?) with Russian spectators marching to the stadium was shown in the news bulletins all over the world. If EURO 2012 was to improve the image of Poles, it rather failed. The launch of an Al Jazeera TV studio in Warsaw before the event was often quoted as an example of success.

Why? The media also constantly broadcasted the answers of foreigners asked during the event about their perception of Poland. Needless to say – for safety or because of good manners - the answers in such situations are always positive. Their value as proof of anything is negligible. And who except for soccer fans can remember any past Mundial? Or the influence it had on tourist visits to a given country afterwards?

As for revitalization, the data from both Ukraine and Poland suggest that no results were achieved. In case of Poland, observation suggests that EURO 2012 was not used as an opportunity to change (revitalize) the neighbouring districts. It was stressed also by Burszta et al. (2012: 228) in their recommendations as opportunity lost.

Finally, the sport results should be mentioned. The Polish team was totally defeated (last position in Group A), thus offering no incentive for foreign tourists motivated by football to visit Poland again.

CONCLUSIONS AND RECOMMENDATIONS

For understandable reasons, a more detailed analysis of the situation in Ukraine after Autumn 2013 turned out to be impossible and therefore we shall concentrate on the Polish situation.

Neither in international literature nor in the case of EURO 2012, evidence was found of benefits brought by the event on local, regional or national level. Perhaps that explains why, in Poland, there was a strong tendency by the organizers to close down and sum up the results as soon as possible (even in the absence of verifiable data). From the scientific point of view, the reports presented in October 2012 in Poland were not based on any verifiable data (FORBES 2012; IMPACT 2012). Also, playing on emotions whenever possible in order to hide the lack of objective data was a frequent phenomenon. The report by the Minister of Sport and Tourism to the Polish Parliament is particularly interesting as it shows numerous projects (mostly part of the Cohesion policy activities) as being implemented thanks to EURO 2012 (MSiT 2013). Even more interesting is the number of projects listed as not finished before EURO 2012. What is important, these are primarily the most difficult and expensive projects that could not be speeded up.

Transborder cooperation was supposed to increase, particularly on the Polish-Ukrainian border as a result of close cooperation intended to earn the rights to organize, prepare and execute the EURO 2012 Football Championship. It did not.

The main recommendation is that every mega-event (be it sport or any other category) should be planned not for the event itself but for the time after the event proper. The only chance to minimize the costs (losses) incurred by the public authorities is to plan strategically. Otherwise, the event will leave the public authorities with problems and maintenance costs rather than with any strong evidence of success. Not only especially in the times of crisis, this is of utmost, and ever increasing, importance.

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Notes

ⁱFrom the foreword of the Minister to *Impact 2010*: “After EURO 2012, Poland shall be a modern country, ready to face any kind of organizational challenge within the scope and preparing and hosting the biggest, most prominent sporting events in the world. The IMPACT report – developed by scientists and researchers representing the Warsaw School of Economics, University of Łódź, and Jagiellonian University, clearly shows that EURO 2012 offers great promotional potential for our country. Thanks to organizing the European Football Championship, Poland has a great chance to become an increasingly attractive and popular tourist destination.” (BOROWSKI 2010).

ⁱⁱ Broadcasting fee in the case of London Olympic Games was estimated at USD 3.5 billion (HORNE, MANZENREITER 2006: 2)

ⁱⁱⁱCf. ZHANG, ZHAO 2009.

^{iv}Roughly USD 500 million in 2008.

^vAn unconfirmed rumour was that UEFA accepted the Ukrainian bid because of a bribe and on the condition that Poland would be the co-organizer (probably due to the availability of European funds and a higher level of development). The stadiums in Ukraine were constructed by a private investor, but – again an unconfirmed rumour – in return for significant privileges from the government.

^{vi} in January 2013, it changed the name to “PL.2012+” and remained in charge of the National Stadium operation (responsibility for accommodation, service, etc.).

^{vii}Representatives of the Polish Organizing Committee, at a press conference (24 March 2014) broadcast on TV were unable (or unwilling) to estimate the costs of the planned event; under a strong pressure from journalists, the mayor of the city suggested PLN 21 billion (ca USD 7

billion), saying that it will be much lower as compared to EURO 2012 costing PLN 71 billion. Both figures were unsubstantiated.

^{viii} Adidas, Canon, Carlsberg, Castrol, Coca-Cola, Continental, Hyundai-Kia, McDonalds, Orange and SHARP.

^{ix} Initially Dnipropetrovsk, excluded by UEFA in 2009 together with Odessa, Kraków and Chorzów.

^x According to Polish researchers EURO 2012 proved that all fans are consumers of impressions (BURSZTA, CZUBAJ 2013: 22)

^{xi} Bauman described four types of postmodern personalities, among them a “tourist” (i.e. a person living mostly in a big city, for whom travel is a natural part of life) (BAUMAN 1998: 109)

^{xii} In 2012, the average salary in Poland was ca PLN 3.7 thousand (ca USD 1,2 thousand) a month.

^{xiii} 0,003% of GDP (PPP standard) or 0,005 (exchange rate standard).

^{xiv} In 2013, the region (the richest in Poland) suffered from sever financial problems. The *Marszałek* of the region (head of the Regional Executive Board) blamed the tax regulations. The Modlin airport’s modernization cost (estimated at ca USD 170 million) was never mentioned as a reason. The costs of maintenance and of opportunity lost during the six-month closure in 2013 are unknown.

^{xv} Most of them involved in the EURO 2012 preparation.