

MEGA EVENT PLANNING

Series Editor: Eva Kassens-Noor

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SPORT MEGA-EVENTS IN EMERGING ECONOMIES

The South American Games of
Santiago 2014

**Gonzalo A. Bravo,
David J. Shonk,
Jorge Silva-Bórquez and
Silvana González-Mesina**



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Series Editor
Eva Kassens-Noor
Michigan State University
East Lansing, MI, USA

The Mega Event Planning Pivot series will provide a global and cross-disciplinary view into the planning for the world's largest sporting, religious, cultural, and other transformative mega events. Examples include the Olympic Games, Soccer World Cups, Rugby championships, the Commonwealth Games, the Hajj, the World Youth Day, World Expositions, and parades. This series will critically discuss, analyze, and challenge the planning for these events in light of their legacies including the built environment, political structures, socio-economic systems, societal values, personal attitudes, and cultures.

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Gonzalo A. Bravo • David J. Shonk
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Silvana González-Mesina

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palgrave
macmillan

Gonzalo A. Bravo
Exercise and Sport Sciences
West Virginia University
Morgantown, WV, USA

David J. Shonk
Sport & Recreation Management
James Madison University
Harrisonburg, VA, USA

Jorge Silva-Bórquez
Pontifical Catholic University of Chile
Santiago, Chile

Silvana González-Mesina
Freelance Journalist
Santiago, Chile

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ACRONYMS/ORGANIZATIONS¹

APC	Paralympic Committee of the Americas
BRICS	Brazil, Russia, India, China, South Africa
CAN	Andean Community of Nations
CID	Ibero-American Sport Council
COCH	Chilean Olympic Committee
CONMEBOL	South American Football Confederation
COSAN 2014	Corporación Santiago 2014
DIGEDER	General Directorate Sport and Recreation
DJI	Dow Jones Index
FIFA	International Federation of Association Football
FTSE	Financial Times Stock Exchange International
GAO	Government Accountability Office
IGOs	Intergovernmental organizations
IND	National Institute of Sport
INGOs	International Non-Governmental Organizations
IOC	International Olympic Committee
IPC	International Paralympic Committee
LOC	Local Organizing Committee
MERCOSUR	Common Market of the South
MSCI	Morgan Stanley Capital International Index
NGB	National Governing Body
NOC	National Olympic Committee
ODEBO	Bolivarian Sports Organization
ODESUR	South American Sports Organization

OECD	Organization for Economic Co-operation and Development
OGKM	Olympic Games Knowledge Management
S&P	Standard & Poor's Index
SENADIS	National Disability Service
SMEs	Sport Mega-Event(s)
TVN	National Television of Chile
UNASUR	Union of South American Nations
UNDP	United Nations Development Programme

NOTES

1. Note: Some of these acronyms are in their original language of Spanish or French.

AUTHORS BIOGRAPHICAL SKETCH

Gonzalo A. Bravo is an Associate Professor in the Sport Management Program at West Virginia University. He completed a Masters in Sport Administration at Penn State University and a PhD in Sport & Exercise Management at Ohio State University. He is the co-editor of *International Sport Management* (2012) and *Sport in Latin America. Policy, organization, management* (2016).

David J. Shonk is an Associate Professor in Sport & Recreation Management at James Madison University. He completed his undergraduate degree in Business Management at Virginia Tech and holds a PhD in Sport & Exercise Management from Ohio State University. He is the co-author of *Managing Sport Events* (2013).

Jorge Silva Bórquez is the Sport Director at the Pontificia Universidad Católica de Chile. Previously he worked at the National Institute of Sport and Club Deportivo Universidad Católica in Santiago, Chile. He holds an MBA from IEDE Business School in Santiago and a Master's degree in Sport Management from Universidad Metropolitana de Ciencias de la Educación.

Silvana González Mesina is a freelance journalist specialized in sport and corporate communications. Her work has been published in major newspapers and sport publications in Chile. She completed a Bachelor's degree in Communication and Journalism from Universidad de Chile and a specialization in Sport Journalism from Universidad La República.

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Introduction

Abstract Chile and the 2014 South American Games in Santiago provide an interesting platform for exploring the case of a sport mega-event (SME) in an emerging economy. The chapter provides an introduction to the South American Games, describes the organization of the project, and explains the methodological approach used in this case study. Although the vast majority of scholarly work on SMEs has focused on large and global scale events, this case focused on a small regional event that took place in a country with little history in organizing mega-events. This chapter introduces the importance of studying lower scale SMEs and highlights the need to explore the uniqueness of these types of events. These events are frequently hosted in countries outside of the global north that show dissimilar economic, cultural, and institutional realities.

Keywords South American Games • Emerging economy • Sport mega-events

In 2009, when the International Olympic Committee (IOC) announced that the 2016 summer Olympic Games were to be organized in Rio de Janeiro, Brazil, the sporting world received the news with excitement and at the same time were concerned about security, health issues, and being overextended from hosting the 2014 FIFA World Cup (Macur, 2009;

McBride, 2016). Although sport mega-events (SMEs) like the summer Olympics traditionally take place in developed countries, over the past decade the IOC has started to award these events to countries outside of the Global North. The rationale for moving these events outside of the traditional rim of developed nations is not only to advocate for participatory, democratic, and inclusive ideas, but also for very practical reasons.

The awarding of the Olympic Games to emerging economies located in the Global South has occurred because over the last two decades many of the so-called developing nations have significantly changed their economic and political status (Grix, 2013; Nayyar, 2016). Countries not considered to be traditional bidders for the Olympic Games are now considering a bid due to the enhanced status given to host cities, as was the case of the city of Budapest who in 2015 announced intentions to bid for the 2024 Olympic Summer Games (Associated Press, 2015). Grix (2013) notes that SMEs like the Olympics and the FIFA World Cup are increasingly going to new lands, such that there is a shift from developed democratic states to emerging democratic and non-democratic states. Between the 2008 Beijing Olympic Games and the 2022 Qatar FIFA World Cup, at least eight major sport events will have taken place in 'emerging states' (p. 16). In contrast, politicians from cities and nations considered more regular bidders have begun to question the benefits of SMEs, and enthusiasm for hosting has waned due to the large costs involved. That was the case in 2016 when Rome's mayor Virginia Raggi opposed the city's bid for the 2024 Summer Olympics citing their lack of sustainability and large costs and debt (New York Times, 2016).

Despite the interest emerging economies have shown in recent decades to bid and host first-order SMEs, a select group of developed countries continue to host them because of their high costs. As a result, many countries today bid and host SMEs but focus more on a regional appeal as opposed to those events that cater to global audiences (Black, 2014).

Sport mega-events hosted in emerging economies, particularly second- and third-order events, occur much more frequently than reported. These are the type of events that while retaining a number of the defining features of first-order events (Grix, 2013) are still small in terms of number of participants, and their level of media reach is limited to specific geographical areas where these games are organized (Black, 2008; Cornelissen, 2004). Such is the case of the South American Games, which, while being in existence for almost four decades, have grown from being a small

multisport festival involving a few hundred athletes to a complex venture that closely resembles the characteristics of a first-order SME.

Because of the importance SMEs receive in the scholarly literature, and the ubiquitous impact these events have on the countries that host them, it is critical that scholars pay attention to and examine the dynamics of SMEs in emerging economies and particular events of second- and third-order category. Although the interest of studying SMEs in emerging economies has grown significantly since the Beijing Olympics in 2008, the vast majority of these studies has focused on first-order events hosted in BRICS countries such as Brazil, Russia, India, China, and South Africa. Considering that not all emerging economies are alike, nor all SMEs similar, scholars who examine business strategy in less-developed countries remind us that ‘emerging market economies are not homogeneous, even within the same geographic region. Latin America, East Asia, Africa/Middle East, and Central and Eastern Europe, taken as four groups, have manifestly different starting points, but even within these regions, countries differ markedly’ (Hoskisson, Eden, Lau, & Wright, 2000, p. 259). Therefore, it is important for scholars to focus on these differences and to be aware of the uniqueness and peculiarities second- and third-order SMEs may offer, particularly when hosted outside of the BRICS economies.

Chile and the South American Games of Santiago 2014 offer an interesting case to examine and explore the defining attributes that characterize an event of sizeable magnitude in a country with little history of hosting SMEs. This case aims to shed light and expand our understanding of not only the way a third-order SME like the South American Games occur but also under what circumstances they occur. It also contributes to advance our knowledge as to what extent previous findings and conceptualizations made on impact, legacies, justifications, challenges, and problems, identified in first-order SMEs hosted in developed nations, inform similar outcomes when compared to second- or third-order SMEs organized in emerging economies. Similarly, case studies like the South American Games might also help to provide a better understanding if some of the challenges faced by first-order SMEs on BRICS economies translate or equate to other second- and third-order SMEs in smaller emerging economies. One of the key issues here is that future studies of SMEs in emerging economies must move away from the notion that ‘one-size fits all’. SMEs are extremely complex enterprises that require scrutiny and judicious analysis of their findings prior to treating the findings as rules that will

unavoidably replicate other SMEs of different sizes that take place in dissimilar economic, cultural, and institutional realities.

This monograph is intended to help the reader understand the challenges that event organizers from emerging economies face when hosting or aspiring to host large sporting events. While the specific literature on SMEs is vast and rich, little has been written about the idiosyncratic nature of hosting large international multisport sport events in emerging economies, particularly those outside the BRICS countries. Academic efforts to understand how smaller emerging economies face the challenges of organizing second- and third-order SMEs have been scarce at best. This monograph focuses on describing how less visible yet large sport events like the South American Games are planned and take place in an emerging economy like Chile.

In this monograph, we examined the case of Chile and explored some plausible reasons for Chile's transformation from being a country that historically rescinded SMEs to becoming an aspiring host for these events. Specifically, we examined the historical context and macro-environmental factors that may have contributed to explaining the adoption of SMEs by Chilean authorities and 'booster coalitions' (Black, 2008, p. 470). We also examined the extent impacts, legacies, and different forms of organizational dynamics, all elements discussed in the broad literature of SMEs, resemble those observed in the South American Games of Santiago 2014. Finally, we identify the perceived critical outcomes the South American Games of Santiago 2014 had on different stakeholders within Chilean society.

METHODOLOGICAL APPROACH

A primary goal of this project was to extend the literature on SMEs, particularly on third-order events in the context of the 'new frontier economies', which are the second tier of emerging economies that are not part of the BRICS countries (Cavusgil, Ghauri, & Akcal, 2012). Considering that third-order SMEs in emerging economies have been minimally explored within the literature, we followed an exploratory approach. In exploring the 2014 Santiago Games we used qualitative methods, thus allowing us to focus specifically on this one case or this specific event. A qualitative approach allows us to take an inductive or bottom-up approach to better understand the South American Games. Qualitative methods also give voice to those involved in the case. In this work, we have extracted