

SOCHI 2014: GATEWAY TO THE FUTURE?

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The 2014 **Winter Olympics**, officially known as the XXII Olympic Winter Games, will be the next Winter Olympics hold from February 7 to February 23, 2014 in **Sochi, Krasnodarskiy Region, Russia**. The city was elected on July 4, 2007, during the 119th **International Olympic Committee (IOC) Session** in **Guatemala City**. This will be the first time that the Russian Federation will host the Winter Olympics; the **Soviet Union** hosted the **1980 Summer Games** in **Moscow**.

The winning of the right to host the Winter Olympics 2014 is a huge achievement for our country. It's a really long-awaited great event that is going to become a substantial contribution to the history of Russian Sport.

However, time passes, and the Olympic euphoria little by little is changing into the anxiety. Why is such a grandiose event subjected to criticism, we will try to understand further. The idea of holding the Winter Olympics in a seaside town with a subtropical climate, surrounded by mountains, where the infrastructure hasn't been virtually upgraded since the Soviet Union times, more and more looks like a mad adventure.

But we are not looking for the easy ways! That's why, the task was set and called for immediate actions.

The project and the marketing programme "Sochi-2014" were worked out in order to organize The 2014 **Winter Olympics**.

We are not going to study the programme in depth. It's more than enough for us to estimate the investment size in "gateway to the future".

So, let's start with the figures.

What is the price of the victory?

It is planned, that the aggregate investments will make up 313.9 billion rubles (\$12billion). The state budget will provide 62 per cent (it is about 195 billion rubles) of the investments for the creation of roads and other infrastructure, **and the other 38 per cent (about 119 billion rubles) will be given by the private investors. This sum of money is going to be spent on** the construction of commercial buildings. Financing from non-budget sources is distributed as follows:

- Tourist infrastructure — \$2.6 billion;
- Olympic venues — \$500 million;
- Transport infrastructure — \$270 million;
- Power supply system — \$100 million.

More than \$150 million is prepared for improving the environment in the area of Krasnaya Polyana.

But the experts suppose that this sum isn't the last. The capital investments will increase day by day.

These huge sums do not scare those who believe in the bright future after the Olympics.

Let's look at the perspectives which the government talks about.

It's important to say that all the perspectives can be divided into 2 groups: the first one is the perspectives for Sochi and **Krasnodarskiy Region**, and the second one is about Russian interests. But these two groups are connected with each other.

First of all, there will be the economic effect for Sochi and Krasnodarskiy Region, because after the different investments in development and provision of the necessary facilities this area will become a year-round resort for residents of Russia and our guests. This innovation will supply Sochi with an inrush of tourists and guarantee the development of travel business. It should be noted that such a large-scale investment should profit the construction business firms and companies. The major specialists with good experience and good connections in the country's government will be able to get profitable "Olympic" contracts.

In addition, the inflow of funds will help a lot of new jobsites to appear.

The 2014 **Winter Olympics** is the chance for Russia to increase the level of sport and make our sportsmen believe we are proud of them. Furthermore, finally, this event is a way to win authority and prestige all over the world.

Speaking about possible benefits, connected with the Olympics, economists predict the earnings will be about \$485 million without the receipt from the International Olympic Committee. Moreover, takings from ticket sales will be \$125 million and \$300 million will come from local sponsors.

Summarizing all the information, we can see that economic, political and social benefits of the Olympics in Sochi will be quite large and substantial. It seems like everything is going perfect.

But is everything so ideal in fact? Are all the residents of Sochi and Russia satisfied?

Let's argue about it.

After Sochi had become a venue of the Olympics, city residents faced with a lot of problems.

The next day after the triumph in Guatemala the cost of real estate in the paradisiacal resort town has jumped by 20-30 per cent. According to preliminary estimates, in the nearest future prices will increase by 50% and will be growing day by day.

The residents of Krasnaya Polyana claim they have paid even 10 thousand rubles per one sq.m. of land before, but the price per the same sq.m is now estimated to be 100 000, and nobody hurries to sell the land.

At the same time, consumer prices for foodstuffs, manufactured goods and consumer goods have increased too. Besides the fact of cost rising, it should be mentioned that the level of wages is still the same.

The **Winter Olympics** will make Sochi a centre of Russian tourism, as stated above. Do you believe? Maybe, but for whom exactly? Do the government think a resident of Russia with average wages will be able to visit this "new luxury resort"? I doubt it.

The road for tourists who want to spend a cheap vacation will be closed.

What else? The construction of the Riviera needs a lot of land. The plan of the local authorities is to pull down about twenty-five residential buildings and even more. The mass eviction of people in return for a new accommodation has already begun.

If we ask people for their opinions, concerning the possible consequences of large-scale preparation, the majority of citizens believe that such big investments will lead to absolutely disorder in the state budget and to decline in living standards and well-being of the Russian people.

The problems of corruption and treating the government with distrust are also expressed by the residents of Russia.

One more reason to doubt the all-embracing benefits of the Olympics, as it is presented by Mass Media, is a possibility of the environmental disaster. The ecologists and environmentalists sound the alarm that the creation the Olympic infrastructure in Sochi will cause the destruction of ecosystems in the area, irreplaceable damage to

unique wildlife and biodiversity of the Western Caucasus. The greatest part of the complex of the Olympics facilities is surrounded by the most valuable areas of wildlife (The Caucasian Nature Reserve, the Sochi National Park and other territories).

The construction, which has already begun, is extremely damaging to the ecosystems in the area of Krasnaya Polyana.

The vast lots of forests have been already cut down and some localities of rare animals and plants have been also destroyed. Frightening facts, aren't they?

Nowadays the problem of holding the 2014 **Winter Olympics** must be regarded from 2 positions. On the one hand, it is the occasion for the nation to unite and develop the country's potential. But on the other hand, during this Olympic euphoria people shouldn't forget about any possible negative consequences and influence on different aspects of life, because the country's prestige can't be as important as social guarantees and well-being of the nation. This Olympic Games are the first experience of Russia in holding such a grandiose sport event. We believe our country will achieve all the long-planned clear objectives. All of us will hope that "the ends justify the means".