

RUSSIA'S SPORTING LANDSCAPE



JON COXETER-SMITH LOOKS AT RUSSIA'S RECENT SPORTING HISTORY AND THE WIDER IMPACTS OF RUSSIA'S UP AND COMING GOLDEN DECADE OF SPORT

The UK's sports industry has become very familiar with the term: a golden decade of sport – referring to the many international sporting events the UK has been awarded or is bidding to host, during the 2010s – off the back of winning the bid to host this year's Olympic and Paralympic Games.

Looking east, Russia has now embarked on its own version of a golden decade. Through successful bidding the nation is building an enviable international sports event portfolio and is currently busy preparing to host some of the greatest shows on earth.

This new emphasis on developing a sustainable sporting landscape is a relatively new concept for the nation, so how

has Russia managed to assemble this event portfolio and what impact will it make on the nation's sporting landscape and its people?

SETTING THE SCENE

The 1990s and early 2000s was a difficult time for modern Russia. Dealing with the impact of the collapse of the Soviet Union in 1991 naturally preoccupied the Kremlin government – particularly when the main economic priority was to get inflation under control. This, in turn, resulted in the country's physical, social and sporting infrastructures being neglected and allowed to fall into disrepair.

Saddled with a deteriorating sports infrastructure, naturally the development

of Russian athletes and its sporting performance on the world stage began to decline too. The extent of the decline is illustrated by Russia's performance at major international sports events as a country in its own right. While athletes competing under the Soviet Union flag won 132 medals at the 1988 Seoul Olympics, the 'Russian' national team won just 63 at the 1996 Atlanta Olympic Games and 72 at the 2008 Beijing Games.

On snow and ice, where Russia expects to excel, its decline in sporting prowess was also evidenced by its position on the medal table. A Soviet Union medal haul of 29 at the 1988 Calgary Winter Olympics fell to 13 medals at the 2002 Salt Lake City Games and the 15 medals won at the most recent Winter Olympic Games in Vancouver 2010 suggests improvement has not yet taken root.

TURNING POINTS

According to analysts, 2008 was identified as an important milestone year for the country – one in which inflation fell to single digits. Similarly, on the field of play a significant victory was won that year. On 18 May, in the Pepsi Coliseum in Québec, Canada, the Russian hockey team scored an overtime goal to defeat Canada 5 – 4 in the final of

Figure 1: Russia's Golden Decade

YEAR	EVENT
2013	IAAF World Championships in Athletics, Moscow
2013	27th Summer Universiade, Kazan
2014	Winter Olympic Games, Sochi
2014	Russia Formula 1 Grand Prix, Sochi
2015	FINA World Championships, Kazan
2016	International Ice hockey Federation World Championships, Moscow & St Petersburg
2017	FIFA Confederations Cup
2018	FIFA World Cup™, Russia 2018



Russian athletes excel at international snow and ice events

Hosting major sporting events, such as the Sochi 2014 Winter Olympics, can inspire the Russians to embrace change

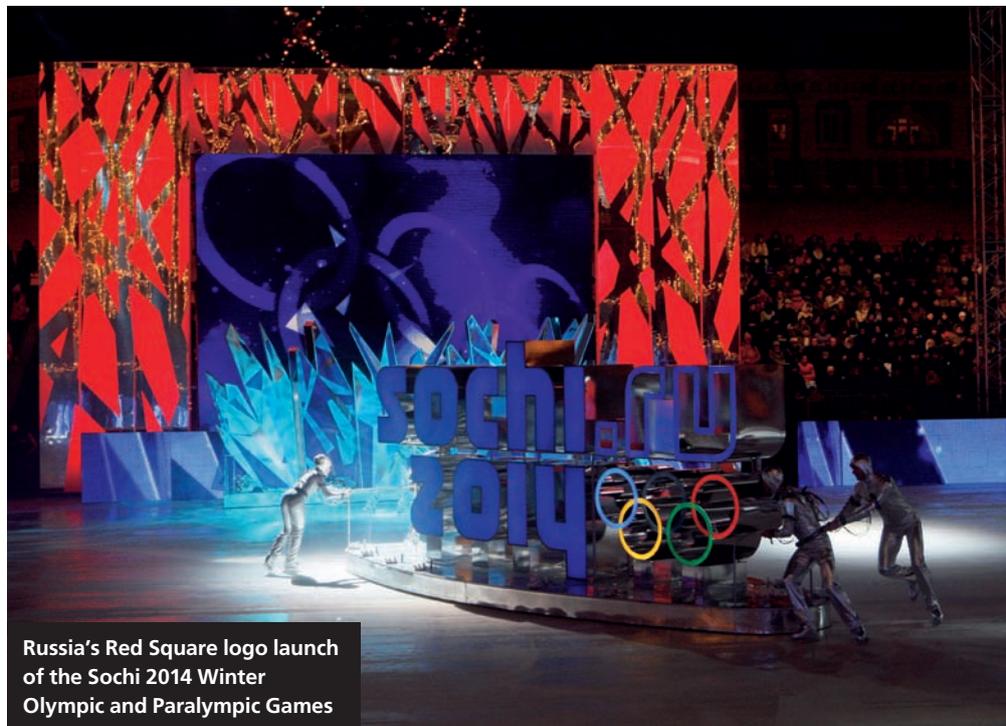


the IIHF World Championships. In Soviet Union days, Russia had won seven Olympic and 22 World Ice Hockey titles, an unrivalled record, yet this was its first World title for 15 years. Also in May 2008, the city of Kazan, in Tartarstan, won the rights to host the 2013 edition of the FISU – the University Sports Federation – Summer Universiade.

So 2008 was clearly a year of significance for Russian sport, however bidding committees had, in fact, been working on bids to host major events for some years previously.

This is evidenced in its unsuccessful bid to host the 2012 Olympic Games, work for which actually commenced in 2003 or earlier. For example, the bidding process for its right to host Sochi 2014, won in July 2007, would have commenced two to three years earlier. Meanwhile, Russia launched its unsuccessful bid for Moscow to host the 2010 Youth Olympic Games in 2007, while work on its successful Kazan 2013 Universiade bid, won in 2008, would have begun at least two years previously.

Since many commentators are in general agreement that much of the success in winning these major international events for Russia can be attributed to the personal support of Prime Minister



Russia's Red Square logo launch of the Sochi 2014 Winter Olympic and Paralympic Games



Laura cross-country skiing venue for the Sochi 2014 Winter Games

Sport quickly became recognised as the tool of choice by Russia's leadership, who looked to harness its power to deliver a number of social and political outcomes

Vladimir Putin, I would argue that there is strong cause to regard the year 2000 – the year of Putin's election as Russian president – as the milestone year. It is apparent too that Putin very quickly recognised the power of sport and the positive impact on the country's image. In August 2000, he stated: "Victories in sport do more to cement the nation than a hundred political slogans".

So sport quickly became recognised as the tool of choice by Russia's leadership, who looked to harness its power to deliver a number of social and political outcomes, as stated in table (Fig.2).

FINANCIAL BACKING

Although Putin has invested much personal energy and commitment into attracting these major sports events and has put his personal reputation on the line, none of this would be possible without adequate financial backing. Even before Putin came to power, following Boris Yeltsin's resignation, he outlined his concept for 'National Champions' by defining his vision for the relationship between large corporations involved in strategic industries and the state.

The obligations of these corporations were to make profits and advance



The Ladies' Downhill at the Audi FIS Alpine Ski World Cup in Sochi, 2011-2012



Inga Abitova wins silver for the 10,000m at the 2010 European Championships

Figure 2: Goals for the Golden Decade

OUTCOME	COMMENTARY
Projecting the Nation	<p>China won acclaim through staging the 2008 Olympic Games, which subsequently brought a record 72 million visitors to World Expo in Shanghai. These events could be viewed as marking China's coming of age.</p> <p>The Germany 2006 FIFA World Cup was seen to effectively counter much of the lingering prejudice against Germany, dating from the 1939-1945 Second World War.</p> <p>After winning the FIFA World Cup 2018 bid, Putin stated that the world's view of Russia originated from the Cold War and stressed the importance of showing that the country is open for business and that an international sports event can stimulate 'contacts'.</p>
Economic Growth	<p>Prioritising the development of infrastructure is a standard strategy in sustaining economic growth. Brazil's Growth Acceleration Programme is a good example of how a country has chosen the hosting of major international sports events to guide building programmes.</p> <p>Estimates from the US Department of Transport have stated that each dollar of highways investment leads to US\$6.20 (£3.90) of GDP growth. We can expect that the multiplier will be significantly higher in Russia.</p>
Regional Development	<p>While economic development will naturally start in the principal cities, the host cities and regions for Russia's major sports events are spread across the country. Russia's bid for the 2018 FIFA World Cup includes 13 host cities, including Moscow and St Petersburg.</p>
Improving the effectiveness of Investment	<p>Thanks to its economic wealth, underpinned by oil and gas revenues, Russia can afford to spend money. Its challenge has long been to secure high-quality outcomes from its investments.</p> <p>Good planning has never been an issue for the Kremlin however, problems can sometimes arise in delivery. Analysts claim that it costs ten-times as much to build a road in Moscow as in say, Berlin and, even at this cost, quality is not always up to international standard. Russia's leaders are attempting to overcome this by exposing deliverers to the extra discipline with fixed deadlines; international quality standards, expectations and standards; extreme levels of international scrutiny; high prestige associated with success and conversely damage to a company's reputation in the event of failure.</p>
Health of the Nation	<p>The neglect of Russia's infrastructures during the 90s is also evident in the area of public health. In October 2003, Putin stated that the health of the nation depends directly on the successful development of physical culture and sport.</p>
Inspiration	<p>Russia is aiming to make sure that some of the 'magic dust' associated with major sports events rubs off. This is illustrated in this extract from the Sochi 2014 web site: "The Olympic Games cannot guarantee positive change across all aspects of life, but they can inspire. If every Russian embraces change the Games can become the catalyst for positive change in our cities and the inspiration for our people."</p>

➔ Russia's interests. In return the state would make links with these corporations by providing support so that they could grow and compete with multi-national companies in international trade.

In the early stages of each bid, national champions were recruited as supporters and to provide credible financial backing. During Sochi's bid presentation to the International Olympic Committee two of Russia's richest men, Oleg Deripaska and Vladimir Potanin, sat at either side of the Russian leader.

Potanin is the controlling shareholder of Norilsk Nickel, which has subsequently invested heavily in the finance and construction of the Roza Khutor, the base for Alpine events during the Sochi 2014 Olympics. Oleg Deripaska has bought the local airport then expanded it to accommodate international traffic and built the second Olympic Village for 3,000 athletes in the Imeritinsky Valley.

Another huge corporate Ural Mining and Metallurgical Company (UMMC) is involved in the financing and construction of facilities for the Sochi Games. This is substantially owned by the Russian billionaire Iskander Makhmudov. The Russian news agency RIANOVOSTI reports that way back in 2002 when asked if UMMC would help out in one of Russia's regions, Makhmudov replied "we are all Putin's soldiers".

WIDER IMPACTS

As well as the hosting of international sports events to inspire the Russian



Russian swimmer Anastasia Chaun competing in the 2010 LEN Swimming Championships in Budapest, Hungary

PIC. @WWW.SHUTTERSTOCK.COM / SPORTGRAPHIC

PIC. @WWW.SHUTTERSTOCK.COM / BRUNOROSA

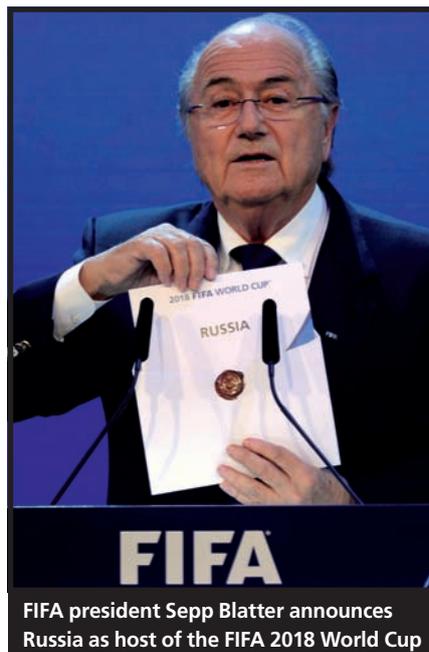
population to embrace change, lifestyle programmes are also in place. Most notably, in the realm of physical culture and sport, is the Federal Programme for the Development of Physical Education and Sport in Russia 2006-15.

While Russia has, to some extent, been affected by the World economic crisis, sports programmes like this have been largely shielded from its negative impact and national expenditure on such has been mostly maintained.

At the 2010 International Sport Forum – Russia is a Power in Sport, held to coincide with the 30th anniversary of the Moscow Olympics, the mayor of Moscow revealed that the number of sports facilities in Moscow had almost doubled between the years 2000 and 2010. The original 5,806 sports facilities had increased to 9,375, within which the number of swimming pools had grown 4.5 times with a doubling of the number of sports halls and ice rinks.

The continued support of Russia's leaders for the programme was made very clear in January 2011, when Putin announced that the year was designated 'Year of Sports' and that Russia would spend some 90 billion rubles (£1.8bn) on the development of sport over the next three years.

The rationale of the programme was again underlined when Putin said: "Currently some 25 million people regularly visit gyms and stadiums in our country. In line with our plans, this number must exceed 42 million by 2015".



FIFA president Sepp Blatter announces Russia as host of the FIFA 2018 World Cup

His long-term ambition is to reach levels already achieved by many European countries where, he said, some 70 per cent of the population is regularly engaged in sporting activity".

It's worth noting however, that according to the World Economic Forum (WEF), 42 million represents about 30 per cent of the population so there remains much to be done to achieve the 70 per cent longer-term target.

FUTURE CHALLENGES

It's clear that Russia's golden decade of sport is the product of a careful and deliberately developed strategy.

As a frequent visitor to Russia, I've had the opportunity to meet with many of those charged with executing this strategy and to witness conditions on the ground in many regions. It's clear that things are happening and the programmes are being led by very able and committed individuals – such as Dmitry Chernyshenko, CEO of Sochi 2014 and his counterpart Alexey Sorokin at Russia 2018.

This is a very ambitious plan, it's scale is huge and like any mega-programme so are the challenges.

The implementation of such a programme requires a thorough masterplan and a single body delivery organisation to develop it then continue as its guardian. However, delivery responsibilities are devolved to many separate authorities and entities at state, regional and local levels. So the burden placed on organisation and communication is substantial.

The WEF report highlights that although Russia is a strong and well-advanced economy in transition between WEF's levels 2 and 3 efficiency driven and innovation driven economies, certain pillars, such as the development of the goods and financial markets, institutions and business sophistication lags behind the average levels achieved in level 2 economies.

I can see how these issues are preoccupying people involved in the project as they strive to work out what is required of them and how it all fits together. ●

Jon Coxeter-Smith is a director of Sagacity MCS, www.sagacitymcs.com