

Ukraine after the UEFA EURO 2012: triumph or broken hopes? The summary of effects

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Source: <http://www.interesno.name/article/1499>

Great sport events attract the attention of mass media and improve development of services and infrastructure such as hotels, roads or restaurants¹. It is the time when millions watch the same event. This was the case during the UEFA EURO 2012 Soccer Championship which brought more than 1.8 million tourists² to

Ukraine (as stated by the country's Deputy Prime Minister Borys Kolesnikov). According to preliminary reports, fans spent about \$1 billion on hotels, food, transportation and clothing³.

Economic effects

According to a London-based economic consultancy⁴, UEFA EURO 2012 related investment over the last four years amounted to €25 billion in Poland (Erste Group Research said about €20 billion) and €11 billion in Ukraine (at respectively 1.3 percent and 1.7 percent of GDP). In a report Euro Champion 2012, analysts from Erste Group said that investment in freeways, railways and airports will bring benefits to Poland as

¹ IMPACT Report - how Euro 2012 influences the economy of Poland?, p.96.

² <http://www.globaltimes.cn/NEWS/tabid/99/ID/719165/Euro-2012-brings-18-mln-tourists-to-Ukraine-official.aspx>

³ <http://www.globaltimes.cn/NEWS/tabid/99/ID/719165/Euro-2012-brings-18-mln-tourists-to-Ukraine-official.aspx>

⁴ http://www.huffingtonpost.co.uk/alastair-whitby/the-ukraine-and-poland-po_b_1665460.html

well as Ukraine. Polish authorities said⁵ that the tournament would create new jobs that would equal 0.4 percent of the labour force in Poland and 1 percent in Ukraine.

Quantifiable Effects of the UEFA EURO 2012

	Poland	Ukraine
Investment in EUR bn (over 5 yrs)	19.8	10.4
in % of GDP	5.2	9
Employment effect in tsd.	20 - 30	69
in % of labour force	0.11 - 0.17	0.31
Number of visitors in tsd.	500 - 700	500
Average tourist expenditures in EUR	800	800
Total tourist spending in EUR mn	400 - 560	400
% of GDP	0.11 - 0.16	0.32
Overall long-term GDP increase	1.4-2.7%	

Source: Erste Group Research

However, according to official Ukrainian government figures, public costs were less than \$5 billion⁶. There are new arenas in Kiev and Lviv while major renovation took place in Kharkiv and Donetsk.

Air passenger capacity at the host city airports has been doubled following significant reconstruction that included new runways and control towers in Donetsk and Kharkiv, and new terminals at each of the four airports. Other transport upgrades have included new roads (in 2011 alone, over 2000 km of roads were renovated), new buses and significantly the implementation of new 160km/hr trains on routes from Kyiv. Over €2 billion has been spent on building and renovating 80 hotels of all types, from budget to luxury. A conscious effort was also launched in order to improve English language provision with lessons provided to border staff, medical personnel and police as well as new sign implementation and tourist routes in English⁷.

⁵ <http://www.publicserviceeurope.com/article/1991/economic-benefits-of-euro-2012-swamped-by-eurozone-crisis>

⁶ <http://www.dw.de/dw/article/0,,16061072,00.html>

⁷ <http://www.opendemocracy.net/od-russia/janek-lasocki-%C5%82ukasz-jasina/football-politics-legacy-of-euro-2012-in-ukraine>



Source: <http://www.mysoccerspace.com/euro-2012-stadiums-and-groups/>

Donetsk earned about € 30 million, and spent preparing for the UEFA EURO 2012 around \$1.8 billion (about half of this sum amounted to private investors). Lviv tournament organizers claim that the city treasury replenished with € 50 million, with the preparation of the championship at around € 1.2 billion. Therefore, it appears that the cost of UEFA EURO 2012 in Donetsk and Lviv is several times higher than the proceeds of the event. The situation is similar in the two other Ukrainian host cities - Kharkov and Kiev.

Did Ukraine return the money spent? According to statistics⁸ 1.5 thousand fans came to the country in an organized way; whereas 550 people did not have the necessary documents to enter the country, but since they had the tickets for the matches, the officers at the border allowed them to enter. During the competition⁹ 500,000 liters of beer and 100,000 hot dogs were consumed by fans in the fan zones. Interestingly fans were not so active in tourism, but the trips to the Chernobyl zone enjoyed great demand as stated by the head of the All-Ukrainian association of tour operators.

“Crowding out” effect

It is important to note that very often potential tourists avoid visiting places which host sporting events due to overcrowded places, increased prices, dangers of terrorism and the potential of dealing with inappropriate behavior that fans may exhibit.

⁸http://www.vp.donetsk.ua/euro2012/index.php?option=com_content&view=article&id=190:media&catid=2:news&Itemid=118

⁹http://www.vp.donetsk.ua/euro2012/index.php?option=com_content&view=article&id=190:media&catid=2:news&Itemid=118

This result is called the *crowding out effect*¹⁰ and could be seen in Ukraine and Poland during the UEFA EURO 2012. Furthermore, a three-star hotel in central Kiev that normally charges €106 charged €1,211 on the night of the final¹¹ match. After a wave of critical publications in the media and criticism from the management of the UEFA, the prices went down on the eve of the championship. However, the total number of tourists was lower than expected, and many rooms were free, even during the days of the matches. The foreign fans often preferred to rent apartments from private owners. Regarding transportation, the costs of flights from the Republic of Ireland to Ukraine rose from €315 to €13,627 – that is an increase of 4,200% in a month since last December. Ukrainian International Airlines has pledged an extra 20 a day return flights during the tournament.

Moreover, four bomb blasts occurred in the eastern city of Dnepropetrovsk, exactly six weeks before the start of the tournament. Up to 27 people were injured due to the attacks from bombs planted in rubbish bins¹². Dnepropetrovsk is the birthplace of jailed opposition leader Yulia Tymoshenko. Ukraine has received sustained international pressure and criticism over the low politics and democratic standards.

Nevertheless, once the sport competition started at the breathtaking stadiums in Kiev, Donetsk and Kharkiv, the flow of positive news made all the controversies vanish.

Effect of western media campaign

When BBC published a documentary "Stadium of Hate", the images of Ukraine and Poland were tarnished. The film showed football fans in Ukraine beating up south Asians, Ukrainian hooligans making Nazi salutes and a police officer denying that Nazi salutes had been made. The scenes in Poland showed a group of fans making monkey impressions at a black footballer, and the word "Jew" being used in a derogatory

¹⁰ Lee, C. K., Taylor, T. 2005: Critical reflections on the economic impact assessment of a mega-event: The case of the FIFA 2002 World Cup. *Tourism Management* 26-2. Amsterdam, p.601

¹¹ <http://www.cnbc.com/story/numbers/1645/1/>

¹² <http://www.dailymail.co.uk/news/article-2157581/Ukrainian-tram-explosion-Gunpowder-carried-passenger-ignites-accident-Dnipropetrovsk.html#ixzz238UcYBRm>

manner¹³. Other media “sensations” during the tournament include the event where German concentration camps were being referred to as “Polish death camps”, also parliamentary melee battles in the Ukraine Parliament were being shown on German TV and an animal cruelty video¹⁴.

The tournament showed that Ukraine was able to win the battle against the picture the the western media built. The accusations have been replaced by a success of the nation. The word “Surprise” describes the best what happened in Ukraine during the UEFA EURO 2012. On June 30, Michel Platini, the president of the UEFA, praised Ukraine and Poland for hosting “a fantastic tournament which has been unique in its atmosphere and will remain in our memories.”

Citizens of the United Kingdom and other foreigners who were not afraid of coming to Eastern Europe and visited Poland and Ukraine, admitted that the atmosphere in both countries was friendly and safe. As a response to the BBC documentary, some fans took part in an event in Donetsk where they carried an empty coffin through the streets. It was a reply to the words of Mr. Campbell, who advised English fans to avoid travelling to Poland and Ukraine for the UEFA Euro 2012. Cambell said: “Stay at home, watch it on TV. Don't even risk it... because you could end up coming back in a coffin”. It is also worth to mention the behavior of foreign fans who visited Ukraine during the UEFA EURO 2012. Dutch football fans went on a march across Kharkov with posters that read “Thank you, Kharkov.” Swedish fans did the same for Kiev. Some articles in the international press said that the tourists were more surprised by the responsive, generous and hospitality of the local people.

¹³ <http://www.economist.com/blogs/easternapproaches/2012/06/ugly-spectre>

¹⁴ Thousands of stray dogs have been killed in Ukraine over the past year in an effort to clear the streets before the championship. On 13 November 2011 the Ukrainian Ministry of Ecology and Natural Resources urged mayors around the country to stop the killings for six months and build shelters instead. In April 2012 it was found that dog killings were continuing unabated (<http://www.people.co.uk/news/uk-world-news/2012/04/29/ukraine-still-killing-dogs-ahead-of-euro-2012-102039-23841994/>).

Also, Europeans were afraid of the Ukrainians' inability to speak English, but could not feel much safer with number of volunteers who spoke English perfectly and were ready to help. The impressions of Ukraine were much better than expected by the European mass media. Western European fans could even purchase T-shirts with the inscription "I was in Donetsk and survived." as an answer to former press reports.



Source: own photo

Promotional effect

GfK Ukraine, Research & Branding Group and the Institute of Gorshenin interested in the way the UEFA EURO 2012 was evaluated by foreign fans and citizens of Ukraine, conducted an EURO Exit Poll program¹⁵, commissioned by the Institute of World Policy¹⁶. The results showed that mainly young people aged 25 to 34 years (44.28%) came to the UEFA EURO 2012 in Ukraine from the EU. Furthermore, the poll showed that 45.61% of fans from the EU have a higher education. Interestingly, 84.64% of all the 1,408 surveyed respondents have never been to Ukraine before. Around the same number of people do not have any friends or acquaintances in Ukraine and formed their own opinion about the country based on media releases. 52.25% of Europeans changed their minds about Ukraine for the better. At the same time, 84 % of Ukraine's guests were happy with the championship taking place in the country and 76.4 % expressed the desire to visit Ukraine again as tourists. But the most surprising result is that one in six (16.89%), European fans thought that Ukraine is already a part of the EU.

¹⁵ The program was realized by GfK Company as a part of the Soft Power of Ukraine in the EU and Beyond project.

¹⁶ http://wnu-ukraine.com/upload/files/Euro_poll_intro_1-48.pdf

Sociologists from the Research & Branding Group also conducted a survey¹⁷ among Ukrainians from June 26 to July 12. 64% had positive impressions of the football championship and 66% believe that the organization of the UEFA EURO 2012 has shown the ability of the country to put on large-scale sporting events. An interesting note is that more positive responses were received from the residents of Western Ukraine, while people in the center and south-east of the country were less optimistic.

The majority of Ukrainians (75.0%) believe that Ukraine's image after the UEFA Euro 2012 has improved. This is evidenced by the results of a telephone survey conducted by the Institute of Gorshenin¹⁸. The majority of respondents¹⁹ (57.3%) said that hosting the UEFA EURO 2012 in Ukraine helped to unite the country, 40% said that the UEFA EURO 2012 experienced a sense of patriotism and the vast majority of respondents (83.5%) would like to see similar international sport events in the future in Ukraine. It is equally important for national branding to develop a sense of patriotism among citizens of the country. Ukraine's football triumph on the June 11th 2012 is arguably the platform for the nation's reunion. This national pride was simply overwhelming.

Conclusion

Both Poland and Ukraine were expected to reap the benefits brought by the UEFA EURO 2012 for years to come, as the destinations have invested thousands into their infrastructure, as well as being in the spotlight. Of course, the UEFA EURO 2012 did not only inject an impetus into the country's economy, but exerted a positive influence on the nation's mood in the long run. After the success of the UEFA EURO 2012, Ukraine and Poland must hope to get another image in Europe and from its' own citizens in the first place (particularly in Ukraine).²⁰

¹⁷ <http://www.kyivpost.com/content/ukraine/about-34-polled-ukrainians-believe-ukraine-hosted-.html>

¹⁸ From 21 to July 25, 2012 Gorshenin Institute conducted a telephone survey on "The Euro 2012 in Ukraine." Total according to a random sample of 2,000 respondents were interviewed at the age of 18 years, in all regional centers of Ukraine, Kyiv and Sevastopol. Quotas were region of residence, gender and age of the respondents.

¹⁹ http://gorshenin.eu/researches/34_euro_2012_in_ukraine.html

²⁰ <http://www.dziennikwschodni.pl/apps/pbcs.dll/article?AID=/20120612/EURO2012/120619821/>

It should be emphasized that the preparation for the championship had become a new step in cooperation between host countries. Ukraine and Poland grasped the opportunity it was offered and both will continue their plans for development for their own benefit.