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The impact of the 7th Asian winter games on the socio-economic development of Kazakhstan

There is a link between hosting the sports mega-events and the acceleration of the pace of development of cities and countries. However, in most cases, this positive effect is short- and medium-term and occurs mainly during the preparation and hosting of the Games. A mega-event can enhance the reputation and image of the country, thereby increasing trade turnover and promoting economic growth and development hotel business. This work indicates that the 7th winter Asian games in Astana-Almaty contributed to the positive impact on social and economic development of the country, but also of hotel business. It is established that modern Asian games create the preconditions and conditions for the growth of the national economy of the host country of the Games, including the development of business and financial activity of businesses and citizens, the renovation of the infrastructure and material and technical base of production and services, the creation of new jobs and, as a result, direct impact on the growth of well-being and improvement of the quality of life of the population of the country that is hosting the Asian games. The results of the research can be used in making appropriate decisions, including monitoring the effectiveness of using budget funds and attracting private investments, during preparations for the mega-event.

Keywords: sporting events; methods to assess the effectiveness of organizing, mega-event, ex-ante and ex-post analysis, hotel business.

The organization of major sports competitions is primarily related to the field of sports of higher achievements, the goal of which is the achievement of high sports results by athletes. The effect of organizing major sporting events should be considered in accordance with the goals and objectives of the national policy in the field of physical culture and sports. In addition, due to its scale, major sports projects have a significant impact on many other areas, including the construction market, the real estate market, transport infrastructure, the tourism market, the hospitality industry, the food industry, etc. There is also a positive impact of major sports competitions on the number of people involved in sports, which contributes to improving the level of public health. In addition, nowadays, the sport is a means of building and strengthening social values, in some cases standing as a national idea.

So, having analysed the methods and methodologies for evaluating the consequences of mega-events, in the article authors use the method of comparative and quantitative analysis to assess the impact of the 2011 Asian Games on social and economic development, including on the hotel business. Various indicators were applied, such as new employment opportunities [1], attracting money for new infrastructure that leads to changes in the city, indicators for creation of a good image of the host region [2] and further development of the community [3].

Quantitative data will be used to analyze the economic dimension, and qualitative data will be used for social dimension.

The economic effect of the 7th Asian games. Large objects are best seen at a distance, and large sports events require a temporal perspective to assess the influence. Approximately more than six years have passed since the Asian Games-2011. According to media reports, the Asian Games cost Kazakhstan's treasury of 233.5 billion tenge, having returned only 2.3 % - 5 billion tenge by selling souvenirs, tickets and sponsorship proceeds from advertising, whereas social benefits summed up to popularization of sports among the population and creation of a modern infrastructure [4].

In order to update the information for 2012-2017, the researchers made a request to the Committee for Sports and Physical Culture of the Ministry of Culture and Sports of the RK, the National Olympic Committee of the RK and the Ministry of Finance of the RK. But, they only repeated the figures for construction and reconstruction of sports facilities, and did not say a word about the return of funds and economic benefits of this mega-event.

It can be noted that there is insufficient information about the assessment of the impact of the 7 Winter Asian Games on the socio-economic development of the cities of Astana and Almaty. Nowadays, there have

been not many scientific studies or articles and analysis in the area, This could be, first of all, due to the fact that the mega-event was held in Kazakhstan for the first time, and people viewed that it did not imply an economic effect, therefore it was of no interest to economists.

For the sample of this study, people from different fields of activity were selected. So we was able to question and conduct the interviews with 19 respondents – representatives of the management of the Asian Games, business people, blogger, civil servants and economists of the universities of the Republic of Kazakhstan, and also in order to understand the general attitude of the population towards hosting the Games, already conducted survey [5] among 1200 residents of the cities of Astana and Almaty was used.

Participants in the qualitative analysis were not chosen randomly.

In this work, for quantitative method the statistical data of the Committee on Statistics of the Ministry of National Economy on various social and economic indicators before, during and after-event periods were analysed, in order to either prove or disprove the hypothesis that large mega-events have an impact on the social and economic development of the host region. As a result, more information and data on the case study were received.

Analysis of sociological research among residents of Almaty and Astana cities. In order to understand the impact of the Asian Games on the social dimension of the two cities – Astana and Almaty, the study of the Kazakhstan Association of Professional Researchers of Public Opinion and Market («KAPIOR») was analysed. KAPIOR unites legal entities from the leading marketing and sociological Organizations of the Republic of Kazakhstan, organizations interested in conducting professional research and effective use of their results. This study was conducted in 2011 in three stages: before-during-after the Asian Games. As a result, 1,200 respondents in Almaty and Astana were interviewed by using a method of personal street interview. In the course of the study, a probabilistic random sample was used, which reflects the structure of the population by gender and age. So, 47 % of men and 53 % of women, 67.2 % of Kazakhs, 24.1 % of Russians and 8.8 % of other nationalities took part in the interview [5]. In general, the expectations of the respondents were justified on all of the proposed parameters: readiness of sports facilities (57.2 %), a wide range of television broadcasts of sports events (70 %), informational support was rated as «excellent» (68.2 %), and the respondents mainly rated the service as «good» and «excellent» (Table 1).

Table 1

Estimation of the expectations of the respondents in Astana and Almaty cities, 2011, in %

Indicator	Very bad	Bad	Average	Good	Excellent
Readiness of sports facilities	1,8	2,1	12,2	39,2	57,2
Services	1,9	2,4	17,7	36,3	38,1
Wide range of television broadcasts	0,9	1,1	5	21,6	70
Informational support (media, radio)	1,1	1,7	5,3	22,6	68,2

Note. Used source [5].

Hosting such a mega-event positively improved the appearance of the two cities, this was noted by 83.2 % of the surveyed respondents. Moreover, 78 % of respondents noted that the architectural appearance of the cities, where Asiada took place, was improved. The event also had a positive impact on the work of auto-vehicles (58.1 %) and on road conditions (69.3 %) [5].

Unfortunately, there is also a negative side, particularly due to the Asian Games, respondents (41.9 %) indicated an increase in the level of prices for products and services. Based on the opinions of 73.2 % of respondents, the safety of residents of both cities before, during and after the Games, was at a high level. Furthermore, the majority of the interviewed residents of two cities (83.9 %) evaluated this event as having a positive influence on the image of the government (see Fig.).

In conclusion, it should be noted that generally the expectations of the respondents for the proposed parameters were met, the Asian Games positively influenced the socio-economic development of the two cities.

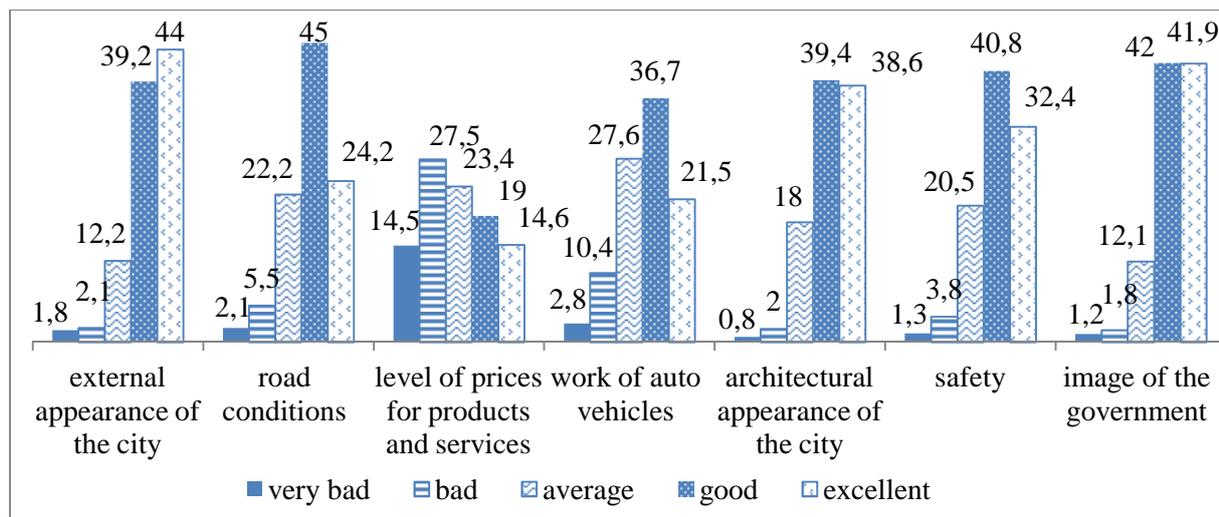


Figure. The impact of hosting the Asian Games on the social dimension of the Republic of Kazakhstan, 2011, in % (Used source [5])

Evaluation of the 7th Asian Games on the Internet. In opinion a well-known Kazakhstan blogger, who has her own column on the Internet resource blogbasta.kz/, the Asian Games were positioned as the main image project of the country. The blogger noticed that in 2011 there was an issue about the irrational distribution of budget funds when the cycle track and football stadium of \$35 million were built in Astana, since they are not part of winter games. For the given amount, 4 schools, 7 ambulance hospitals, 11 social housing complexes could be built and a number of other social issues could be resolved in the RK [6].

On the Internet, the issue of monitoring the construction in the area of the ski resort Shymbulak, conducted by «Green rescue» organization, was vigorously discussed. Environmentalists noted the creation of a dangerous environment in the resort, which could lead to an emergency situation and damage the nature of the park.

Mass media debated three major scandals that arose in the process of preparation for the Games. The first was associated with the disruption of the timing of the preparation to the event. Two other scandals took place after the official closing of the Games and were associated with embezzlement.

At present, in her opinion, the use of facilities cannot be called as financially viable: the monthly maintenance of the Astana cycle track costs on average \$391 thousand to the national budget, the ski biathlon stadium - on average \$195 thousand. The media has numerously raised these issues, but unfortunately, an explanation for expensive operating costs of the complexes is still unknown. But the use of facilities after the Games is an important part of the long-term payback. It was planned that foreigners will come to practice winter sports in Kazakhstan, and the local population will engage in physical education more often and actively, which in reality did not happen.

On the ice-rink «Medeu», the training camps, mass skating with rental equipment, cultural and entertainment events are taking place, with medical centre and gym located there. The amount of annual income is unknown. For citizens, the ice-rink is available on a paid basis: an adult subscription costs \$5.5 for 5 hours. This is almost 2 % of the average monthly salary in the country, and 10 % of the minimum.

In the complex of springboards «Sunkar», the training exercises, republican and international competitions, cultural events are held there. Concerts with the participation of singing politicians «Almaty, my first love» gather full stands, however, there are no spectators at international tournaments, as could be seen on the «Eurosport» TV channel.

The Palace of Sports «Kazakhstan», a rolling ice-rink and an ice palace «Alau» are the only facilities that under the authority of the Astana akimat. Both ice-rinks host ice hockey games, skating competitions and training of local teams and athletes. For the first three years, «Alau» was visited by about 150,000 people with the price of \$1.5 for a ticket – resulting in \$510 thousand return. The maintenance of these types of facilities costs approximately \$2,233 a day – or up to \$802 thousand per year, which indicates about its unprofitability.

The cycling track «Saryarka» and the stadium «Astana-Arena» also serve as a base for sports schools, clubs and sections, as well as sports competitions of various levels. In general, over the past five years, the

number of sportsmen living in Astana has increased two times. But, 21 % of the total population has been maintained for the past three years, despite the constant growth of internal migration to Astana from other regions. All the figures announced were confirmed by official sources and akimats of the two cities.

Statistical analysis by various social and economic indicators of the RK before, during and after-event periods. The sports mega-events have direct and indirect impacts on the development of the region and its economic performance. Direct impact on the economy of the region can be attributed to the impact on sectoral balance and employment indicators, gross regional product (GRP). Indirect impacts include [7]: the multiplier effect of sports sectors on other sectors of the economy; growth of fixed capital through investment in sports; growth in income caused by increased consumer spending as a result of increased wages in the sports sector and others. Only a few indicators available from the Committee on Statistics Ministry of national economy of the Republic of Kazakhstan website will be applied for analysis. The indicators are GRP, employment, income growth, tourism and SMEs.

The gross regional product (GRP) represents a general indicator of the region's economic activity, its performance and characterizes the newly created value of goods and services produced. Table 2 shows the growth rate in 2010 for all regions of Kazakhstan, but the most significant increase is in Astana and Almaty - by 2.9 and 2.6 times, respectively.

Table 2

Gross regional product of Kazakhstan, 2010-2016, million tenge

Region	2010	2011	2012	2013	2014	2015	2016
GRP of Kazakhstan regions	21 815 517	27571889	30346958	35275153	39 040898,9	40 884133,6	46 193380,6
Akmola	585965,4	809400,6	803896,3	959809,4	1 054 074,4	1 121 025,0	1 287 078,4
Aktobe	1 173 592,9	1 477682	1674697,9	1760590,9	1 876 500,5	1 769 175,2	1 947 198,8
Almaty region	997 712,0	1246208,6	1454293,6	1749373,9	1 914 746,6	1 976 047,7	2 177 441,1
Atyrau	2 843 649,2	3447336,7	3292532,2	3590140,7	3 981 227,9	4 216 773,5	4 995 448,3
West-Kazakhstan	1 048 779,5	1323537,6	1 711 408	1734369,2	1 911 912,3	1 709 952,7	1 983 776,5
Zhambyl	446399,3	634251,9	763861,8	880 659,3	982 240,6	1 014 504,6	1 161 143,9
Karaganda	1 872 842,3	2397919,6	2458966,9	2634259,8	2 908 696,8	3 107 085,6	3 652 203,3
Kostanay	856 747,4	1 135 574	1156230,9	1354477,4	1 398 676,5	1 378 258,4	1 517 851,8
Kyzylorda	859 148,2	1034819	1 176 555	1332732,6	1 318 201,2	1 164 800,0	1 243 701,2
Mangistau	1 484 848,4	1751142,2	1640136,5	1907134,8	2 278 679,2	2 123 785,5	2 304 883,6
South-Kazakhstan	1 205 298,2	1507227,9	1870589,5	2142445,9	2 399 860,9	2 508 380,9	2 808 401,8
Pavlodar	1 031 878,6	1527256,2	1528366,5	1766029,4	1 751 851,0	1 736 155,9	1 908 748,2
North-Kazakhstan	466955,2	667893,3	683013,8	753510,3	797 924,0	837 179,9	952 234,6
East-Kazakhstan	1 244 102,6	1 624341	1819547,8	2 072410,8	2 288 551,2	2 311 366,2	2 801 625,4
Astana city	1 774 185,2	2090987,4	2582855,9	3 484792,9	4 023 771,6	4 809 636,5	5 139 183,6
Almaty city	3 923 412,6	4 896311	5730005,6	7 152416	8 153 984,2	9 100 006,0	10 312460,1

Note. Used source [7].

From 2010 to 2016 years, the population of the Republic of Kazakhstan grew from 16,203,036 to 17,670,579 people, i.e. by 8.3 %. For the same period the population of Astana increased by 25.6 % (from 649,146 people to 872,619 people), and the population of Almaty by 18.3 % (from 1,390,701 to 1,703,482 people). To argue that the growth of the population in two cities was affected by the Asian Games is very difficult, since the trend of growth of internal migration was always stable.

In Table 3 it could be observed that in 2011 the occupancy of hotels in two cities increased by an average of 21 %, although this figure equals to 4.7 % for the country.

Occupancy of hotels (beds) for the 1st quarter of 2010-2017, %

Region	2010	2011	2012	2013	2014	2015	2016	2017
The Republic of Kazakhstan	24,3	25,5	26	23,9	22,5	19,8	19,7	21,5
Astana city	22,7	28,2	26,6	29,9	30,5	20,5	24,0	25,4
Almaty city	21,6	28,3	31,0	21,3	24,2	21,7	22,7	25,7

Note. Used source [7].

Then there was a gradual decline. So, it can be claimed that this has happened under the influence of the Asian Games, which attracted tourists and possibly activated the business activity of SMEs and hotel business.

From 2010-2016y in general, for Kazakhstan, the number of non-residents grew by 23 % (from 131,257 to 171,660 people), and the number of residents in domestic tourism grew by 50 % (from 375,844 to 760,943 people); which shows the long-term effect of a mega-event.

There is a constant increase in the number of visitors from abroad. In Almaty, these figures are higher than in Astana, which is also associated with visiting the international mountain skiing complex Medeu-Chimbulak. In terms of domestic tourism, a growth in Almaty can be attributed to the fact that it is the financial centre of the country where major events take place.

To sum up, preparation for the Games gave impetus not only to the development of the infrastructure of Almaty and Astana, but also had a significant positive impact on the socio-economic situation in these cities, such as growth in GRP, employment, income, tourism and hotel business.

Conclusion. There is no doubt that global mass events, such as the Asian Games, lead to significant changes in the entire social and economic spheres of the region. The collected and analysed material in this work could serve as a basis for further studies of the influence of macroeconomic factors of mega-events on the growth of the economy of the host country.

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7-ші қысқы Азия ойындарының Қазақстанның әлеуметтік-экономикалық дамуына ықпалы

Спорттық мега-оқиғаларды өткізу мен олар өткізілген қалалардың және елдердің дамуы ығартарының жоғарлауы арасында байланыс орын алады. Дегенмен, бұл оң әсер қысқа- және ортамерзімді болып табылады және көбінесе спорт ойындарын дайындаған және өткізген кезде байқалады. Қазақстанда өткізілетін мега-шара, мысалы, 7-ші қысқы Азия ойындары, елдің абыройын, беделін жоғарлатуы мүмкін, сауда айналымын өсіреді, аймақтардың, қалалардың және бүкіл елдің әлеуметтік-экономикалық дамуына, сонымен қатар қонақ үй бизнесінің дамуына қолдау көрсетеді.

Заманауи Азия ойындары қабылдайтын елдің ұлттық экономикасын нығайту үшін, кәсіпорындардың және азаматтардың іскерлік және қаржылық қызметтерін, инфрақұрылымның және өндіріс пен қызметтердің материалдық-техникалық базасының жаңғыртылуын, жаңа жұмыс орындардың ашылуын және, нәтиже ретінде, Азия ойындарын қабылдайтын елдің халықының дәулеттілігінің өсуіне және өмір сүрудің сапасын жақсартуға тікелей әсер етуді қоса есептегенде, алғышарттар және жағдайлар тудырады. Астана және Алматы қалаларындағы 7-ші қысқы Азиялық ойындар те қана қаланың, аумақтың, бүкіл елдің ғана емес, сонымен қатар мейрамханалық бизнестің де әлеуметтік-экономикалық дамуына тиімді ықпал тигізді. Зерттеу нәтижелері сәйкес шешімдерді қабылдау кезінде оның ішінде мега-шараны дайындау кезінде бюджет қаражатын пайдаланудың тиімділігін мониторингілеуде және жеке инвестицияларды тартуда пайдаланылуы мүмкін.

Кілт сөздер: спорт оқиғалар, ұйымдастырудың тиімділігін бағалау әдістері, мега-оқиғалар, *ex-ante* және *ex-post* талдамалары, қонақ үй бизнесі.

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Влияние 7-х зимних Азиатских игр на социально-экономическое развитие Казахстана

Существует связь между проведением спортивных мега-событий и ускорением темпов развития городов и стран, где они проводятся. Однако в большинстве случаев этот положительный эффект является краткосрочным и среднесрочным и происходит главным образом во время подготовки и проведения спортивных игр. Мега-мероприятие, например 7-е зимние Азиатские игры, проведенное в Казахстане, соответственно, повышает репутацию, имидж страны, увеличив тем самым торговый оборот, способствует социально-экономическому росту регионов, городов и страны в целом, а также развитию гостиничного бизнеса. Современные Азиатские игры создают предпосылки и условия для роста национальной экономики принимающей страны, включая развитие деловой и финансовой деятельности предприятий, обновление инфраструктуры и материально-технической базы производства и услуг, создание новых рабочих мест и, как следствие, непосредственное влияние на рост благосостояния и улучшение качества жизни населения страны, принимающей Азиатские игры. 7-е зимние Азиатские игры в городах Астане и Алматы в 2011 г. способствовали положительному влиянию на социально-экономическое развитие страны и на гостиничный бизнес в том числе. Результаты исследования могут быть использованы при принятии соответствующих решений, включая мониторинг эффективности использования бюджетных средств и привлечение частных инвестиций во время подготовки к мега-мероприятию.

Ключевые слова: спортивные события; методы оценки эффективности организации, мега-события, анализ *ex-ante* и *ex-post*, гостиничный бизнес.

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