

# THE 2002 FIFA WORLD CUP AND URBAN DEVELOPMENT : ISSUES AND STRATEGIES

**Yeong-Joo Hahn**

*Director, Seoul Development Institute (SDI), Korea*

## **Introduction**

The 2002 World Cup can serve as a crucial turning point for South Korea, a nation that has been struggling with difficult reforms since the East Asian economic crisis.

A boosted national image from hosting the global event will bring an opportunity to avail itself of the global standard in politics, diplomacy, economics, society, and culture. Co-hosting the event with Japan will open the roads to a new phase of reconciliation and cooperation between the two countries. With some of the matches possibly to be held in North Korea, the World Cup can contribute to removing the Cold War's last barrier.

Economic benefits of the World Cup are even more promising. Cutting-edge industries from the IT, culture, tourism, and sports sectors, will be upgraded, improving the overall competitiveness of local industries. Putting aside the net profit of \$50 million, there will be some \$6.7 billion worth of production and \$3.1 billion in value-added spin-offs and over 240,000 new jobs. The tourism industry will be the major beneficiary, with forecasts of 3 million tourists and spectators and a total turnover of \$350 million.

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The Estimated effect of the 2002 FIFA World Cup in Korea

**National<sup>1)</sup>**

● effect on production inducement	6.7 billion US\$
● effect on added value inducement	3.1 billion US\$
creation of new employment	245,338 new positions

**Seoul Metropolitan City<sup>2)</sup>**

● effect on production inducement	2.2 billion US\$
● effect on added value inducement	0.9 billion US\$
creation of new employment	8,386 new positions

The World Cup will also pave the way for social integration by strengthening a sense of 'us' in preparing and mobilizing for the global event. Externally, the rich cultural tradition of Korea will touch an estimated 6 billion television viewers around the world, maximizing the PR effect for the Korean nation. Increased opportunities for inter-cultural communication and understanding is another sociocultural benefit.

The 10 host cities will have a great deal of momentum to enhance their industrial base, especially that of tourism, by re-creating urban images through renovated infrastructure like stadiums, accommodations, and transportation. Revitalized industrial bases of the hosting cities will contribute to reducing domestic regional disparity.

All said, the 2002 World Cup *can* and *should be*, an "engine" and an "incubator" of urban development. Accordingly, I would like to suggest in

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<sup>1)</sup> KDI (Korea Development Institute), 1998, National Development and the Economic Effect of the 2002 World Cup.

<sup>2)</sup> 2000, SDI.

this paper four strategies to be pursued for successful city marketing for the 2002 World Cup: the 'improvement of urban competitiveness', 'the revitalization of urban society and citizen participation', 'the development of urban culture', and 'the improvement of urban image and identity through city promotion.'

## **Improvement of Urban Competitiveness : World Cup Strategies at the global and local level**

### **Competitiveness of Seoul As a World City**

#### *Competitiveness of Seoul in NE Asian Cities*

The Korean peninsula has a great geo-political advantage as a strategic gateway to Northeast Asia (NE Asia), making it possible to advance into China, Russia, and Europe northwards and maritime countries to the East, West and South. Moreover, its accessibility to major cities in NE Asia is more than adequate. The total mobile distance to the five major cities in Northeast Asia is 3,600km from Seoul, 6,000km from Tokyo, 5,400km from Beijing, 5,200km from Shanghai, and 4,700km from Vladivostok.

Thanks to the central position of Seoul in Northeast Asia, Seoul can function as an attractive strategic point where TNCs can make inroads into the NE Asia market.

However, the competitiveness of Seoul as a network center of NE Asia is outstripped by other competing cities in the region. First of all, Korea lies in a nutcracker situation falling behind Southeast Asia and China in cost competitions and Hong Kong and Singapore in technology competitions. Despite the acceleration of economic restructuring to overcome this deadlock, the prospects for the development of technology and alternative industry are discouraging.

Besides, an increase in labor and land costs, higher interest rates,

ambiguous regulations, poor SOC conditions, and a negative attitude towards foreign capital cause foreign investors to avoid doing business in Korea, or even serve to drive out existing investing corporations to other competing cities. In conclusion, without any long-term view on networking in preparation for the rapid growth of East Asia and NE Asia, Seoul has lost its foundation to progress into a strategic hub in the region. This is reflected in research done by the 'The Research Center for Seoul's 21st Century (SDI)' on rating global city competitiveness, in which Seoul occupies a lower ranking compared with other major metropolises in East Asia.

### The competitiveness of Major Asian Cities<sup>3)</sup>

	Seoul	Tokyo	ShangHai	Hong Kong	Beijing
Population and labour force	7.6	8.6	5.0	6.8	5.0
Openness	4.5	7.0	3.5	10.0	1.0
Infra & Transportation system for trade	5.0	6.5	1.3	3.8	3.3
Constructing & Management Cost of Company	6.2	1.0	4.7	4.3	4.5
Quality of Life	4.5	9.4	5.2	7.7	5.2
Average (ranking)	5.6 (3)	6.5 (1)	3.9 (4)	6.5 (1)	3.8 (5)

### Ranking of Competitiveness of Major Asian Cities<sup>4)</sup>

	Seoul	Tokyo	Singapore	Hong Kong	Beijing	Bangkok
Population (1995)	11,641	26,836	2,848	5,574	12,362	6,566

<sup>3)</sup> Hahn, 1999.

<sup>4)</sup> The Research Center for 21<sup>st</sup> Century of Seoul, 1995.

Ranking	8	5	7	6	11	9
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Note: State competitiveness, urban infrastructure, corporate competitiveness, observance level of global trade standard.

In this weak situation, Seoul is attempting to achieve a breakthrough enhancement in urban competitiveness. The move is not only to enhance the competitiveness of Seoul. The city, which has a great deal to offer but remains outstripped by other cities in a global context, needs to make the World Cup a catalyst for transforming itself into a network center for NE Asia.

Today, it is getting more important to *come-and-go* or *go-and-do* and, in the process, regularly cross national borders. The borderless world that emerges is a result of the driving force behind various “human encounters.” Tourism, conferences, exhibitions, events and festivals are places where “human encounters” occur in large numbers. Human encounters are the real and practical trigger of today’s globalization.

In this sense, Seoul puts a core strategic point on the 2002 World Cup to increase its competitiveness.

**To become a network-center in the “BeSeTo” region**

In terms of Seoul’s long-term strategy to enhance its competitiveness in NE Asia, the World Cup is a very effective opportunity. As noted, Seoul possesses a natural linkage with the “Beijing-Seoul-Tokyo” line.

**“BeSeTo” Line**



South Korea

Seoul's natural preoccupation with becoming a world class city may have obscured the importance of its regional position. Well, Seoul should strive to become the central node in a region that is of global significance. There are other cities whose global significance is defined largely in regional terms. Hong Kong (Pearl River Delta), Miami (Caribbean and Latin America), and Singapore (Southeast Asia) are effective examples. Seoul has a similar potential. The BeSeTo region has a population level and economic base well positioned for economic growth through development of global linkages.

While hosting the 2002 FIFA World Cup, Seoul should work as a catalyst to promote increased integration of economic activities, and should make the world cup event a promotional opportunity to foreign investors. This calls for an analysis of trade, communication, financial and other flows within BeSeTo as well as a realistic assessment of Seoul's capacity for assuming leadership of a BeSeTo initiative.

### **The World Cup, a Zero-sum or Win-Win Equation?**

A win-win World Cup will require host cities to develop a framework of cooperation, rather than that of simple-minded competition. I propose two strategies to fulfill this vision: 1) **promoting the uniqueness of cities**, 2) **building inter-urban networks**.

#### *Promotion of uniqueness of the city*

Uniqueness dwells in each city's 'cultural identity.' Comparative cultural advantages come from differences.

Korea has three comparative advantages - political, economic and infrastructural - over Japan. Political advantages can be attained in the instance that North Korea is able to host a few matches - this seems a very probable scenario. North Korean participation will be one of the hottest headlines, capturing most of the media attention over more routine aspects of

the World Cup games. That may be a crucial advantage for Korea in marketing its World Cup in competition with Japan's.

Korea's economic advantages come from low prices and a viable transportation infrastructure. Price advantages can be attained through the 'One-Third Strategy'<sup>5)</sup> by which the ten host cities designate most of their indigenous and price-competitive goods for collective marketing and develop joint publicity activities abroad.

Infrastructural advantages include transportation and digital infrastructure. Seoul has advantages over Tokyo in terms of domestic linkages. For example, it takes 90 minutes between international and domestic terminals at Narita Airport, the entry port to Japan. Connection between Japanese cities and foreign cities is not very effective. In contrast, both the Kimpo and the Incheon airports provides much easier transfer from international to domestic lines at the same terminal, assuring smooth and effective international connections for the 10 host cities. This means that Seoul will be able to tap some of the Japanese cities' international connections by capitalizing on the existing air connections between Seoul and Japanese cities. In other words, entering Japanese cities via Seoul can be a better choice than by way of Tokyo. Korea also exceeds Japan in digital infrastructure like internet lines. A digital world cup can thus be a viable alternative for Korea.

### *Establishment of Inter-urban Networks*

The second strategy to strengthen urban competitiveness and to attain a Win-Win World Cup is to establish an efficient 'urban networking' system between the twenty Korean and Japanese host cities, between the ten domestic host cities, and between host cities and their neighboring cities.

Networking between the twenty host cities in Korea and Japan should be the top priority. Linkages between the two countries, whether public or private, have not been developed adequately, if at all. Korea's participation in

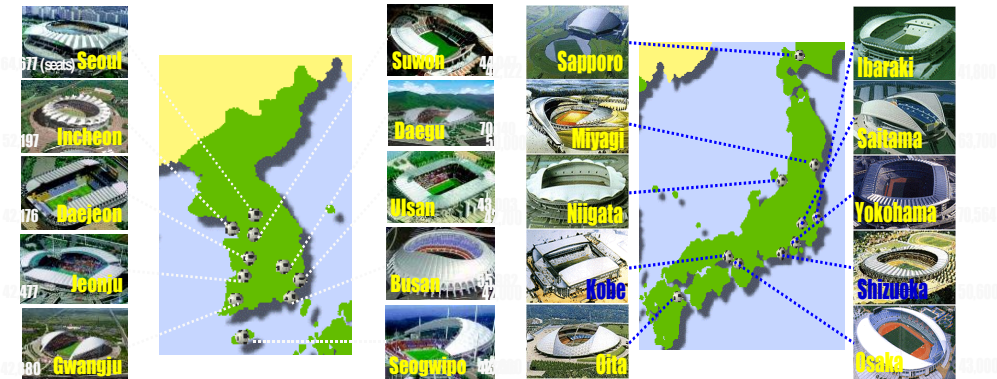
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<sup>5)</sup> Korean prices are, on average, one-third that of Japan's.



the World Cup Information Center at the Sydney 2000 Olympic Games, in the absence of Japanese cooperation, provides an example. There are many potential Korea-Japan joint projects that could be developed. A 'culture/ tourism package' connecting cities with historically common backgrounds, such as Kyoto, Nara, Kongju and Puyo, will be one of those. Promoting linkages between host cities is especially crucial. In Japan, host cities share common publicity programs, guideposts, images, and even the layout of government employees' business cards; and the world cup has been the primary motivation for inter-local cooperation.

### The host cities in Korea and Japan



The French and Japanese experiences seem to provide a good case in point. In France, stadiums were arranged alongside the railroads for efficient transportation linkage between host cities. Also, a comprehensive and unified 'cultural map' containing cultural events and performances in all host cities

was designed to maximize tourist attraction. In Japan, 'Old Road Restoration' seems the most outstanding project being carried out for inter-cities linkage.

Inter-urban networking is not complete without connections with surrounding regions. For instance, Kyongju, an historic city adjacent to the host cities of Taegu and Pusan, needs to assume a more active role in, say, attracting world cup tourists and capturing tourism revenues for future development. This can only be done in the framework of inter-urban networking that encompasses both host cities and their surrounding regions. Buchon, another neighboring region, can likewise be incorporated into the Seoul-Inchon belt in which it can tap into tourist flows between the two host cities. Attracting training camps, as practiced by Shimizu, Japan, may be a good choice for non-host cities to create an image of the 'soccer city.'

Here, the analogy of the persimmon tree may be instructive in building domestic inter-cities networks. The best persimmon fruit feeds on lesser colleagues fallen on the ground. Likewise, each host city may specialize in the most competent and distinctive of its endowed resources. This strategy can be applied to cooperation and competition between Korea and Japan.

The '*bee strategy*' can serve as another choice that opens the way to being flexible in terms of cooperation/ competition. Many Koreans tend to think that they are being outpaced by the Japanese in almost every aspect of world cup preparation. The bee strategy provides a solution to this problem, implying that Korea, rather than being frustrated by Japan's strengths, can take advantage of them instead. The bee strategy is borrowed from a parable about a bee winning a race by riding on the nose of a cheetah which runs faster than any other animal. The bee jumps ahead of the cheetah at the last moment to win the race. Korea, the bee in the parable, may be able to attract tourists visiting Japan (the cheetah) through the application of specialized effort: publicity and custom-tailored transportation packages.<sup>6)</sup>

The *bee strategy* can be applied to other cheetahs: for example, the 2002

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<sup>6)</sup> offering more shuttle planes between the two countries.

Korea World Cup can be promoted at the 'Love Parade' in Berlin, the single largest event in the world with 2 million young international participants. A small addition to this mega-event, like Samul-nori percussion quartets and Korean traditional folk rituals, may unexpectedly bring the 41-billion international TV audience into the visible target of promoting the Korean World Cup. Other Love Parades - in Paris, London, Vienna, and Berlin - can also serve as an arena for the Korean bee.

Host cities in Korea, as the bees, need to secure efficient and convenient access to and from Seoul, while developing unique cultural programs to satisfy foreign visitors. I stress, however, that the bee strategy should not overshadow the strategy of comparative cultural advantages which avoid sticking to less competitive elements of a city.

## **Revitalizing The community and Culture**

### *World Cup, an Authentic Festivity of Life ?*

It is the voluntary grassroots support that will eventually make the world cup a success and transform the host city into a global metropolis. The 2002 World Cup should be a 'Rejoicing World Cup', with voluntary participation from the citizens enjoying it as the unforgettable festival of a lifetime. In particular, it should be an all-encompassing festival in which a wide array of participation choices are guaranteed for disabled persons, children, the aged, women, the under-privileged, foreigners, and even non-football fans. Foreign visitors, albeit within a short duration of time, also should be given various channels of participation in addition to standard hospitality.

To create a genuine 'Civic World Cup' requires investigating the unnoticed potential of citizens and providing diverse participation channels for them. The spirit of participation has to be sustained after the world cup to provide energy for the overall development of the city.

Selecting the main target groups is the first step for civic participation.

Football fan groups - professional and amateur soccer teams, soccer fan clubs and associations - are the first-order targets. A variety of on-line and off-line programs and events can be prepared for this purpose: eg., a 'World Cup Cafe' in the homepage of each city to be used both as a communication channel between members and voluntary support, a portal site for soccer fan associations promoting communication and real soccer games, a uniforms museum for soccer teams at the city's World Cup Information Center, etc. Targeting various NGOs will be the next step to embrace non-soccer fans and the socially isolated.

*Development of Urban Culture: Is the world cup only for soccer?*

The world cup should be a cultural - not just a sportive - festival, especially for the vast majority of the citizens who are outside the stadiums. The world cup-as-a-cultural event is the main vehicle for host cities to reach the global audience, via media coverage on specific indigenous culture and events. Again, being different will be the initial attraction for the global media. In this regard, 'lifestyle tourism' - showing the real daily life of the citizens - can be a good item for a sustained and revitalized culture during and after the world cup.

**Various Festivals During the World Cup in Seoul**



To keep up with the times is also important in developing urban culture for the world cup. In preparing for a totally different world two years later, cities need to keep a watchful eye on changing tourism and cultural trends. The 'Digital World Cup' will be a good alternative here, too.

### **World Cup Publicity, Urban Image, and Identity: What and How?**

Publicity is one of the essential elements for a successful world cup. Constructing promotional concepts and images constitute the basics of the publicity programs.

Domestically, promotion of the world cup as 'our' and 'my' festival is very important. Inspiring an understanding that the world cup directly touches 'my' daily life and improves 'our' quality of life is the backbone of the domestic promotion.

Internationally, it is necessary to establish a unified publicity concept and images for the Korea-Japan world cup. Prior to that, however, there should be a common promotional theme for Korean host cities different from those of the Japanese cities, although host cities need unique promotional concepts and images of their own.

Constructing promotional concepts and images may start with identifying the perceptions and images foreigners have about Korea. The foreigners in this case include both those living in Korea and abroad (especially the foreign media). Inquiring into the coverage interests of foreign media about the world cup and Korea and continuously providing them with up-to-date knowledge is critical to the world cup promotion process.

## Conclusion

With the 2002 World Cup less than 2 years away, there is a growing concern in Korea that, in comparison with Japan, Korea is lagging in its preparations, specifically in the areas of transportation, tourism, accommodations, environmental quality, a volunteer system, etc.

There is even a sense of defeatism that Korea can by no means match its competitor.

What is most needed is the overcoming of this defeatist mood: shortcomings can be turned into comparative advantages depending on the way one sees the situation. The Persimmon Strategy and the Clever Bee Strategy can provide a way to turn shortcomings into advantages.

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