The Legacy of the 1988 Seoul Olympic Games Dr. Hyunsun Yoon

#### **Book chapter**

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# **Background**

Seoul was awarded the 1988 Olympic Games on 29<sup>th</sup> September 1981 in Baden-Baden. The Olympic Movement was going through 'a very worrying time', recalls Juan Antonio Samaranch, the then President of the International Olympic Committee (IOC);

"The terrorist attack that traumatized the 1972 Games in Munich had demoralized several cities that were nurturing hopes of hosting the Olympic Games. Montreal's financial problems in 1976 exacerbated this recession. As a result in 1978 only one city, Los Angeles, bid for the 1984 Games. The 1980 boycott of the Moscow Games was a further setback." (Samaranch in Park, 1994: 406)

Only two oriental cities, Nagoya (Japan) and Seoul were bidding for the Games and Seoul was chosen. Held in a politically divided nation, the 1988 Games have the significance in that it was where athletes of the whole world met together for the first time since the 1976 Montreal Olympics. A total of 160 countries participated in the 1988 Games and the Games clearly had an impact on the Olympic Movement in that it ended the era of boycotts, despite the absence of seven countries.

The Olympic Movement, in return, has also affected the domestic political context of South Korea. The 1988 Seoul Games has been closely associated with a dramatic and decisive process of democratisation, by the end of which the military regime in South Korea had been peacefully displaced by a new era of multi-partyism and electoral democracy (Black and Bezanson, 2004: 1246). The IOC's decision to award the 1988 Games to Seoul had been understood as an international legitimacy to the repressive military regime of General Chun Doo-Hwan (Kim, 1997: 392). The IOC's decision can be seen as the instance where it turned a collective blind eye to the right-abusive practices of regimes that clearly violated the principles promoted in the Olympic Charter such as 'the establishment of a peaceful society concerned with the

preservation of human dignity', 'respect for universal fundamental ethical principles', and incompatibility with 'any form of discrimination with regard to a country or a person on grounds of race, religion, sex or otherwise' (Black and Bezanson, 2004: 1246). Ironically enough, the military-led government of President Chun for whom the bidding for the Seoul Olympics was very much a political project, was the last military regime.

The Games thus played a catalytic role in political change and there is no doubt that it also had the economic and cultural impacts on major events in the Korean peninsula. These include the joint entry of North and South Korea into the United Nations in September 1991 and the first international exposition held in a developing country at Tae-Jon in 1993. The Koreans are now hopeful that 2014 Olympic Winter Games will be held in Pyeong-Chang. By further building upon their efforts for 2010 Games, Pyeong-Chang is competing with Sochi (Russia) and Salzburg (Austria) this time. The focus of the campaign is the sustainable increase in winter sports participation in Asia (Jin, 2007: 24). Following the IOC's site inspections of the three cities from February to March 2007, the decision will be made in Guatemala City on 4th July 2007 (Lee, 2007: 30).

This chapter explores further the political, economic and cultural impacts of the Games on the hosting city and country. It aims to examine the legacy of the 1988 Games, both hard legacy gains, such as improved infrastructure, and soft legacy gains, such as enhanced confidence and international status.

### **Political impact**

The Cold War era boycotts led by the US in 1980 and the Soviet Union in 1984 had boosted the term 'Political Olympics' in the history of the Olympics (Kim, 1997: 390). The boycotts clearly indicate that the Olympics have reflected the international political structure among nations over the decades. In addition to the international relations, national politics also have strong links with the Olympics and, in a broader term, sports. It is true that sports have served the purpose of nation-building and national integration in many countries. The military-led government of General Chun found it very advantageous to make use of sports both in improving Korea's overseas image and in enhancing harmony among people at home.

South Korea became a member of IOC in 1947 and it first participated in 1948 London Olympics. It was in the late 1970s under the President Park Chung-

Hee's regime that the idea of hosting the Olympic Games was first born (Black and Bezanson, 2004: 1250). After President Park's assassination in 1979, his successor General Chun Doo-Hwan proceeded with an Olympic bid. The Koreans' responses to the Games were twofold. The Seoul Games unquestionably evoked a great surge of national pride and patriotism among the Koreans. There were, however, also objections to hosting the Games. Anti-government politicians and university students perceived the Games as a 'pure' political project of the military government. They called the Chun government the 'Sports Republic', which was suggestive of the prevalence of sports politics in the 1980s. Indeed, two international sports events, the 10<sup>th</sup> Asian Games in 1986 and the 1988 Games were held in the 1980s and professional sports have been introduced to the country for the first time.

According to Black and Bezanson (2004: 1248-1249), the decision to bid for the Olympics and the response of the Koreans to that decision can only be fully understood in the context of the harsh reality of the country's ongoing adjustment to a newly installed military dictatorship during the 1980s. Many Koreans hoped for a new democratic era after the President Park's assassination but these hopes were dashed by General Chun's military coup. Opposition to this seizure of power was widespread and throughout 1980s, demands and pressure for democratisation continued. The question of elections and constitutional reform became more urgent. It was when Roh Tae-Woo, then chair of the ruling Democratic Justice Party (DJP) accepted direct presidential elections and all other opposition demands, including amnesty for political prisoners and broad civil liberties, in a nationally broadcast declaration on 29 June 1987, that the crisis came to the resolution. Presidential elections took place in December 1987; Roh Tae-Woo won the election but during separate parliamentary elections in April 1988, his party, the DJP, failed to win a majority in the National Assembly, which was unprecedented for the ruling party (Kang, 2003: 257).

Although the Seoul Olympics cannot be claimed to have *caused* the process of democratisation and political change in South Korea given the 'ripeness' of other conditions for transition, they can be claimed to have had a signal effect on the *pace* and *peacefulness* of the transition (Black and Bezanson (2004: 1254). The 1988 Games created a deadline for decisive action and the threat of a profound national humiliation if far-reaching change was not in train. Similarly, Weede argues that the anticipation of the Games eased and accelerated South Korea's transition to democracy (Weede, 1988: 317).

The Seoul Games was very much a political project with various political consequences. Larson and Park (1993: xvii) argued that at the national level, the political consequences of the Games included the use of the Olympics as a project to mobilise the nation. It was also suggested that the Games were used as publicity in South Korea's international propaganda battle with North Korea. At the grassroots level, there has been a sense of resentment about the government's policies on North Korea. It was viewed that the government should have cooperated with North Korea in hosting the Games to a greater extent.

The 1988 Games was indeed a massive exercise of image politics for Seoul and South Korea; not since the Korean War occurred in 1950-1953, had such extensive worldwide attention centred on the Korean Peninsula. According to a national survey conducted immediately after the Games, most Koreans think that the Games played a very important role in enhancing a sense of solidarity among Korean people as well as the nation's visibility in international terms (Kim *et al.* 1989). While this indicates that the Korean government had achieved an overall success in convincing its people how beneficial the Games were to the country, some argued that not all of the regions have benefited from the success, in particular in economic terms.

# **Economic impact**

The Korean economy as an NIC (Newly Industrialising Country) had achieved a phenomenal success since the 1960s and there was an urgent need to replace the country's war-torn images from the Korean War 1950-1953 with new prospering ones. From a poor developing country to one of the foremost trading nations in the world, South Korea has transformed itself in only three decades. South Korea's rapid economic growth has been driven by the export market and overseas income from export sales was invested in industrial infrastructure, notably heavy and chemical industries, which resulted in the development of shipbuilding, automobile and electronic industries by the mid-1980s (DTI, 1995). In 1997-98, South Korea went through an economic crisis, which resulted in the imposition of IMF conditions, but it is considered to have made a successful recovery. In fact, South Korea's capacity utilisation ratio reached 81% by July 1999, back at its pre-crisis level and industrial production grew by over 30% in 1999; in addition, consumption continued to recover, as shown by the 9% increase in household consumption in 1999 (British Trade International, 1999).

From one of the poorest countries in the world, South Korea's per capita GNP

increased to \$15,840 in 2007, which made the Korean economy the world's 12<sup>th</sup> largest (Lee, 2007). Today South Korea is poised to become competitive in the higher-technology industries such as semi-conductor chips and consumer electronics.

To focus on the figures during the years leading up to the Games, the production resulting from the Olympic projects amounted to 1,846.2 billion Korean won, accounting for 0.4% of the GNP (Pyun, 1999). The Seoul Games showed that a city could significantly improve its infrastructure by hosting an Olympics that was also financially viable (PricewaterhouseCoopers, 2004: 20). A recent report on the economic impact of the Olympic Games revealed that Seoul upgraded its transport and telecommunications facilities, as well as constructing new urban centres with housing retail and other community facilities that have been fully integrated into their metropolitan areas. Indeed, the Seoul Olympic Games brought about tangible and intangible economic effects. Seoul benefited from the longer-term impact, often referred to as the 'Olympic legacy', for example, hard legacy gains (improved infrastructure) and soft legacy gains (improved international status).

When Seoul was chosen as the venue for the Games, there were concerns about the cost of the Games that could be a heavy burden on the national economy. Indeed, "it was a national challenge and it took an enormous public investment – some 3 billion dollars – to bring it off" states Hubbard (1994: 435). In fact, in the early 1980s, the balance of payments deficit was a serious problem for the Korean economy along with its growing foreign debt (Pyun, 1999). Another typical concern was about possible post-Olympic recession, considering Japan's experience of a temporary recession after the 1964 Tokyo Games. Japan's GNP growth rate fell from 13.2% to 5.1% in 1965 (Pyun, 1999). The Korean economy has, however, enjoyed sustained growth, recording a 12% growth rate in 1989 and overall, the Games proved a financial success and generated a budgetary surplus (see Table 1).

Table 1. Financial balance of Olympic Organising Committees

US\$m,	Operational costs	Revenues	Balance excluding	Overall balance
1995 prices			investments	
Munich 1972	546	1090	544	-687
Montreal 1976	399	936	537	-1228
Los Angeles 1984	467	1123	656	335
Seoul 1988	512	1319	807	556
Barcelona 1992	1611	1850	239	3
Atlanta 1996	1202	1686	484	0

Sydney 2000	1700	1900	239	0
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Source: PricewaterhouseCoopers European Economic Outlook (2004), p. 20

There were several reasons for its success from an economic standpoint. Firstly, the existing facilities were used for most competitions for the Games. Out of a total 112 competition sites, only 13 were newly built (Pyun, 1999). Most existing facilities were reverted to their previous use after the Games but there is little hard evidence as few studies looked at the post-Olympics viability of facilities. As the key part of the urban regeneration objectives of the Games, the main accommodations for athletes and journalists – the Olympic Village - were constructed and sold as residential units after the Games, which helped to ease the housing shortage in Seoul. Secondly, although Seoul saw significant infrastructure investment for the Games, Seoul was already equipped with a relatively sufficient infrastructure. As a metropolis of over 10 million, Seoul had a developed social infrastructure, such as good transportation facilities and accommodations to hold various athletic events.

Thirdly, the Games-related investments were necessary for industrial development and improved public welfare. Typical examples are the expansion of Kimpo International Airport, the Olympic Freeway and communications networks. A domestically developed Wide Information Network System Service (WINS) linked over 100 sites, including countrywide competition sites, the Olympic Villages, the Press Centre, and relevant government offices. Fourthly, the Seoul Olympic Organizing Committee (SLOOC) collected substantial fees for TV rights, and foreign currency revenues increased due to the influx of tourists. A sum of 841 billion Korean won was raised by the SLOOC, which covered game-operation expenses. The figure accounts for 75.9% of the funds for projects directly related to the Games, which totalled 1,108.4 billion Korean won (Pyun, 1999).

All in all, the Seoul Games have accelerated the country's economic development. Pyun (1999) summarises that from 1982 to 1988, the Olympic projects-related production amounted to 1,846.2 billion Korean won (0.4% of the GNP) and 336,000 new jobs were created. For example, in 1987 alone, Olympics projects employed 0.5% of the nation's total employment. As a result, South Korea enjoyed a trade surplus of US\$14.2 billion in 1988. The growing trade surpluses have had, however, various negative effects, including increased trade frictions with industrial powers, pressure from market liberalization and inflationary pressures resulting from the increase in money supply. The Games has also been criticised on the grounds of its negative role in uneven regional development between Seoul and

the rest of Korea. There were scores of conflicts over space in the construction period for the Games (Kim, 1993: 398). Seoul's least well-off residents lost housing to the 1988 Games (and 1986 Asian Games) development and had to be relocated, which led to numerous, large demonstrations (Kang, 2003: 71).

Seoul also benefited from soft legacy gains such as the increased awareness and reputation, which contributed to the expansion of exports and diversified overseas markets. For example, in 1988, trade volume with Eastern European countries, for example, Hungary, Yugoslavia, Bulgaria and Poland, increased 80% over the previous year, amounting to US\$ 3.65 billion (Kang, 2003: 251). The increased economic cooperation with these countries led to the establishment of official diplomatic relations.

## Cultural impact

The face of modern Seoul has been described as the result of bombings (the Korean War), a booming economy (the capital city of a NIC), and the Olympic Games (Zincone, 1989). The massive building projects and urban development for the Games played a significant role in the transformation of the entire urban form of Seoul. It is believed that the introduction of the aesthetic to the cityscape was one of major imports of the Seoul Olympics (Kim, 1997: 394).

Over one hundred organizations and commercial sponsorships under the control of Central Council for Pan-national Olympic Promotion had been operating to encourage public initiatives to the Olympics (SLOOC, 1989). The projects included the Han River Development and the constructions of the Olympic Park, Seoul Sports Complex and other competition venues Firstly, the Han River Development included the construction of the Olympic Highway along the riverside, the Olympic Grand Bridge over the river, and the Han River Park housing numerous recreational, green spaces. The beautified Han River became the most frequently televised backdrop as Seoul presented itself to the world.

Secondly, the Olympic Park was built to accommodate the Olympic Centre, the Olympic Village, the International Broadcast Centre, the Main Press Centre and other sports venues. There were also outdoor stages for folk arts performance and the Sculpture Park. During and after the Olympics, the Olympic Park has served as one of the city's tourist highlights. Thirdly, sports facilities in the Seoul Sports Complex have been refurbished and the Complex housed the Olympic stadium, the

main stage of the Games. The Seoul National Institute's nationwide survey revealed that Seoulers perceive the Olympic-related places - the Han River Park, the Olympic Park and the Olympic Stadium – as the most beautiful landscapes in Seoul (Kim, 1997: 396).

Along with these projects, scores of buildings for cultural events and entertainment have been either newly constructed or refurbished, for example, the Seoul Arts Centre, the National Classical Music Institute, the National Museum of Contemporary Arts, and the Chongju Museum. These facilities served various cultural programmes during the Games such as the Seoul Olympic Arts Festival and have continued to promote traditional culture and international culture exchange.

The development of traditional Korean culture and the promotion of international cultural exchange were highly encouraged during the Olympic period. The Korean people's increasing concerns on their own culture and tradition had resulted in the construction of cultural centres and the preservation and restoration of historical heritages in Seoul (Kim, 1997: 394). It was especially in the Opening and Closing Ceremonies that the ideas on "how to define the Koreanness and how to translate it in terms of internationally communicable means" were best demonstrated (Kang, 1992: 80).

Seoul saw evidence of community participation in the Games events through volunteering: Seoul Olympic Sports Promotion Foundation records 27,221 volunteers participated (www.sosfo.or.kr). Seoul was also successful in engaging people in preand post-Games events. In pursuit of making 'a clean, green and cultural city' the Seoul Metropolitan Government set up the 'Environmental Beautification Programme' to mobilize its citizens to participate in to beautifying the city (SLOOC, 1989). It is, however, not clear whether or not and to what extent the good environmental practice was given any significance in this Programme. Environmental sustainability was not an important part of the bidding or planning process. Regarding post-Games events, now at its 17<sup>th</sup> anniversary, the annual anniversary events in the Olympic Park in Chamsil, Seoul and international conferences have been well attended.

It is true that the Games established South Korea as a safe and pleasant tourist destination, replacing the earlier war-torn images with new prospering ones. Seoul has succeeded in attracting more tourists during and immediately after the megasporting events such as 1986 Asian Games, the 1988 Games and the 2002 World Cup

in Seoul, which has been advertised as a lineal descendant of the 1988 Games. For example, the number of foreign tourists has increased by 16.4% in 1986, compared to the average of 7.4% annual increase rate for the previous decade (Kang, 2003: 84). The evidence is, however, unconvincing as to whether these events had the long-term impact on the substantial growth in tourism. Whilst the tourism legacy is uncertain, the entertainment, sports and leisure industry has been significantly improved and expanded. Major Korean conglomerates invested in construction of leisure/sports facilities and in professional sports. Kand explained that this was based on the strategy of 'commercialisation of leisure', which was made possible by the games and the increase in GNP (Kang, 2003: 296).

### Conclusion

The Seoul Olympic Games has generally been believed to have brought significantly favourable consequences to Korea and Seoul in terms of legacy benefits such as improved infrastructure, urban redevelopment and improved international status. In the context of the Olympic Movement, the Games were the catalytic agent for ending the Cold War boycotts era. Research suggests that the connection between the 1988 Games and the process and timing of democratisation in South Korea is quite certain (Manheim, 1994; Black and Bezanson, 2004; Weede 1988). Black and Bezanson (2004: 1245) argue that the experience of the Seoul Olympics in 1988 has led major games boosters to boldly assert their liberalising potential, especially in the context of the 2008 Beijing Games. South Korea also saw legacy benefits such as the commencement of trade and diplomatic relations with Eastern European countries, then the Communist bloc. The Seoul Olympics also became an impetus to promoting traditional culture and international cultural exchange. It was essentially hoped that the 1988 Seoul Olympic Games would provide legitimacy at home, protection from a hostile North Korea, and would serve notice to the world of Korea's arrival as an economic power (Manheim, 1994:236) and it seems the Seoul Games lived up to its hopes.

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