

The Olympic Games is the largest international competition the right of conducting of which is prestigious and honorable.

Candidate cities carry on competitive fights for victory trying to give a most profitable apply.

At the stage of its creation it is difficult to reveal the problems that may arise after the Games.

The results of conducting of the Olympic Games show us a dual effect.

In one case the investments are paid off in a short period of time and give impetus to the development of the region, in the other case it is diametrically opposite.

At present this problem is the most urgent for Russia in terms of preparation for the upcoming XXII Winter Olympic Games in the city of Sochi.

The Olympic Games, first of all, must be considered as a complex effect on the following factors: economic, social, environmental.

The strategy of social and economic development of the Krasnodar territory till 2020 displays the following items: increasing of competitiveness of the mountain resort city of Sochi through activation of transport and engineering infrastructure, improvement of staff quality, development of modern tourism industry.

All this will increase the region income from tourism and create new work places for residents of the province.

Specialists studying the results of the Olympic Games list the following benefits.

At the pre-Olympic stage capital infrastructural and sports building provide people with jobs, stimulate the infusion of new investments in the region's economy.

The stage of the Olympic Games will bring the country gains from the sale of rights of games broadcasts on TV, in the Internet, ticket and souvenirs sales, advertising, licensing and accreditation.

At the post-Olympic stage the use of the infrastructure built for the games will show the efficiency of investments.

In addition, the attention of tourism business structures to the potential of the region will enhance its economic independence.

However, where the guarantees are that the predominance of investments will not have a onetime effect and GDP will rise to the expected mark.

Nevertheless, in the social sphere Olympic Games create positive effects.

They give a powerful impetus to the development of sport and promotion of healthy lifestyles; favour the development of international cooperation, strengthening of peace and mutual understanding between peoples and nations.

A great attention should be paid to the region's ecology. The construction of Olympic facilities may cause irreparable damage to the environment and ecosystems.

Present environmental aspects are not taken into account in the projects of construction work because of outdated normative documents, in particular the "Building Code".

At present there is an active construction of the following facilities in Sochi: Biathlon Complex, Pipeline Dzhugba - Lazarevskoye - Sochi, Ski Complex, Ski Resort, the Maly Ice Palace, Ice Palace, Olympic Oval, Big Ice Arena, Central Stadium, Olympic Curling , Diving boards, Ski Complex "Mountain Carousel".

One should pay attention to the construction on the ridge Psekhako.

Combined complex for competition in cross country skiing and biathlon requires another alternative path for safety in addition to chair lifts.

That will be an access road which will cross the ridge Psekhako.

This is a complex and expensive object which later will be used very rarely.

In the survey of 1986-89 "The impact of mega-events on the recognition of the city which hosted them" less than 10% of North Americans and less than 30% of Europeans were able to recall that the 1976 Winter Olympics was held in Innsbruck, Austria. Only 28% of respondents from North America and 24% of Europeans remembered that the Winter Games of 1980 were held in Lake Placid (New York).

The memory that Calgary hosted the Winter Olympics of 1988 was almost completely obliterated by 1991. And if the games are marred by bad weather, environmental degradation, questionable policies or acts of terrorism they may even cause damage to the reputation of the host region. This proves once again that the Olympic Games can give both positive and negative results.

In 1976 there was a watershed event that radically changed the funding structure of the Olympic Games and determined their current economic model. The Organizing Committee of the Summer Olympic Games in Montreal predicted that the competition would cost \$ 124 million. According to the final reports the deficit of Games budget was \$ 2.8 billion (about \$ 10 billion at the exchange rate of 2009) which had to be repaid over 30 years.

In 1984 Los Angeles got the right to host the Games. After changing the funding model, namely the involvement of outside capital, the committee performed a budget with a small surplus of just over \$ 300 million. The share of government spending declined and private funding increased.

Significant funds could be obtained by finding sponsors among large corporations. The relative financial success of the Olympic Games in Los Angeles opened a new era of international competition for the right to conduct the Games. Unfortunately, the experience of Los Angeles turned out to be an exception.

The next cities that hosted the Olympic Games failed to secure such support from the private sector. Several billion dollars of public funds were spent in Seoul (1988), Barcelona (1992), Nagano (1998), Sydney (2000), Athens (2004) and Beijing (2008).

The operating budget of the Olympic Winter Games in Sochi takes into account infrastructure costs in the amount of 16, 7% (253.5 million) of the total costs within the budget.

All other costs on the development of infrastructure of the city of Sochi and Krasnaya Polyana area are carried out in the framework of the specific target program "Development of Sochi as a mountain resort in 2006-2014" and are estimated at 12 billion dollars.

By the end of 2009 expected expenditures reached \$ 33 billion including \$ 23 billion of state funds. The overexpenditure of the Olympic budget is formed due to the inefficiency of land use, inadequate planning and construction of unclaimed objects in the future.

For example, the bobsled track in Turin, which cost \$108 million was later recognized by the officials as 'an irretrievable waste "or keeping of the Olympic Stadium in Sydney, designed for 90,000 spectators, has an annual cost of \$ 30 million.

In our opinion, the financing model in Los Angeles should be applied in Russia. Greater involvement of private capital will lead to a reduction in public spending. It is worth paying attention to the sad experience of Italy and Australia and if possible designing and building sports facilities in accordance with their rational use after the Olympic Games.

One must make reasonable decisions about the use of land in accordance with the Federal Law of 24.07.2008 N 162-F3 "About Environmental Impact Assessment" as well as supply crippled ecosystems.

For example, Beijing's new green spaces were planted two years before the Olympic Games on the area three times the size of Central Park in New York as well as restrictions were imposed on air pollution.

It is necessary to expand in Sochi the territory of the National Park, to take measures for the protection of fragile ecosystems including valley of the Mzimta and to create nature-conservative areas on the coast of the Black Sea.

In conclusion, it is necessary to note that Russia successfully entered the final stage of preparation for the games. And if you focus on international experience and adhere to the factors mentioned in the article the effect of the Olympic Games in Sochi can be positive and give impetus to the further successful development of the region as well as the country as a whole.

References

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