Event seizure: the World Cup 2018 and Russia’s illusive quest for modernisation

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Event seizure: the World Cup 2018 and Russia’s illusive quest for modernisation

At USD 21.5 billion, the Football World Cup 2018 is on course to become the most expensive ever. But intentions to leverage the event for the modernisation of Russia have turned into the opposite: rather than building a ‘new Russia’, as proponents claim, the mega-event magnifies the problems of the old Russia. Developing the concept of event seizure, this paper shows how the priorities of the event have displaced those of modernisation. It traces the excesses of stadia construction, how rent seeking has driven up event costs and how the preparation for the event legitimises exceptional legislation that infringes citizen rights.

Keywords: mega-events, modernisation, emerging economies, political economy, World Cup, Russia
Introduction

From the top of the Sparrow Hills, overlooking the centre of Moscow, the Lužniki Stadium commands the view. Opened in 1956, it served as the Olympic stadium for the Summer Games of 1980 and in 2008 hosted the Champions League final. One of the largest stadia in Europe, it conforms to the highest standards of UEFA, receiving a 4* ranking in 2008. In other words, it is a perfectly good stadium. Nevertheless, the authorities closed it in 2013 for complete renovation at a tendered cost of USD 654 million (RUB 2,000 million). It is one of twelve stadia, with all but one of the others to be built from scratch in preparation for the upcoming Football World Cup of 2018. The event is still four years away and the total projected cost for the stadia alone stands at USD 7 billion (see Table 3). This is about 50% more than the stadia for the World Cup in Brazil 2014 and more than double the cost of the stadia for South Africa in 2010 (see Figure 2). The Russian government has fixed the minimum cost for hosting the event at USD 21.5 billion – more than for any previous World Cup.

The hosting of the World Cup from 8 June to 8 July 2018 comes with great hopes of leveraging it for the modernisation of the country. A buzz word since Dmitrij Medvedev’s presidency from 2009, modernisation has come to stand for more private economic activities, less central state paternalism, greater transparency, economic diversification and infrastructure improvement (Malle 2013). Several other mega-projects in Russia, from the innovation park Skolkovo to the Olympic Games in Sochi are seen as instruments to push modernisation (Kinossian and Morgan 2014; Müller 2011; Wilson Rowe 2014). The World Cup 2018 is no exception. Its ambition is no less than to build ‘a new Russia’, as First Deputy Prime Minister Igor’ Shuvalov phrased it in the presentation to FIFA in December 2010. The World Cup, then, was to serve as much more than a mere sports event. The Russian leadership expected it to become a vehicle for a wholesale transformation of Russia.
This paper takes stock of the ambition to harness the World Cup 2018 as a catalyst for modernisation. It analyses the construction, allocation of resources and legal repercussions during the first years of the preparatory period on the basis of bid documentation, press releases, legislation and published statements from authorities and officials. Rather than being a boon to modernisation, however, it finds that the priorities of the event have superseded those of modernisation. The paper shows how the World Cup perpetuates and entrenches rather than alleviates the shortcomings of economic development and political governance in Russia. It develops the notion of *event seizure* to understand how the event and its backers create a space of exception into which they insert their own priorities.

**Mega-events as catalysts for modernisation?**

The notion that mega-events can speed up urban and national development and help attain larger development goals is widespread. Event governing bodies such as FIFA or the IOC have employed it increasingly to justify the significant social and financial costs of mega-events. With more and more mega-events moving into emerging economies, this development rationale has gained in strength. “FIFA has taken on a mission to use the game as a tool to develop whole countries, give momentum to investment, and so create a better life for millions of people” (Zubko 2010), so the official line claims. Bidding coalitions in host cities and countries, too, tend to claim that mega-events are boons to economic development and urban restructuring (cf. Andranovich and Burbank 2011). Consulting companies have issued reports extolling the multiple benefits of hosting mega-events (Ernst & Young 2011; PricewaterhouseCoopers 2011). Thus, the World Cup 2010 in South Africa aimed to reduce poverty (Pillay and Bass 2008), the Olympic Games in London were a vehicle to revitalise boroughs in East London (Poynter and MacRury 2009), the Winter Olympics 2014 in Sochi were meant to turn Sochi into a world-class winter sports resort (Müller 2011) and the World
Cup 2014 in Brazil and the 2016 Summer Games were to advance urban transport and upgrade neighbourhoods in Rio de Janeiro (Gaffney 2010).

That partisan groups – event organisers, governing bodies and contractors – will seek to promote mega-events to a wider public does not come as a surprise. But recently organisations without an explicit stake in mega-events have started to peddle them as catalysts for urban and human development. Among them are state international development agencies such as the German Development Agency (2013) or foundations such as the Konrad-Adenauer-Stiftung (2011). Some scholars have chimed in. Thus, studies claim that mega-events “accelerate [a city’s] infrastructural development by up to 10 years” (Preuss 2004, 232) and that hosts can use mega-events “as powerful catalysts to accelerate their urban and transport plans” (Kassens-Noor 2013, 393). Mega-events, some maintain, “generate an unequivocal economic benefit to host cities” (Gratton, Shibli, and Coleman 2005, 997).

The idea that mega-events can help leverage national and urban development was central to the Russian hosting of the World Cup 2018. Russia, some commentators claimed, will “make a giant leap forward in terms of development” (quoted in Zubko 2010). The government sees the event as an instrument to fast-track investments that were planned anyway: “We would have spent this money even without the World Cup, but the World Cup is speeding up the realisation of some parts of the programme” (Kazmin’, Mokrousova, and Tovkajlo 2013). Officials are eager to emphasise that the benefits extend well beyond the sports stadia to benefit cities around Russia. The Federal Minister of Sports, Vitalij Mutko, in charge of the World Cup, underscored that “there will not only be investments into a new stadium. The majority of objects … are transport, tourism and technical infrastructure. We are talking about the development of the whole area that plays host to the World Cup” (quoted in Krylov 2014).

The telos of this big push modernisation is to catch up with the West. For as Putin declared at the bid, the aim is to “create an environment on a par with Europe’s” (quoted in Zubko 2010).
Officials go to great lengths to point out that there will be a break with the profligate planning for the Winter Games in Sochi, which cost more than USD 50 billion and revolved around just one city (Orttung and Zhemukhov 2014). In the wake of the financial crisis, the preparation for the World Cup was to “demonstrate a novel approach to the planning of state expenditure” (Kazmin’, Mokrousova, and Tovkajlo 2013). In contrast to the wasteful, megalomaniac construction in Sochi, this was taken to refer to maximising the long-term benefits and allocating resources in accordance with the development plans of the host cities. The declared intentions were thus in line with the broad goal of harnessing the World Cup for the modernisation of Russia at large.

**From comprehensive modernisation to event seizure**

The planning process for the World Cup did indeed start in the spirit of spreading infrastructural development to the whole of Russia. From the initial pool of 13 applicants, on 29 September 2012 the organisers chose 11 host cities, all located in the European part of Russia (see Figure 1). While Moscow and St. Petersburg are included, the rest are provincial capitals, which have a much smaller population, much less of an international profile and a worse infrastructural base, reflecting the uneven spatialities of post-socialist urban development (Golubchikov, Badyina, and Makhrova 2014). Making it on the list was important for cities for at least two reasons. First, in a highly centralised budgetary system, it promised access to federal money for regional development. Despite attempts at decentralisation in the 1990s, revenue raising powers remain concentrated in Moscow and cities are dependent on transfers from higher levels of the administration (Gel’man and Ryzhenkov 2011). The selection as a host for the World Cup was thought to offer a route to secure funding for fast-tracking investments. The second reason was the expected boost that new infrastructure projects and hosting World Cup Games would provide in the quest for an international reputation. While ambitions to position themselves in the global urban
competition have characterised Moscow and St. Petersburg for some time now (Golubchikov 2010; Kolossov, Vendina, and O’Loughlin 2002; Trumbull 2010), they have also started to spread to second-order cities such as Nižnij Novgorod or Kazan’ (Kinossian 2012; Makarychev and Yatsyk 2014), which are increasingly seeking to mould themselves in a modernist imaginary and tap into global capital flows (cf. Koch 2014).

The central administration asked the eleven host cities to submit development projects for the World Cup investment programme. True to the idea of harnessing the event as a catalyst, the cities viewed this as a chance to include the projects that were high on their development agendas, even though these had no immediate relation to the World Cup. Expressing this expectation, Leonid Rapoport, the Minister of Sports for the Sverdlovsk Region, of which Ekaterinburg is the capital, declared: “That’s not just funding for the development of sporting infrastructure, it’s funding for roads, to build the metro, to realise the Strazhi Urala complex...
[twin high-rise office towers], for environmental, medical, informational issues” (RIA Novosti 2012). Thus, Ekaterinburg submitted a total budget of USD 3.3 billion and even Saransk, the smallest city in the lot with a population of barely 300,000, asked for USD 2 billion for urban development projects. In total, 1129 projects were submitted across the 11 host cities, amounting to a total cost of USD 45 billion (Kazmin’, Mokrousova, and Tovkajlo 2013) – close to the bill of the Sochi Olympics or a little less than 10% of the annual federal budget.

In the spring of 2013, the central government needed to make a final decision on the budget. At that time, the preparations for Sochi were spiralling out of control, with facilities lagging behind schedule and ever higher cost estimates (Orttung and Zhemukhov 2014). The economic growth forecasts for Russia looked dim and officials wanted to avoid the World Cup becoming another uncontrollable drain on the budget. As a consequence, the list of projects had to be reduced and the necessity for the event became the major criterion according to which select projects for retention. In June 2013, the government approved 271 projects for a total of USD 21.5 billion [RUB 660 billion] (Government of the Russian Federation 2013). These include 7 new stadia, 86 training grounds, 62 hotels as well as the upgrades for the airport terminals and the links between the airport and the city. Table 1 depicts the allocation of costs to the different categories.

Table 1: Breakdown of total budget for the World Cup 2018 (Source: Postanovlenie 518 from 20 June 2013)

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>RUB 660 billion (ca. USD 21.5 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Purpose</td>
<td>By Source</td>
</tr>
<tr>
<td>Transport</td>
<td>51% Federal</td>
</tr>
<tr>
<td>Sport Infrastructure</td>
<td>26% Private</td>
</tr>
<tr>
<td>Security</td>
<td>5% Regional</td>
</tr>
<tr>
<td>Other (accommodation, health, energy supply etc.)</td>
<td>18%</td>
</tr>
</tbody>
</table>

Yet, the regional budgets for the trimmed World Cup turned out to be much higher than the 15% of the total allocated to them in June 2013. At the end of 2013, the cities presented total
costs of USD 7.3 billion [RUB 222 billion] (see Table 2), thus driving up the overall budget to USD 25.5 billion [RUB 781 billion].

Table 2: Planned expenditures for the World Cup 2018 from regional and municipal budgets (Sources: RIA Novosti; Vedomosti; Regional Administrations; Status as of June 2014)

<table>
<thead>
<tr>
<th>City</th>
<th>Budget (RUB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moscow</td>
<td>64,000</td>
</tr>
<tr>
<td>St. Petersburg</td>
<td>51,200</td>
</tr>
<tr>
<td>Samara</td>
<td>28,522</td>
</tr>
<tr>
<td>Ekaterinburg</td>
<td>22,529</td>
</tr>
<tr>
<td>Rostov</td>
<td>22,369</td>
</tr>
<tr>
<td>N. Novgorod</td>
<td>15,497</td>
</tr>
<tr>
<td>Saransk</td>
<td>9,452</td>
</tr>
<tr>
<td>Volgograd</td>
<td>4,524</td>
</tr>
<tr>
<td>Kazan</td>
<td>1,686</td>
</tr>
<tr>
<td>Kaliningrad</td>
<td>1,420</td>
</tr>
<tr>
<td>Sochi</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>222,223</strong></td>
</tr>
<tr>
<td></td>
<td>(ca. USD 7.3 billion)</td>
</tr>
</tbody>
</table>

In the end, the trimmed preparation list reflected the demands of the event rather than those of urban development. As the Chairman of the Organising Committee, Igor’ Shuvalov, remarked: “We have trimmed absolutely everything. There is nothing extraneous, not a single obsolete object. [We have kept] only what is associated with the World Cup” (quoted in Rožkov and Kazmin’ 2013). Thus, the projects pertaining directly to the World Cup were approved, whereas those relating to wider urban development issues were cut. In other words, Russia is hosting a ‘bare bones’ event, but at a cost that surpasses all previous World Cups. This scaling down of the investment programme marked the first in a series of seizures in which the priorities of the event would displace those of modernisation.

**Seizure 1: Stadia as privileged infrastructure**

Stadia provide a useful starting point for examining mega-event seizure, because they have the highest priority in the construction programme. If nothing else is finished, the stadia need to be completed to host the event. This requirement makes them privileged infrastructure, but
also turns them into potential resource drains, since completion needs to happen at any cost. Table 3 provides an overview of the sizes and costs of the stadia. 10 of the 12 stadia have been or are being constructed from scratch. The two remaining ones, Lužniki in Moscow and the Central Stadium in Ekaterinburg, are being renovated at a cost similar to if they had been constructed new. Thus, much of the sporting infrastructure is not pre-existing, unlike, for example, for the World Cups in South Africa or Brazil, where at least half of the stadia were in place (Gaffney 2010; Maharaj 2011).

The stadium construction creates artificial supply that will far outstrip demand in cities, even if some of the capacities are to be reduced after the event, as envisioned. The largest stadia in Russia have just over 30,000 seats. Even before new construction, most World Cup cities had stadia that were adequate for the demand. The average occupancy rate for the stadia of the top 15 teams in Russia is below 60%. Whereas stadia in Russia had a seating capacity of about 1.4 million at the time of the bid in 2010, the new construction for the World Cup will add 450,000 new seats and expand the existing capacity by almost one-third. This is not counting other new stadium projects, which will contribute another 150,000 seats (KPMG 2014).

This new capacity meets a situation where attendance of football matches is among the lowest in Europe. The total number of spectators per season is about 2.8 million, or 2.0% of the Russian population. That’s far below England’s and Germany’s 13 to 14 million, or respectively 24% and 16% of the population. On average, 13,000 go to a top division game – far less than current stadium capacities. Since 2007, attendance has stagnated at that level, despite the regular upgrade of stadia and rising disposable income. As a consequence, ticket sales make up only 5% of Russian club’s revenue. Research shows that game attendance is less dependent on whether stadia are modern or not, but on club marketing (KPMG 2014). The new stadia are thus unlikely to attract significantly more visitors that would enable them to recoup their construction and maintenance costs.
### Table 3: Stadium Projects for the 2018 FIFA World Cup (as of June 2014)

<table>
<thead>
<tr>
<th>City</th>
<th>Population (million)</th>
<th>Stadium</th>
<th>Capacity</th>
<th>Cost</th>
<th>Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moscow</td>
<td>11.5</td>
<td>Lužniki</td>
<td>upgrade</td>
<td>1956</td>
<td>81,000</td>
</tr>
<tr>
<td>Ekaterinburg</td>
<td>1.4</td>
<td>Central</td>
<td>upgrade</td>
<td>1957</td>
<td>44,130</td>
</tr>
<tr>
<td>Kaliningrad</td>
<td>0.4</td>
<td>Baltic Arena</td>
<td>new</td>
<td>2017&lt;sup&gt;e&lt;/sup&gt;</td>
<td>45,000</td>
</tr>
<tr>
<td>Kazan’</td>
<td>1.1</td>
<td>Kazan Arena</td>
<td>new&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2013</td>
<td>45,105</td>
</tr>
<tr>
<td>Nižnij Novgorod</td>
<td>1.3</td>
<td>Strelka</td>
<td>new&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2017&lt;sup&gt;e&lt;/sup&gt;</td>
<td>44,900</td>
</tr>
<tr>
<td>Rostov</td>
<td>1.1</td>
<td>Levberdon Arena</td>
<td>new</td>
<td>2017&lt;sup&gt;e&lt;/sup&gt;</td>
<td>45,000</td>
</tr>
<tr>
<td>Samara</td>
<td>1.2</td>
<td>Samara Arena</td>
<td>new</td>
<td>2017&lt;sup&gt;e&lt;/sup&gt;</td>
<td>45,000</td>
</tr>
<tr>
<td>Saransk</td>
<td>0.3</td>
<td>Jubilejnyj</td>
<td>new</td>
<td>2015&lt;sup&gt;e&lt;/sup&gt;</td>
<td>45,000</td>
</tr>
<tr>
<td>Sochi</td>
<td>0.3</td>
<td>Fišt</td>
<td>new&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2014</td>
<td>43,700</td>
</tr>
<tr>
<td>St. Petersburg</td>
<td>4.9</td>
<td>Zenit</td>
<td>new</td>
<td>2016&lt;sup&gt;e&lt;/sup&gt;</td>
<td>69,500</td>
</tr>
<tr>
<td>Volgograd</td>
<td>1.0</td>
<td>Pobeda</td>
<td>new</td>
<td>2017&lt;sup&gt;e&lt;/sup&gt;</td>
<td>45,015</td>
</tr>
</tbody>
</table>

|              | Average              |        |          |      |          |          |          |          |          |          |          |
|              |                      | 10 new |          |      |          |          |          |          |          |          |          |
|              |                      | 2 renovated | 597,350 | 545,205 | 2,825 | 6,919 |          |          |          |          |          |

<sup>e</sup> = expected; Sources: Population data from 2010 census; FIFA 2010; Vedomosti, Interfax, Don News, ITAR-TASS, gazeta.ru; rusdevelopers.ru; Sport Engineering. <sup>1</sup> = built for Universiade 2013; <sup>2</sup> = built for Winter Olympics 2014; <sup>3</sup> = costs not part of the USD 21.5 billion package due to separate budgeting.
Even though private investment is meant to contribute one-third to the total costs for the World Cup, private money only funds one stadium: Spartak in Moscow. All other stadia will be financed from the federal budget. That private investors and the clubs themselves are reluctant to take on risks in stadium construction, although promoting private investments is one of the central goals of the government in preparing for the World Cup, underscores their questionable commercial prospects. Sochi, Saransk, Kaliningrad and Volgograd, for example, do not have clubs in the top division and it is unclear who will take care of upkeep costs if the clubs cannot afford them. For Russia this means that stadia will consume a large part of the federal budget but remain obsolete and unproductive net expenditures that the event – rather than the goal of modernisation – dictates.

**Seizure 2: Neopatrimonial rent distribution**

There is a second important sense in which the logic of the event seizes that of modernisation. Not only do expenditures for stadia drain resources from other projects, but the expenditure for the World Cup in general functions to siphon off rents for the ruling elites. The distribution of state resources in exchange for loyalty of the elites is common for the current neopatrimonial system in Russia (Orttung and Zhemukhov 2014; Yakovlev 2014). Instead of curbing this clientelist practice, as envisioned, the World Cup has intensified it. It provides justification for state largesse and imposes deadlines, creating a sense of urgency which compounds transparency as well as checks and balances on state spending. With the pretext of having to conform to tight schedules and high expectations, overblown budgets and rent seeking have become the norm.

In the preparation for the World Cup 2018, rent distribution is most visible in the role of “Sport Engineering”, a state company belonging to the Ministry of Sports and holding contracts to develop most of the stadia (see Table 3, column “developer”). An initial proposal
from the Ministry of Sports suggested having Sport Engineering as the only contractor for building the stadia. Perceived as one of the most brazen attempts of misappropriating state funds through intransparent awarding of contracts, the Russian government rejected this proposal and made a tendering process mandatory (V1 2012). Nevertheless, Sport Engineering won the tenders for most stadia, although it was often not the lowest bidder – sometimes it remained the only bidder. Sport Engineering, however, does not do most of the development and projecting work itself, but contracts it out to Russian or international subcontractors. In those cases, the amount paid to the final contractors is lower than the original sum – sometimes significantly so. In one case, Sport Engineering kept between 22% and 32% of the contract sum, claiming this was because it remained responsible to oversee the project work. Commentators, on the other hand, suggested that this share exaggerated the true value added and much of it was going to cronies (Kazmin’, Mokrousova, and Tovkajlo 2013; V1 2012).

Intransparency and the deficient competitive environment have led to inflated costs for the stadia. Contractors were often chosen without tenders, citing time pressure as the main reason. Even the Russian audit chamber, usually a rather tame body and loth to flag financial irregularities, found that the contracts for stadium design were overpriced by more than 100% (Nicholson 2014). In the four years between the bid in 2010 and June 2014, the projected total cost for the stadia more than doubled from USD 2.8 billion to USD 6.9 billion (see Table 3). This sum, however, is unlikely to be the final tally. In South Africa, for example, the cost of the stadia exploded more than tenfold over the bid estimates (see Figure 2). In Brazil, the cost increased from USD 1.1 billion in the bid to about USD 4.4 billion just before the event (FIFA 2007). The Sochi Olympic Stadium, Fišt, offers a taste of the potential cost overruns in store: projected to cost USD 56 million in 2007, it ended up consuming USD 780 million and
was finished just at the last moment. This amounts to a cost overrun of almost 1300% in nominal and 1150% in real terms.

Figure 2 shows that even at this stage, four years before the event, the total costs for stadia are higher than in any of the previous four World Cups. At USD 577 million, the average cost per stadium is 58% higher than in Brazil, although stadium construction for the World Cup 2014 was highly inefficient (Gaffney 2013). Per seat, average costs are USD 11,600 (see Table 3). The cheapest stadium is Samara with a projected USD 9,600 per seat, whereas the one in Sochi comes in at a steep USD 17,800 per seat, topping the Wembley Stadium as the most expensive football stadium in terms of cost per seat worldwide. Even the escalated costs for the World Cup stadia in Brazil still amount to just above USD 6,000 per seat, with previous World Cups significantly cheaper (see Figure 3).

Fair explanations for this high cost are thin. Input factors such as labour or building material tend to be cheaper in Russia than in Western Europe. Land, in general, is also cheaper and often the municipalities provide it at discounted prices. Technical requirements for the stadia are similar since conforming to FIFA regulations. This suggests that much of the price difference is due to artificially inflated costs. What results is a public subsidy for the contractors of stadium construction. This practice turns stadium construction, and indeed World Cup-related construction at large, into one means of distributing rents in the Russian neopatrimonial system rather than allocating resources to productive uses.
Figure 2: Final cost of stadia for the World Cups 2002, 2006, 2010, 2014 and 2018 (estimates for World Cup 2014 and 2018 as of June 2014) (sources: own calculations on the basis of Associated Press; Cabinet of Germany; World Stadium Index)

Figure 3: Comparison of total number of stadium seats and costs per seat for the World Cups 2002, 2006, 2010, 2014 and 2018 (estimates for World Cup 2014 and 2018 as of June 2014) (sources: own calculations on the basis of Associated Press; Cabinet of Germany; World Stadium Index)
Seizure 3: Legal precedence of the event

A third and final sense through which the event takes over modernisation is the preferential legal treatment it receives. In preparation for the World Cup, the Russian administration introduced exceptions to existing legislation, both as a response to FIFA requirements and as a means of facilitating the preparation for the event. Federal law N 108-F3 “On the preparation and staging of the FIFA World Cup 2018 and FIFA Confederations Cup 2017 in the Russian Federation and the introduction of amendments to selected legislation”, in force since 07 June 2013, introduced wide-reaching interventions into Russian legislation. It stipulated changes to no less than eight fundamental codes, among them the Civil Code of Russia, the Labour Code, the Tax Code, the Land Code, the Arbitration Procedure Code, the Housing Code, the Town Planning Code and the Forest Code.

Some of those changes are familiar from previous World Cups and designed to safeguard the revenue accruing to FIFA and its partners. The most prominent amendment is exemption from income tax and other fees that companies operating in Russia would otherwise be subject to. This exemption constitutes an indirect subsidy often not taken into account when calculating the costs of the event. Another amendment guarantees FIFA and its partners the exclusive right on all commercial activities in a two kilometre radius around the stadia during the matches. It mandates special brand protection for the FIFA mark and guarantees the sponsors extensive exclusive rights for advertisements (Federal Law N 108-F3, article 8).

More than protecting commercial interests, however, the legislative amendments also curtail the rights of individual citizens (cf. also Gaffney 2010; Sánchez and Broudehoux 2013; Shin and Li 2013). They weaken or suspend legislation designed to protect citizens against state arbitrariness or commercial exploitation, or the environment against damage. The new federal law limits public gatherings during the event and imposes movement restrictions on citizens (article 5.13). It makes it possible to prohibit any kind of public event unrelated to the World
Cup during the event, including protest activity. It suspends public hearings or the publication of plans for urban rezoning, as laid down in the Town Planning Code (article 12).

Environmental impact assessments are limited to a maximum duration of five days (article 29.12), which makes an adequate assessment impossible. Authorities and contractors have the right to cut forests for World Cup construction without having to respect the rules of the Forest Code (article 12.35) – a loophole probably introduced with the fierce resistance to cutting forest for a highway in Khimki, near Moscow, in mind (Evans Jr. 2012).

Of greatest concern, however, is a change in the Civil Code, the fundamental source of civil law, facilitating the imposition of servitudes and expropriations for the World Cup until the end of 2017 (article 12.30 and 12.32). It continues a tradition of hollowing out property rights for special events in Russia that was started with the Olympic Games in Sochi 2014 and continued for the APEC summit in Vladivostok in 2012. The new expropriation regime gives the affected parties only ten days to appeal the decision of expropriation and the compensation offered in court and the court another ten days to reach a verdict (article 12.30.25 and 12.30.26). This puts up major road blocks for a fair procedure: ten days are not sufficient to determine the market price for a given property or to prepare for the onerous litigation involved and thus leaves affected citizens ill-prepared to defend themselves.

In preparation for the mega-event, the Russian government has thus suspended basic democratic rights and violated the fundamental legal principle of equality before the law, privileging stakeholders of the World Cup over ordinary companies and citizens. The planning for the Universiade 2013 and the Winter Olympic Games 2014 has shown that Russian authorities are willing to make use of these legal provisions not only to speed up the preparation of the event, but also to force projects that would otherwise have had greater difficulty in passing muster (Karbainov 2013; Makarychev and Yatsyk 2014; Müller 2014). It is telling that the amendments to legislation go significantly beyond what is required by FIFA:
they do not just protect commercial interests, but compromise the very rule of law and the legal certainty Russia seeks to promote with its agenda of modernisation. Instead of encouraging private entrepreneurial activity and trust in the rule of law, such exceptional legislation undermines them through introducing instability and unpredictability, giving legal precedence to the event rather than to the body politic.

**Discussion: event seizure**

What is curious about the preparations for the World Cup 2018 is that the established explanations of how events interact with societies and economies do not quite capture the processes in Russia. As we have seen, the World Cup is not a *catalyst* for Russian modernisation, although the Russian government, FIFA and a host of other stakeholders would like it to be just that. Instead of pushing modernisation, it is blocking it. But it is also not primarily conceived or staged as a *spectacle* – the conspicuous presentation and consumption that often masks uneven development and rising social inequities but also unifies societies, placating social and political dissent in the interest of continued capital accumulation. Scholars have analysed several mega-events through the lens of spectacle – most notably the Beijing Olympics (Broudehoux 2007; Shin 2012). Yet, the Russian authorities are not touting or staging the World Cup as spectacle. The extravaganza of the Winter Games 2014 in Sochi – at USD 51 billion the most expensive Olympic Games in history – is too fresh in the public memory. With low economic growth, resources are too scarce to lavish them on projects that the public could perceive as wasteful. The modest performance of Russia’s national team in recent World Cups – it qualified for the group stage in only three of the six World Cups since 1994 – does not make for turning the World Cup into spectacle to the same degree as, say, in Brazil. Hence, government representatives have been careful to emphasise the alleged broad benefits and rational use of the funds expended for the World Cup.
But there are also few signs of *urban entrepreneurialism*: cities in search of growth opportunities under conditions of an increasingly neoliberal global economy (Burbank, Andranovich, and Heying 2001; Hall 2006). Mega-events have often been seen as a vehicle of urban entrepreneurialism, helping to attract capital and private investment and dispossessing citizens living on undervalued land for rapid capital accumulation (Gaffney 2010). But the entrepreneurial elements in Russia are thin on the ground. While entrepreneurialism is a trope on the discursive level, the preparation for the World Cup has turned out to be a state-led project, in which questions of return on investment and introducing market mechanisms play a marginal role. What is also mostly absent are efforts of *international signalling* with mega-events, found to be of particular importance for emerging nations (Cornelissen 2010; Tomlinson 2010). From this perspective, mega-events serve to communicate international diplomatic stature and attractiveness as a means of soft power – a coming-of-age, as it were, of emerging countries, aspiring to be included in the club of leading global powers.

What all these explanations have in common is that they see mega-events as a means to something: to economic development, to unifying society, to building soft power. But they underestimate one crucial characteristic of mega-events: their possessive character. In Russia, as in many other host countries of mega-events, the priorities of the event – and of those supporting it – have all but displaced those of modernisation. Overpriced event-related infrastructure has crowded out investment for broader benefits. The event has exacerbated rent-seeking behaviour and the infringement of citizen rights. It has usurped and rewritten the very agenda it was meant to serve.

To account for this proliferating, possessive character of the event, this paper proposes the concept of *event seizure*. Badiou’s concept of the event serves a useful starting point for its theoretical grounding. For Badiou, an event is a “rupture in the normal order of bodies and languages as it exists for any particular situation … or as it appears in any particular world”
This rupture can introduce newness and creativity, and break the mould of the established order – a positive dimension of political emancipation Badiou is keen to stress (Badiou 2005 [1988]). But the temporary opening an event creates can also change the existing order in undesirable ways (Connolly 2011).

This is what happens when mega-events create states of exception that lead to a lifting of the rule of law and bypassing of democratic deliberation (e.g. Boykoff 2014; Coaffee 2014; Sánchez and Broudehoux 2013). Institutionalised political process, regular planning procedures are suspended as the event asserts its urgency and primacy according to the principle of *necessitas legem non habet* [necessity has no law] (Agamben 2005, 1). If that happens, mega-events create what Agamben calls ‘a no-man’s land between public law and political fact, and between the juridical order and life” (Agamben 2005, 1). The mega-event inserts a hiatus in the rule of law and occupies it at the same time. It seizes upon this exception to fill it within its own priorities and rationales.

Hence the notion of *seizure*, which encapsulates some of the basic characteristics of how mega-events interact with host societies. First, it denotes the act of taking possession of something, just like the mega-event and the elites associated with it take possession of the regular political process – of development agendas and funds – and impose their priorities on others. Second and connected to the first point, it conveys the literal notion of capturing resources, whether it is state monies through construction projects or private land through expropriation, outside of approved procedures. This capturing often happens not by stealth but by full legal authority, introduced, for example, in exceptional event legislation. Thus, provisional measures become a technique of government (Agamben 2005). Third and last, event seizure represents the often abrupt intervention from outside in host societies, disrupting established processes of decision-making, public oversight and legislation. Close to the
medical sense of seizure, it suspends the normal functioning of host societies and monopolises attention and resources.

Event seizure occurs with all mega-events to some degree: in the previous World Cup host countries of South Africa and Brazil (Cottle 2011; Gaffney 2013; Maharaj 2011) and indeed in the numerous white elephants and repeated cost overruns that have characterised mega-events around the world (Horne 2007). In Brazil and South Africa, too, the exigencies of the event came to dominate over those of development planning, crowding out funding for other purposes. Russia offers what seem like particularly propitious conditions for event seizure: poor public oversight, weak rule of law, notorious opacity and dysfunctional institutions. The combination of these factors makes it easier for the event to insert itself into political and economic processes, as the checks and balances for aligning it with development agendas are weak to start with. Thus, the crucial question is just as much how event seizure occurs as to what degree it occurs and through what mechanisms.

**Conclusion**

Instead of Russia seizing the event, the event has seized Russia – its resources, its citizens, its legislation. If the original intention was to harness the World Cup 2018 for Russia’s modernisation, the opposite has happened. The goals of developing productive infrastructure across the country, making state spending transparent and creating incentives for private investment have morphed into cost overruns and excess capacities in stadium construction, intensified neopatrimonial rent seeking under claims of time pressure and the hollowing out of basic legislation. In the course of what this paper has called event seizure, the World Cup has colonised urban and national development agendas and subjected other priorities to those of the event. What started out as an ambitious agenda for creating a ‘new Russia’ has shifted
to delivering the minimum infrastructure for the event, at an inflated price tag and infringing citizen rights.

For emerging economies, which have now become major bidders for large events, event seizure means that rather than catalysts for change, mega-events tend to reinforce the existing conditions in the host nations. If there was weak rule of law, it becomes even weaker. If there was wide-spread rent seeking, it becomes even more wide-spread. If there was intransparent decision-making, it becomes even more intransparent. Mega-events thus work as a magnifying glass of sorts, exaggerating the issues that plague a city or country rather than doing away with them.

Instead of bolstering the legitimacy of the state in Russia through contributing to modernisation, the World Cup 2018 thus looks more likely to undermine it. While those in power profit from the event, for most Russians the World Cup means an unproductive and unequal allocation of resources for the benefit of a select few under the guise of an event for the masses. With economic growth forecasts at a mere 0.2% for 2014 and 1.0% for 2015, growing geopolitical and economic isolation with the annexation of Crimea, and people’s increasing dissatisfaction with the status quo, Russia can ill-afford a profligate World Cup that seizes its modernisation agenda. Yet, that is precisely what it is heading towards.

References


KPMG. 2014. Razvitie stadionov v Rossii: točka zrenija KPMG. Moscow: KPMG.


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1 Throughout this paper, an exchange rate of USD 1 = RUB 30.6 is used. This corresponds to the annual average from 2010 to 2013 and smoothes out exchange rate fluctuations.