



Email: editorijless@gmail.com

Volume: 10, Issue 1, 2023 (Jan-Mar)

**INTERNATIONAL JOURNAL OF LAW, EDUCATION,
SOCIAL AND SPORTS STUDIES
(IJLESS)**

A Peer Reviewed and Refereed Journal

[DOI: 10.33329/ijless.9.4](https://doi.org/10.33329/ijless.9.4)

<http://ijless.kypublications.com/>

ISSN: 2455-0418 (Print), 2394-9724 (online)

2022©KY PUBLICATIONS, INDIA

www.kypublications.com

Editor-in-Chief

Dr M BOSU BABU

(Education-Sports-Social Studies)

Editor-in-Chief

DONIPATI BABJI

(Law)

©KY PUBLICATIONS





Qatar FIFA World Cup : A case of “Sports Diplomacy” to achieve macro-economic goals - An in-depth analysis

YUVAN GOENKA

Email : yuvan.goenka@gmail.com

DOI: [10.33329/ijless.10.1.1](https://doi.org/10.33329/ijless.10.1.1)



ABSTRACT

The study examines in detail the reasons why Qatar hosted the World Cup. The analysis looks deeply into the various reasons, ranging from economic, attracting investment to being a self-sufficient economy, political, social and sustainability. Qatar, a country with a high GDP (Gross Domestic Product), was able to spend close to \$220 billion, more than 25 times the amount that has been spent on the previous most expensive World Cup in Russia. Why would a country spend such large sums? One of the reasons could be that it wanted to attract increased amounts of foreign investment in education, sports facilities, health, education and consumerism, as well as reduce the reliance on natural gas by diversifying its economy. Whether it has been able to achieve success will be answerable with time.

1. INTRODUCTION

Football is not just a sport, but it is a religion around the world now. The passion is so immense that the game has developed a ‘cult’ following with an establishment of patriotism, love and faith. As the love of the game spread, and the number of international matches increased, there emerged a need to set up a global governing body and hence FIFA was founded on May 21st, 1904, in Paris.

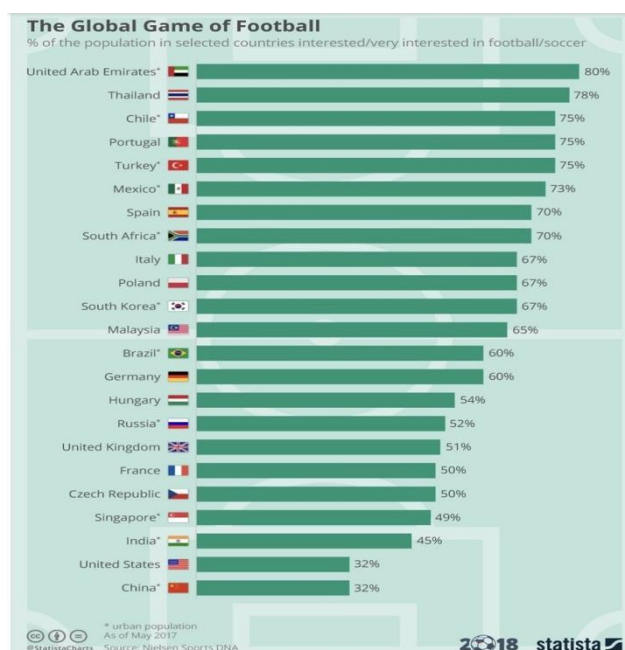


Figure 1: The Global Game of Football (Source: World Economic forum)

With the increasing number of people in each country interested in football as per the chart above, FIFA is simply not an international sporting event, but a major business conglomerate on its own. Countries bid against each other in order to win the right to host the world cup for a variety of economic, political and social reasons. The basic reason being that it attracts a lot of revenue for the country that is hosting it. Other than that, it comes with a lot of economic development, with improved infrastructure, lower rates of unemployment, enhanced tourism potential and global recognition. All these factors further lead to extended linkages within the economy which the research paper tends to explore.

The idea of a middle eastern country hosting the world cup was floated by the former FIFA president Sepp Blatter in early 2010. Until then all previous world cups were hosted by Europe or either of the American continents. As president of FIFA he realised the significant business opportunities for FIFA due to the growing popularity of the sport in the Arab world which had a population of more than 400 million people in 2010, similar to that of South America and Europe. When hosting of the world cup was proposed to the middle eastern countries, Qatar was selected as it had successfully hosted the Asian Games in 2006. Seeing the rise of opportunities both tangible and intangible, Qatar bid for the World Cup 2022. It aimed to represent the Arab world as well as becoming as important as UAE and Saudi Arabia amongst the middle eastern countries. They also positioned their bid as an opportunity to align themselves with the western democratic countries economically, socially, politically as well as on humanitarian grounds. The aim was that a successful hosting of such a mega event would provide them a platform to showcase to the world its economic achievements and its concerted effort in changing its negative image with respect to its human rights violations as well as its political outlook. All of the above would help in attracting foreign investment and achieve its goal of diversification and self-reliance by moving away from its dependence on natural gas as its major contributor to Gross Domestic Product. So while the concept was floated by Steve Blatter for their own business interests, it seems Qatar saw hosting a mega event like this as one of the means to achieve the 'Qatar 2030 Vision Document'. This would help Qatar transform into a global society, something the western countries put as a pre-condition before committing any major investments. This is indicated in the figure below



Figure 2: Qatar 2030 vision

In line with the document, the amount that the economy planned to invest in the World Cup has been the highest amongst all the other countries that have hosted the cup.

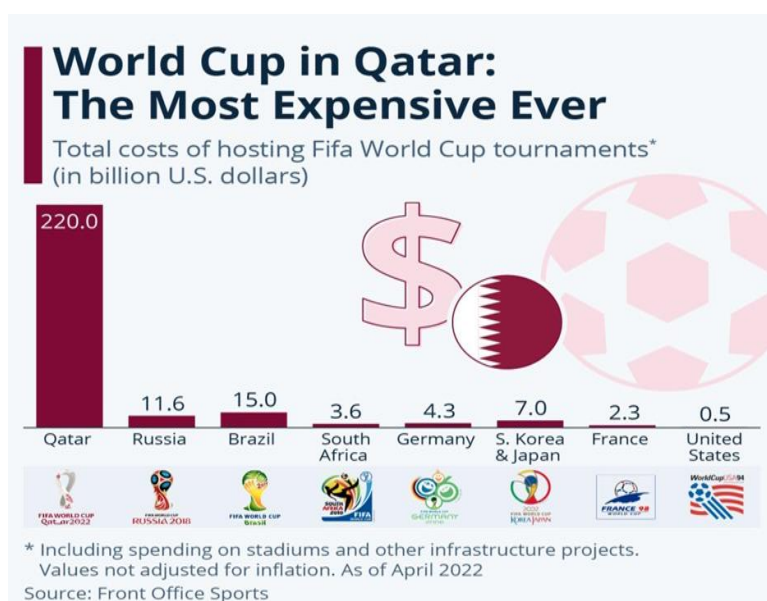


Figure 3: Expenditure incurred on hosting the World Cup : A comparison

Source: Front Office Sports

RESEARCH QUESTION: An attempt here is made to understand how the phenomenal rise of football in the world which eventually culminates in a world cup that is held once in four years has been used by Qatar for their self-development. The increasing interest that the game has garnered outside of Europe into Africa and now the middle east led to Qatar bidding for the game in 2022. Did this event lead to the increasing popularity of Qatar? Has the goals of self-reliance and higher foreign investment achieved due to the world cup? Will the investment that has been incurred on the mega event be utilised effectively and efficiently? These and more will be some of the questions that will be answered during the course of the research.

2. THE GROWING ECONOMIC LINKAGES OF HOSTING THE WORLD CUP

A prudent analysis of the impact of holding a World Cup would be to analyse the GDP of the economy hosting the cup, and the impact that it has on various macroeconomic indicators as well as other socio environmental goals. Europe is primarily a developed continent while parts of South America, South Africa are not as developed as Europe. Middle East countries on the other hand may have a very high GDP and per capita income, but social and environmental indicators need attention, and a lot is required in this sphere. The hosting of the cup requires significant investment. The question that arises is whether it is prudent to divert precious resources especially in the case of developing nations to a sport. Though the world cup is the most viewed sport globally, a cost benefit analysis is an important aspect in determining whether the hosting of the games was 'worth it' in terms of revenue and other economic parameters. With respect to Qatar, it has an abundance of natural gas making it a very rich nation, in terms of GDP and per capita, thus diversion of resources, and calculating the opportunity cost lost, may not be as important for a country like Qatar as it was for Brazil.

Qatar's economic policy with respect to hosting the world cup was to reduce their reliance on Natural gas while expanding and developing:

- Real Estate
- Financial Services
- Education
- Health

- Sports
- Tourism

Their objective was also to invite foreign investment in the sectors mentioned above towards the development of the country which till now had been growing on the basis, due to the country’s reserves of Natural gas.

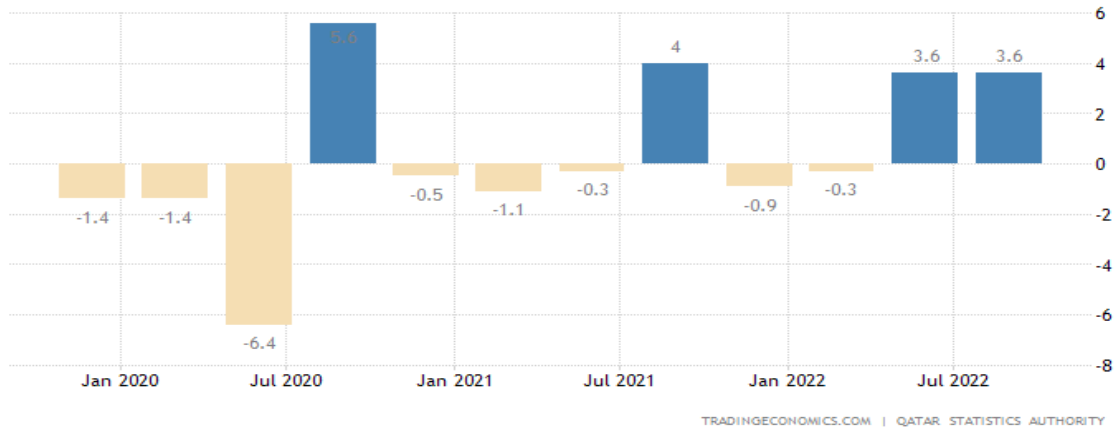


Figure: 4 GDP GROWTH RATE IN PERCENTAGE TERMS

Source: Tradingeconomics.com/ Qatar Statistics Authority

The benefits if not available in monetary terms would need to have an imputed cost placed against them, to get to the correct estimate. The main area of imputed cost would be the change in the image perception that the world has toward the autocratic government of Qatar. By hosting the world cup Qatar expects to add \$17 Billion to its economy, while spending \$220 billion. It anticipates that the economy will grow by 3.4% in 2022, and 2023, slowing down to 1.7% in 2024. (Tradingeconomics). It is very evident from these figures that from a pure monetary perspective, hosting the world cup at this exorbitant cost is not adding any significant monetary value to the already flourishing economy. The benefits that were hoped to be achieved were in the form of ‘image building’. Any other country that did not have such resources and had borrowed capital, would probably go bankrupt servicing their debt.

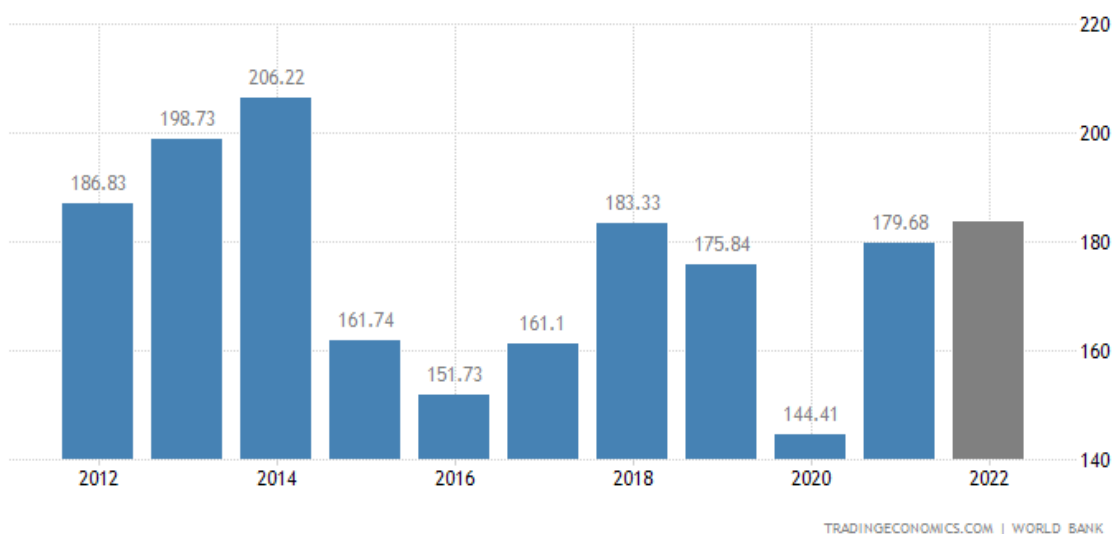


Figure 5: QATAR’S GDP from 2012-2022(anticipated)

Source: Tradingeconomics.com | World Bank

Qatar realises that in-order for it to be recognised as an independent country worthy of aligning with the rest of world, it needs to improve its reputation with the rest of the world in terms of:

- Its archaic rules and regulations on women, LGBT community, Kafala system and other human right violations with respect to migrant labour.
- Proving its importance, separate from Saudi, and the UAE. It has successfully managed this as post Russia’s invasion of Ukraine, it came to the rescue of European nations. It is estimated that gas exports from Qatar to Europe have doubled. Hosting many sports events and the world cup has increased Qatar’s presence and power globally.
- Transparency on policy matters with respect to foreign investment
- Its openness to opposing opinions by promoting freedom of speech via uncensored debates on various TV channels.

The main linkages are of two types:

A. Tangible

The country expects to gain in a number of spheres due to the hosting of the world cup. It wants to reduce its reliance on natural gas. It expects tourism to double, the job market to increase to 1.5 million jobs, for migrant workers, and enhancing the job skills of citizens of Qatar.

Table 1 :Unemployment Rate in Qatar

Year	Unemployment
2001	1.7%
2020	0.1%

Source: Staista.com

The above table indicates a low unemployment rate in Qatar, indicating that foreign investment coming in the country will enhance the manpower skills of the citizens of Qatar as well as increase the facilities of the economy with respect to tourism, health, sports and education.

FDI IN QATAR

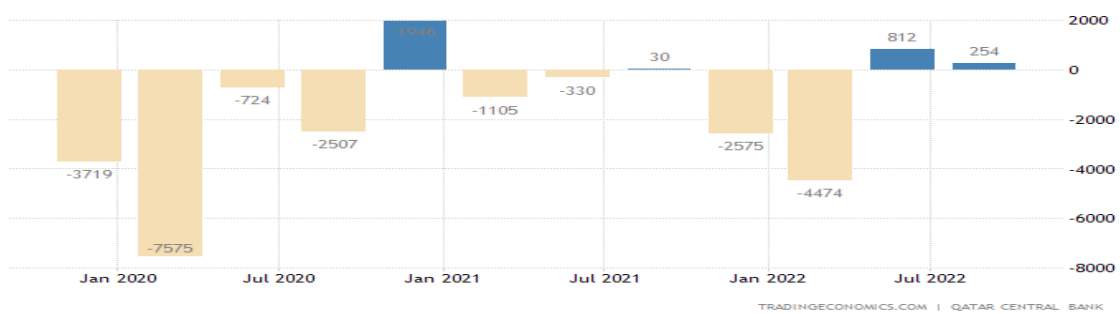


Figure:6: Foreign Direct Investment(FDI) in Qatar till 2020

Source: Tradingeconomics | Qatar Central Bank

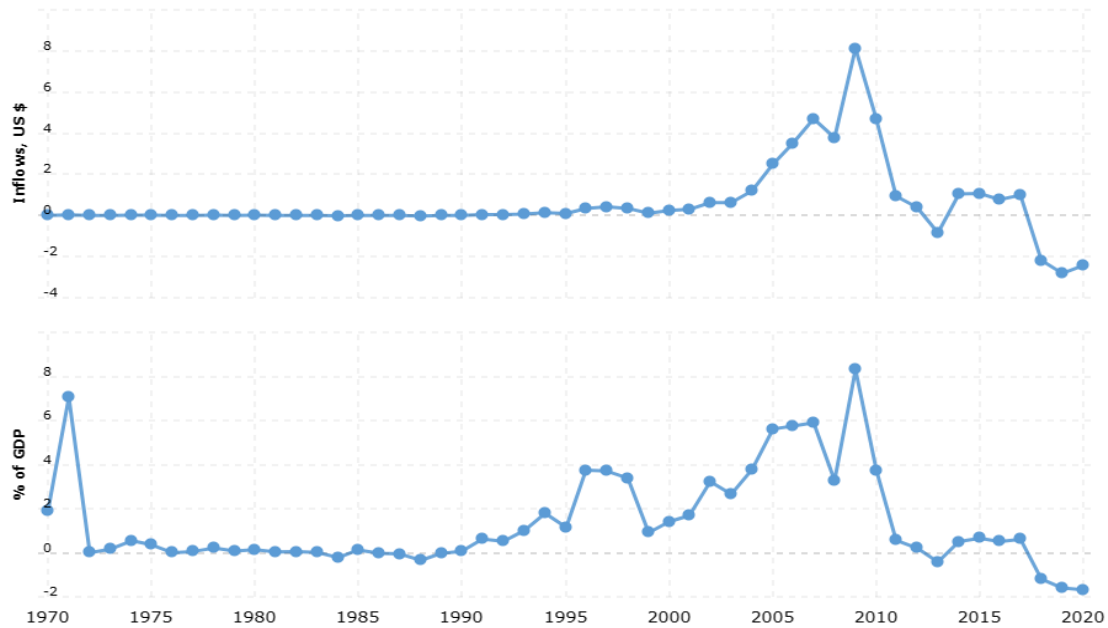


Figure 7: Foreign Direct Investment FDI IN QATAR FROM 1970-2020

Source: Tradingeconomics | World Bank

The figures above indicate a declining FDI in the Qatar economy, it was necessary to counter this trend, which is hoped to have been achieved by the hosting of the world cup. The decline was accentuated by the blockade imposed against the country, the situation improved once the blockade was removed, just before the world cup. The trust deficit with respect to the policies of the country as well as its treatment of migrant labour, was required to be addressed urgently.

Among the tangible, the economic linkages are stated below:

2.1. Infrastructure

- i. Stadium
- ii. Roads
- iii. Tourism
 - Hotels and other home stays
 - Transport
 - Airport
 - Restaurants

2.2 Employment

- Skilled
- Unskilled

2.3. Increasing demand due to increasing income

2.4. Increased domestic production.

2.1 INFRASTRUCTURE

The construction of infrastructure for the purpose of hosting and accommodating visitors is expected to bring many positive economic benefits to the country. Qatar has predicted that hosting the FIFA World Cup will create more than 1.5 million new jobs in key sectors like construction, real estate,

and hospitality. The unskilled workers are most likely to be from emerging market economies like India, Pakistan, Nepal, Sri Lanka, and Bangladesh. But the managerial and Blue Chip workers would necessarily be both foreigners as well as locals.

In terms of infrastructure, they have built 8 new stadiums each having a seating capacity ranging from 40,000-80,000 and adding up to an estimate of \$6.5 billion in cost.

TABLE 2: EXPENDITURE ON STADIUMS BUILT IN QATAR FOR FIFA 2022

Stadium	Cost (USD)*
Al Bayt Stadium	\$847m
Lusail Stadium	\$767m
Ahmed Bin Ali Stadium	\$360m
Al Janoub Stadium	\$572m
Education City Stadium	\$700m
Stadium 974	Unknown
Khalifa International Stadium	\$78-315m
Al Thumama Stadium	\$342m

2022 FIFA World Cup Qatar Investment Budget, By Segment (In USD Millions)

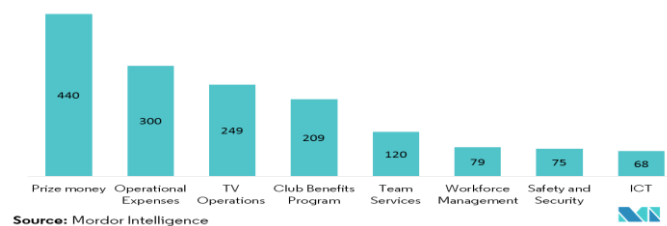


Figure:8: World Cup Investment; Segment Wise.

Source : Mordor Intelligence

Sector wise division of the expenditure has been indicated above. The main expense is on Prize Money.

In a large number of these projects indicated above, there has been an involvement of a number of foreign companies, e.g. German National Railways, Deutsche Bahn AG, had been given the contract of building approximately 320 kms of metro system in Doha.

In addition to that, Qatar's transport infrastructure has been transformed to provide fast, efficient, cost effective and sustainable options for residents and fans during the FIFA World Cup 2022. They have built state of art expressways along with a brand-new metro and tram system, and have also invested in electric buses, bikes, and scooters. The metro and tram systems are directly connected to 5 different stadiums which makes transportation much easier. Qatar's green transportation network will set new benchmarks for sustainability and contribute greatly to local communities, who will use these systems for generations to come. In the process the Country has also overhauled its roads as well as upgraded their airport. New Hammad international airport has replaced the old Doha international airport and a total of 1,791 km of expressway projects leading to the stadiums have been finished, along with 207 bridges and 143 tunnels. Qatar has also built more than 100 new hotels, with approximately 130,000 rooms in total, available to cater to the more than the 1 million expected to come watch the event.

Tourism: With this the tourism industry is expected to benefit for many years from the event. Officials predict over 2 million visitors for the World Cup generating approximately USD 18 Billion by 2025 for the Qatari economy by way of increased spending. The increase in tourists in 2022 is not only guaranteed to boost Qatar’s economy not only in the short term, but in the long term as well. Effects of increasing their international profile as a tourist destination will provide long lasting economic benefits. It has been estimated that international visitors will increase to 6 million by 2030 from the 2 million in 2019. “ The absolute economic contribution of tourism in Qatar was forecast to continuously increase between 2022 and 2028 by (+70.46 percent). The economic contribution is estimated to amount to 24.0 billion U.S. dollars in 2028.”(The data are an excerpt of Statista's Key Market Indicators (KMI).

Table 3: Potential Inflow of Tourists in Qatar

Year	Numbers (in millions)
2007	1 million
2014	2.8 million
2022	3.5 million
2030(expected)	7.4 million (expected)

Source: Henderson.J.C (2014)

Foreign Direct Investment: The rise in the international visibility of Qatar’s, it is likely to be an increase in foreign investment. Many foreign investors are [attracted to countries](#) that provide support both financial and non-financial for large projects. This leads to a number of linkage implications, eventually resulting in an increase in economic growth.

2.2 EMPLOYMENT

There was a huge demand of skilled and unskilled labour that was required to build the humongous stadia, and other connected facilities that had to be constructed. Though Qatar has the least unemployment figures as a percentage of total labour force in 2021, as indicated in Figure 6.

Despite this Qatar was extremely keen to skill its citizens and also increase employment. Most of the labour employed by them on its various projects would largely be migrants, but in spite of this, there would be an immense potential to increase the technical abilities of its own people. Qatarization is an initiative that was launched by the Government to increase the share of Qatari people employed to 50% in all public and private organisations.

Unemployment, total (% of total labor force) (modeled ILO estimate)

Saudi Arabia	7.4
United Arab Emi...	3.4
Kuwait	3.7
Bahrain	1.9
Oman	3.1
Qatar	0.3

2021 Source: World Bank

Figure 9: Percentage of unemployed

2.3 Increased Demand due to increasing income and tourism:

The World Cup increased the levels of income substantially through the linkage effect due to construction of infrastructure, transfer of technology, as well as the huge influx of tourists. This demand was primarily for consumer goods, which would eventually add up to further increasing the GDP of the economy. Besides domestic demand there would be a phenomenal influx of tourists that descended on the Qatar economy leading to an increased demand which would act as an incentive to increase production facilities.(Table 3).

2.4 Increased Domestic Production

The world cup definitely acted as an impetus to increase domestic production , in areas other than Natural Gas. As an economic policy decision, the aim was to diversify, and develop industries that are not connected to their abundant natural resources. Given the fact that the world emphasis on fossil fuels is on the decline and the promotion of alternative sources of energy is being aggressively encouraged, it is imperative for countries like Qatar who are wholly solely dependent on such fuels to diversify.

2.5 Intangible Benefits

Qatar's human rights record has been regarded as being generally poor, with restrictions on civil liberties such as the freedom of association, expression and press, as well as its treatment of migrants With respect to migrant labour, they are treated as forced labour for projects in the country, with no redressal mechanism in place incase of any mishap that might occur during their tenure. These are all matters that need to be addressed to bridge the gap with the western countries which can help amplify economic benefits to Qatar. With the world cup Qatar hopes to improve on their human rights record. Being the first time that a Middle Eastern country will be hosting the World Cup, it is an opportunity for Qatar to showcase to the world their vibrant culture and values, all the while creating a long-lasting legacy that would be associated with Qatar for many years to come, as well as it would help the country to come out of the shadow of UAE and Saudi. This is very important in achieving the goals outlined in the Qatar 2030 vision.

The country was keen to showcase to the world that it wanted to attract foreign investors as well as migrant labour and to do so was ready to change the worlds perception towards it, with respect to:

1. Employment rules for migrant labour where the need to deposit passports with the employer was done away with amongst other policy changes.
2. Stable, open and conducive policies towards foreign investors
3. Seriousness in reducing reliance on carbon emitting natural resources.
4. Developing alternative green, sustainable, environment friendly energy resources.

All of the above indicate the earnestness of the country with respect to attracting foreign investment to achieve goals that have been indicated under the “ Vision 2030” document.

The intangible gains the country hopes to achieve are difficult to quantify and justify as compared to the cost incurred but for a country that ranks 72 on the human development index it may be a step in the right direction.

Promise of a Green World Cup

The world cup being hosted in Qatar was the first ever carbon neutral one. There is a perception that future world cups and sporting events will change the way they are organised. Qatar claims it will build a lasting legacy that contributes to the United Nations sustainable development goals. Considering that Qatar is dependent on fossil fuel and its high GDP and per capita income is due to the fact that it has abundant supplies of natural gas. For it to claim that it would not emit carbon in the

atmosphere, is an extremely ambitious claim. It is the highest carbon emitter per capita with 38.82 tons in 2019, has a water consumption per capita (557 L/day), waste generation per capita (1.2 kg/day).



Figure 10: Sustainable FIFA World Cup 2022

Qatar uses the Global Sustainability Assessment Systems(GSAS), developed by the gulf organisation of research and development(GORD), to certify buildings and stadiums. All unavoidable carbon emissions from construction etc, would have to be offset by planting mangrove forests, seagrass beds, or soil that actively reduces carbon emissions.

It is difficult to imagine that this claim of ‘carbon neutrality’ can be completely justified in a desert country, where the possibility of growing trees and forests seems improbable. It is also difficult to imagine that the air will not be polluted with the large extent of construction that is taking place.

The country did construct the majority of the infrastructure by using solar energy rather than fossil fuels. Thus the country did take utmost care to reduce carbon emissions by using environmentally sustainable alternatives as far as possible, recycle water and waste at the construction sites, renewable energy solutions have been installed be it for lights or cooling systems.

3. Conclusion

The hosting of the world cup was the biggest and most successful attempt by an autocratic government in "Sports Diplomacy" as well as following the path of the ‘Vision 30’ document. FIFA 22, was Qatar’s way of achieving:

- Self-reliance
- Attract foreign investment as an alternative to just relying on the abundant fossil fuel resource
- Investment in sports stadiums and other tourist facilities, that would increase the level of technology in the country, as well as it would upgrade skilled labour.
- Qatar started by showcasing itself as a lover of sports, by hosting a few international sports before the World Cup.
- Starting the AL JAZEERA media channel to showcase the fact that despite being autocratic they allowed open debates on burning issues in the country
- By pledging a carbon neutral world cup they tried to redeem themselves from the fact that they had earned their money from one of the most polluting resources- Natural Gas
- The media attention on the death of migrant labourers, led to the country giving up the ‘Kafila System’, of labour contracts.

All of the above are extremely important aspects. The country realised that its dependence on fossil fuel could be detrimental to them in the long run, as is presently with the case of the fossil fuel coal. The demand for coal has declined, so has its price. This is due to the development of alternative sources of energy which are more efficient and environment friendly. Qatar does not want to reach such a situation. The main reason for spending a huge amount of money with inadequate returns as

was done with respect to the hosting of the FIFA 2022, was to plan a future without dependency on Natural Gas. The country realised that to achieve this, it would have to attract foreign investment, and for this a serious makeover of its world image was essential. It decided to use 'Sports Diplomacy' as a vehicle to showcase its changing image as well as adopting a tradable index of Environmental, Social and Governance (ESG), to be followed by all public listed companies. The Qatar Investment Authority is now at the forefront of the economic opportunities that lie ahead in this sphere and launched the One Planet Sovereign Wealth Funds Initiative in 2017 that has grown to 43 members and managing USD 36 Trillion worth of assets under its watch. However many opportunities still remain untapped. With a firm political will and strategy in place in the form of the Vision 30 document and action in the form of various committees and organisations to execute this strategy, Qatar seems to be well positioned and prepared for all the changes the world will continue to see for many years.

All of the above indicates the manner in which the Qatar Government has taken upon itself to follow the " Vision 30" document. The limitations for a researcher is the lack of credible data that is available on the economy to make meaningful comparisons and to study whether the policies followed have been adequately translated into tangible benefits.

Bibliography

- [1]. Albawaba.Guardiola Looking Forward to 2022 World Cup.(27 July 2020).Retrieved from <https://www.albawaba.com/sport/guardiola-looking-forward-2022-world-cup-1371105>
- [2]. Al Jazeera. Qatar denies allegations of corruption in World Cup 2022, bid. Retrieved from <https://www.aljazeera.com/news/2020/04/qatar-denies-allegations-of-corruption-world-cup-2022-bid-200407183122573.html>
- [3]. Amnesty International. Migrant Workers Rights with Four Years to the Qatar 2022 World Cup. Retrieved from <https://www.amnesty.org/en/latest/campaign/2019/02/reality-check-migrant-workers-rights-with-four-years-to-qatar-2022-world-cup>.
- [4]. Brannagan, P.M.&Grix, J.(2016) Of Mechanisms and Myths:Conceptualising States' "Soft Power" Strategies through Sports Mega -Events. Diplomacy and Statecraft. 27(2),251DOI:<https://doi.org/10.1080/09592296.2016.1169791>
- [5]. Henderson. J.C.(2014), "Hosting the FIFA World Cup. Opportunities and Challenges for Qatar. Journal of Sport and Tourism. <https://doi.org/10.1080/14755085.2015>
- [6]. Soyland, H.S.,Qatar's sports strategy:A case of sports diplomacy or sports washing?, November2020, iscte, Sociologia E Politicas Publicas
- [7]. World Economic forum
- [8]. <https://www.qatar2022.qa/en/sustainability>
- [9]. <https://esginvest.co/qatar-is-building-a-sustainable-and-resilient-future/>