Tokyo 2021: A Symbol of Mankind’s Victory Over the Coronavirus?
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On Friday March 20, with little fanfare and much difficulty, the Olympic flame made it to the city of Ishinomaki, Japan. In the days prior, the Japanese delegation tasked with bringing the flame was first forced to quarantine for two weeks and afterwards received the flame in an empty stadium in Greece. Onlookers were similarly kept away from the Friday ceremony. Less than a week later, Tokyo announced the games would be postponed.

Few coronavirus-related cancellations have been as high-profile as the decision to postpone the 2020 Tokyo Olympics to July 2021. The Japanese economy was already predicted to enter into a recession before the coronavirus became a global pandemic. Many hoped that the Olympics would be the secret ingredient to spark a recovery of an economy that peaked in the 90s and after a dramatic crash never recovered. But postponement does not have to shatter these hopes. Far from it: there could be great appetite for an international extravaganza symbolizing humanity’s victory over the pandemic in the post-corona world.

It is hard to understate how symbolic winning the Olympics bid in 2013 was for Japan. In March 2011, the country had experienced widespread destruction following an earthquake, tsunami, and nuclear disaster. In 2012, Shinzo Abe took office through a campaign that focused on economic revitalization and brought a much-needed end to the revolving door of Japanese prime ministers (since 1989, Japan had had as many as 17 prime ministers). Thus, as an economy-focused leader of a ravaged country plagued by political instability, Abe eyed the Olympics as the event that would show the world the rebirth of Japan. After all, he personally remembered how the 1964 Tokyo Olympics had signified Japan’s rebirth after World War Two. And so it was that on March 20, the Olympic flame was brought to Ishinomaki, a city in an area that had suffered more than 3,000 deaths in the 2011 disaster.

Winning the bid in 2013, few expected Abe to last in office long enough to be overseeing the 2020 Olympics, but here we are: Abe became the longest serving prime minister in 2019 and still enjoys widespread support. And unwilling to jettison the project that almost became synonymous with its mandate, for much of March 2020 it seemed that the Abe government was going to hold the Olympics as planned “come hell or high water.” In fact, some went as far as accusing the government of purposely suppressing reported infection rates in an effort to save the Olympics. These critics point to the fact that, enigmatically, Japan reports just over 2000 active cases currently, despite being one of the first countries hit by the virus, and despite barely testing or implementing any
lockdowns. In any case, on March 24 the government finally faced reality and decided to postpone the games until July of next year.

The decision to postpone will have far-reaching economic effects. Analysts predict that the Japanese economy, already expected to retract 1.1% in 2020 prior to the announcement, will now probably shrink by 1.6%. More than half of the expected tourism volume will be wiped out. Postponement also poses a logistical challenge: many of the Olympic Village apartments had already been sold for the period after the 2020 Games, and hundreds of thousands of hotel nights had been booked. By far the largest impact of the postponement will be on the hotel industry, which is already in precarious waters amidst the corona pandemic.

But Tokyo 2021 could nevertheless turn out to be quite the economic boon. Broadcasting rights and sponsorship contracts can be rolled over into next year. Moreover, one of the largest benefits offered by the games is the government’s spending spree on infrastructure projects prior to the event. Those have largely completed—the government has already deployed most of its 1.35 trillion yen ($12.6 billion) budget. Historically, countries typically report more growth in the years ahead of the games than the year of the game.

But perhaps most importantly, the 2021 games can become a symbol of rebirth for the world, not just for Japan. In a March 24 press conference, Abe vowed to make the 2021 Olympics a “symbol of mankind’s victory over the coronavirus.” While perhaps somewhat cliché, this could prove to be an effective marketing slogan. And for Abe personally, who is expected to finally leave office in 2021, next year’s Olympic Games will be his chance to finish a long-lasting premiership with a bang.