

# mBaer Necessities

## Tokyo Blues, or the tyranny of the Olympic Games

"A camel is a horse designed by a committee", it has been said.

For Tokyo 2020, the organizing committee may even end up with a centaur of Greek mythology, half a horse and half something else, combining confusion with discontent, and even making the camel look like a harmonious animal.

There is less than one month until the delayed Tokyo Games begin on July 23, and no certainty the event will take place at all, despite organizers insisting it will.

The central question is if a reasonable decision on whether to hold the Games or not is at all possible. It is unlikely that we will see a peacefully intellectual resolution to this question, because there are, literally, as many preferences about holding the Games or not as there are people.

The vast majority of the Japanese population (more than 80 percent) want the Games either cancelled or postponed, according to a recent poll, as a new wave of infections hit Japan since April and because of the slow pace of vaccinations - so far only about 6% of the population has been vaccinated.

For Japan's leaders, cancellation may not even be an option, as Beijing has the 2022 Winter Olympics, which will almost certainly go ahead as planned, and Tokyo's games desertion would be a national loss of face.

For organizers, the financial impact of canceling the Games, even with insurance payouts, could be considerable, given that close to 75% of the International Olympic Committee (IOC)'s total funding comes from broadcasting rights. If Tokyo was to break the contract with IOC and cancel the event, the risks and losses would fall on the Japanese side.

On other financial issues, insurance companies may also face a USD 2-3bn loss if the Olympics are canceled, amounting to the largest ever claim in the global event cancellation market, according to Reuters.

Corporate sponsors and global firms are weighing the financial and reputational consequences on their brands of tightening their ties with this controversial event, and some may even be calling for another delay.

Finally, the real heroes of the Games, the athletes, are equally busy at reaching their peak-performance, as they are worried that all their efforts may be put in vain, and they may lose their once-in-a-lifetime-opportunity to participate in the Olympics.

Even appointing one representative for each of the groups above, and setting up a committee for deciding on whether to hold the Games or not, or to just hold the Games with some restrictions, looks like a Herculean effort.

In fact, a famous result in economic theory, Arrow's Impossibility Theorem, proves that no reasonable and fair voting system can result in sensible results. This finding is startling, but not as paradoxical as it may appear at first sight.

### Arrow hits the bull's eye

Ken Arrow's theorem lies at the heart of understanding how a committee or a government use individual preferences as inputs from which decisions are determined.

For dictators, it is easy: the leader's preferences lead to action. Other cases are far more complex.

Intuitively, democracies aspire to assign equal weight to voters, as 'one person, one vote' is a good principle. The problem is evaluating the results of the decision, taking into account the intensity of people's feelings about the issue at stake and also ensuring the decision is reasonable.

Arrow's results demonstrate that no procedure can aggregate individual preferences in a way that meets all objectives in all cases. A perfect voting system does not exist. Only dictatorship would avoid inconsistencies, of course at the price of an extreme sacrifice of participatory decisions in politics.

*Will the bearer of the torch reach the cauldron in Tokyo?*



Source: [olympics.com](https://olympics.com)

Tokyo 2020 offers a dramatic representation of the issues at stake. The Japanese population's preference for the cancellation or the further delay of the Games is in contrast with leaders, organizers, corporate sponsors and athletes' preference for going ahead with the Olympics in July. At the time of writing, the Games will go ahead as planned with spectator limit set at 10'000 people at all venues and unchanged program for the competitions.

In Athens, democracy was born more than 2'500 years ago and, in Olympia, the Olympic Games came into being 3'000 years ago. Only one gold medal will be awarded in Tokyo 2020: either to the Games or to democracy. The jury is out on whether democracy will succeed.

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