

Countries willing to host sporting events?:  
Final Paper  
By Brady Merten

AP English Language and Composition W4  
Ms. Alesia Williams  
duPont Manual High School  
12 December 2024

General Topic: Economic cost.

Open-Ended Question: What are the economic effects that come from hosting a major sporting event?

Should Question: Should countries bid to host a major sporting event?

*Keywords:* Economic effects, countries, bid, world cup, olympics, cities, host, sports, sporting

MLA 9<sup>th</sup> edition

Number of Sources: 19

An Argument to Assert using a modified Classical Arrangement

### The cost to host a major sporting event

Countries that host major sporting events host a variety of different sports, some sporting events only host one sport such as the FIFA world cup that only focuses on soccer or other sporting events such as the Olympics host a lot more events. The Olympics host “A total of 43 sports”(Olympics). These types of sports range from rowing all the way to basketball. But to host one or many sports there must be at least 2 competing teams this is because for it to be considered an international sport it has to be “two or more countries compete against each other in any sport,” (Evans, 1) so as long as a country is hosting at least 2 countries in one or more sports the event can be considered a major sporting event, normally though there are many more teams though this is due to large desire from other countries to compete in major sporting events as well as the host country wanting to make sure to include a large number of countries this is because if a sporting event has more countries then they will gain more attention from around the world due to people from those countries tuning in to watch the event.

We have discussed what makes up a major sporting event but how does a country get to host a major sporting event, especially if many countries are wanting to host the event. To host a major sporting event “Countries and cities bid [...] to host an MSE like the Olympics, FIFA World Cup or Commonwealth Games are usually elected 7 or 8 years” (Morrison, 4) along with submitting a bid countries also have to submit a plan of action on what new infrastructure they would put into place and how much it would cost to make all this new infrastructure if they were to win the bid. These bids are very competitive due to some countries wanting to host it so badly in hopes of gaining profits from the event thus they are willing to spend BILLIONS “Qatar is reportedly prepared to spend \$200 billion “ (Baumann and Matheson, 4) Countries have to submit bits of outrageous prices if they are wanting to host these events due to how many

countries would like to host . If a country wants to submit a bid it is going to cost them a lot due to the large amount of planning going into place for the event. “Chicago’s failed bid [...] reportedly cost that city about \$100 million”(Zimbalist, 1) so as well as proposing a multi-billion dollar plan just to be able to host these major sporting events countries also have to spend millions of dollars to just submit a plan so even if they lose they are still spending large amounts of money, but this is the risk some countries are willing to take to host a major sporting event..

Countries and athletes love to compete and have been competing for centuries “the first modern Olympics in 1896, held in Athens, Greece.” (Paschos, 1) and has been continued every 4 years since unless there has been a war or more recently covid, this shows how devoted countries and people are to competing against one another as well as watching these major sporting events whether it is as a tourist or on tv. The event is so popular that it has “ been hosted in 23 cities and 20 countries”(Olympics)over 20 countries hosting a single event shows how much of a global impact these events have on countries as well as well as the world, countries hosting the event more than once have seen the effect first hand and continue to host the event shows the effects that it has on a country. Not having a few countries hosting the same event over and over again shows that major sporting events are not limiting anyone from hosting these types of events.The continued increase in interest from countries for major events has led to an increase in the amount of major sporting events to account for the mass amount of interest from countries and tourists. “In 2014, the ABB FIA Formula E Championship was the world's only all-electric single-seater series. Taking place near cultural and historical landmarks in some of the world's most beautiful cities such as Cape Town, London, Paris, Rome and New York.”(Nissan) Once again showing how major sporting events have a major amount of interest from a large number

of countries which is why sporting events continue to be hosted year after year by different countries each and every time no matter the event.

There is a large amount of countries who have hosted major sporting events, but there isn't just one type of country who is hosting these events “The World Cup in [...] and South Africa 2010 ” (Savan) , south africa is a undeveloped country in africa with little money to be throwing around hosting a major sporting event but even with this they are still willing and capable of hosting. But even with some major sporting events being hosted by the same countries a lot due to the climate or financial assets, these major sporting events are still able to get other countries involved. “the next two Winter Olympics will be played outside of Western Europe, North America, and Japan”(Baumann and Matheson, 1) playing the winter olympics outside of the normally countries allows for other countries to be able to host these events, as well as the winter Olympics being normally associated with countries who are normally much colder and associated with snow, ice, etc but moving from these keys countries implies that unconventional countries are still capable of hosting these major events that people from all over the world come to see. Along with North America, Africa, and Western European countries not being the only ones able to host major sporting events other countries such as “Sochi, Russia, and the 2018 Winter Games in Pyeongchang, South Korea.”(Baumann and Matheson, 1) are capable of hosting major sporting events. No matter how developed or underdeveloped they are or where they are in the world, countries still have the chance to host major sporting events even if it isn't the biggest event such as the Olympics they are still able to gain attention from the event from all over the world.

One of the main arguments for why people believe that countries should host a major sporting event is that when countries who host major sporting events have to build and maintain

massive infrastructure and you can't do this without an increase in labor, in “2010 Vancouver Winter Olympics Predicted [sic] 10.7 billion (Canadian) in new economic output and 244,000 jobs” (Badde and Matheson, 2007) the sudden increase in jobs it will provide a short term economic boost for the local and national economy this is due to many of the people who are building the infrastructure for the event also living in that city or the country it pours money right back into the local economy. While most of these jobs do disappear in the long run people who believe that countries should host major sporting events argue that these events still have a lasting impact due to the number of permanent jobs they make in 1996 Georgia hosted the Olympics and created “24,742 permanent jobs” (Andre k and Spiegel, 1) and “London Olympics 2012, will create 8,000 full-time jobs” these jobs allow have created a giant amount of jobs for the local communities of the area's that have hosted these sporting events and these jobs even after 30 years are still active and being used to help maintain the new infrastructure that was put into place in order for the country to host the event.

Another reason people believe that countries should host major sporting events is the amount of money being pumped into the local economy. This is due to all the attention these businesses gain during the event. “Local businesses benefit from increased patronage during the tournament,” (Thabi, 1) during the event local businesses receive support from the visitors as well as the nation itself, this helps local businesses thrive during the event to the newfound customers. Host countries during a major sporting event will see an increase in attention for the event and area itself; this leads the country to believe that they will “see a surge in visitors, athletes, media. This will provide an increase in spending and injection of money into the local economy.” (Pettinger, 1) this increase of attention from a number of sources in the local area, while it may not increase the overall tourism rate the new found people amount of new visitors

will majorly help out the local businesses and the local economies during the event and events being televised on tv will lead to “opportunities for local businesses to showcase their products and services to a global audience, potentially leading to future economic benefits.”(Thabi, 5) gaining attention for the local area during the event can lead to more interest for the area itself and local businesses who gain attention from media during the event can lead to a long term impacts from people who see the business on tv then come to visit, these people who saw the businesses will know have an increased chance of visiting the place they saw on tv leading to a small but impactful impact on local businesses and the economy.

Lastly, people who believe countries should host major sporting events explain that these events require countries to create a large amount of new infrastructure to be able to host the event, this will lead countries to create transportation to account for the tourists as well as the locals. So“ cities will usually have to invest in infrastructure and transport to cater for an influx of tourists. For example, there has been significant investment in public transport projects around London. This will leave a lasting legacy for residents of London, especially East London.”(Pettinger, 1) Creating new transportation benefits the locals as well as tourists who have come during the event or after this is due to the increase of efficiency getting from one place to another but also creates a reliable form of transportation that citizens can that does not cost a fortune to use as well as being very efficient. This new infrastructure put in place by the country does not only help out the most developed areas of the city that don't need infrastructure but these “New transportation systems [...] can revitalize neglected areas. .”(Houghton, 1)” This is due to the increase in fast reliable transportation to get to that part of town that has never or has not been in place for a while.

When hosting major sporting events the key factors are how much is the event going to cost and is the country going to make profit when hosting the event. These major sporting “events usually end up imposing large costs on their hosts that are not nearly compensated by either the revenues earned during the event or the legacy of large stadia or obscure facilities (velodromes, aquatic centers, archery ranges, and so forth) that are left behind.”(Andrew and Spiegel,1) Therefore Countries should not host major sporting events due to the negative impacts that come from tourism, billions being spent on building and maintaining infrastructure that becomes unused after the event, and ending up in debt ultimately leading them to raise taxes.

The first step in the process for a country to be ready to host a major sporting event after winning the bid is to start building infrastructure to accommodate the events and the people. Even though some cities that host major sporting events don't need a large amount of new infrastructure; it can still cost billions of dollars to build new infrastructure due construction cost. “South Africa reported that their stadiums ended up costing around \$5 billion” (Schilling, 1) Spending 5 billion dollars on 3 stadiums alone is a large amount of money and doesn't even account for other infrastructure needed to be put in place for the event. Although most countries were able to afford to build these stadiums to be able to host a major sporting event, some countries who want to host major sporting events have to spend large amounts of money they can't even afford in hopes of making profit. “Nigeria built in 2001 its new national stadium for \$330 million. This amount is bigger than the annual national government expenditures”(Giraud, 12). Instead of spending this amount of money on that one stadium they could have spent the money to help their countries as a whole become more developed instead of spending the money they don't have on one single stadium that isn't going to make them their money back. The main reason countries have to spend billions on infrastructure to be able to host the event is because of

the committee. The committee wants to see a large amount of development in the country even if it's not a great use of the country's money for example "U.S. bid would have maximized the joint profits of FIFA and the host country by minimizing infrastructure costs, the Qatar bid is apparently how one maximizes the chance of winning the hosting rights if profit to the host nation is not a consideration. In total, Qatar is reportedly prepared to spend \$200 billion" (Baumann and Matheson, 4) Even with the idea of maximized profits for both FIFA and the United States the committee doesn't care all they want to see is a large amount of money spent on hosting showing how much money countries truly have to spend just to be able to host the event showing how these sporting events aren't meant for countries to make money..

After spending billions of dollars on new stadiums to hold the events the countries still have to maintain these stadiums during and after the event, maintaining large infrastructure isn't cheap for the country's; many of the stadiums created for the event alone "require tens of millions of dollars a year to maintain, and occupy increasingly scarce real estate." (Zimbalist, 10) "This land could be used for a hospital or an important building to help the city or the country out but instead it is being occupied by a massive stadium that is sucking up the government money and when a country has to keep and maintain a very large stadium after an event it leads to "challenges due to underutilized infrastructure and the high costs of maintenance." (Thabi, 3) countries are stuck because these buildings are taking up money from the government that could have been used elsewhere but there isn't much the government can do because they already spent billions on this new infrastructure and it would ultimately be stupid to take down these stadiums so the country just has to keep paying the maintenance cost each and every year.

When hosting major sporting events countries utilize a large number of stadiums over the 2-3 weeks period that the event is happening but "Many facilities built especially for the games



go in- or underutilized after the 16 or 17 days of the competition itself”(Zimbalist,10) countries don't have anyone to fill the sport in many of there stadiums especially if they are building more than one stadium because there aren't many things in this world that are capable of drawing a large crowd to a giant arena year around and even if you find one team, band ,etc to occupy one stadium you still have many more unoccupied stadiums sucking up the government money that could be spent elsewhere. Finding even one team, band, etc to occupy a stadium alone is a very difficult task and some countries even with the best possible planning might be able to use the stadiums some of the time but it is very hard to find someone to fill it year around thus “cities were left with unused giant stadiums.”(Pettinger,1 ). But It's not just stadiums that are left unused after the event, other forms of infrastructure are left unused. “ it is not manifest that non-sport infrastructures will help economic development. They may go unused after the completion of the event”(Giraud, 12) showing how it isn't just the stadiums that were a waste of money due to only having a short period of use but also other infrastructure put into place. This new infrastructure continues to go unused and suck up government money even after the government has already spent billions of dollars to build this infrastructure in hopes of it having some use during and after the event.

Countries are willing to do pretty much anything to host a major sporting event, and this blinds them from realising how much money they are spending and how much this is actually helping their chances of profiting from this event. Hosting major sporting events have always cost a lot of money just to host “The Montreal Olympics was estimated to have cost \$120 million (1970) and then rising to \$310 million (1973). The final cost was around 13-times greater at \$1.6bn. It took 30 years to pay off the Olympic debt ”, (pettinger , 1) the cost increased by 13 times not only because of there underestimation at the start of how much infrastructure needed to

be built but also because of an increase in infrastructure cost after they submitted their plan and won the bid to host the Olympics. Most countries don't perceive any harm from the money they are spending as long as their budget doesn't exponentially increase after their plan but for the most part the "Olympics tends to be less positive than anticipated. Because most cities have ended up falling massively in debt after hosting the games"(Wills, 1) losing out on this money was a complete waste, they spend billions of dollars in hopes of gaining profit just to lose it. Losing out on this amount of money "can create negative long run effects by reducing other activities that require tax funding. The 2002 Athens Summer Olympics, which left the city with enormous financial debt"(Baker, 23) by spending this much money on a major sporting event they are not only left in debt but also have no money to use elsewhere to improve the rest of the country as a whole for a period of time. Showing how hosting a major sporting event lands countries in a large amount of debt that doesn't allow them to develop as a country.

When countries end up in debt you would think the government would be the ones to pay for it considering it was their fault for being in such a large amount of debt, but no when a country ends up in debt from something such as hosting a major sporting event the people who live there are the ones who ultimately have to pay the price. After events in which countries have lost a large amount of money we see "an increase in tax post games to finance a loss of putting on the sporting event."(Pettinger, 1) this tax can last for many years until the tax is paid off, when Montreal hosted the event it took 30 years to pay off the event leading to an increase in taxes just to pay off the event for 30 years the increase in taxes for over . Many "Host countries appear to suffer from increased tax burdens, low returns on public investments" (Savan, 1) the tax burden is put onto the people due to the government not receiving the amount of money they need from the event the increase in taxes put onto the people can lead to a financial strain, this is

due to these taxes being imposed on everyone so people already struggling with taxes are dealing with an even large amount of taxes to deal with. But what happens in the off chance a country doesn't lose the money well to fund it in the first place the citizens of the country have to pay an increase in taxes "To host a major sporting event like the Olympics can cost significant sums, which have to be paid for by the taxpayer"(pettinger, 1) this is the only way many of the countries are able to even host the events, without the use of citizens to support the event there would not be any country capable of spending billions of dollars on hosting the event and even if a country profits or doesn't tax payers are going to suffer from an increase tax rate for a large amount of time.

When hosting a major sporting event one of the main driving factors is the amount of tourist coming to see the event, countries believe that a large amount of tourist will come see the event which will ultimately lead to more profit but many of the normal tourist who come to see the sites of the country don't want to deal the tourist who are coming to see the event this is called the crowding out effect the crowding out effect occurs when normal tourist who normally come don't come because of not wanting to deal with the tourist coming to see the event. This may seem like not a big deal, but it is "The crowding-out effect of "regular" tourists is strong and often underestimated. This implies that tourists visiting for an event like the Olympics typically dissuade those who would have come for other reasons." (Savan, 1) the effect majorly impacts countries due to losing out on tourists because tourists do not want to deal with the crazy fans who are coming just for the event. The crowding out effect doesn't just have a small impact on the total tourism. The tourism "is likely to be much smaller and perhaps even negative."(Baade and Matheson , 209)" this effect can be seen in Britain in 2012. "Britain saw a 5 per cent year-on-year decrease in visitor numbers during August 2012. Regular tourists stayed

away and were replaced by Olympic ticket-holding visitors, mainly from the UK”(Wells) So even after spending billions of dollars on infrastructure, Britain still ended up with large decrease in tourism during the event ultimately making one of the main reasons for countries hosting an event useless to go with that many of the tourists who bought tickets were still from the country itself so the event isn't attracting many foreigners as people are led to believe so the country isn't really pumping a major amount of money into their national and local economies due to that money already being in their economy to begin with. Ultimately the fear of dealing with a mass amount of people leads to a decrease in total tourism during the time of the event which negatively affects the country.

Tourism seems to be on the mind of many businesses when it comes to a major sporting event, they believe that they will be able to make profit from an increase in tourism during and after the event while the increase in tourism was already proven to not be true. Let's see how these businesses fair from the event. The most common example of businesses trying to make profit is hotel companies they try to make profit from an increase in people visiting the area but “once the Games are over, heavy expenditures to meet a two-week period of peak demand may result in severe overcapacity once the event is over”(Badde and Matheson, 203), companies planned for a lot more tourist during and after the event but this isn't the case which leads many business who try to profit from the event unable to make enough money to maintain their business which ultimately leads them to going bankrupt which hurts the local economy even more due to larger chains of hotels willing to not profit for a period of time but local hotels can't deal with not profiting so the local businesses are the ones majorly suffering from this. Some companies have been able to adapt to the lack of tourist “that hotels to some extent were able to compensate for the lower occupancy by raising prices”(Solber and ulvenes, 4) but this only hurts

the local tourism even more requiring them to spend more money if they want to visit which leads less people to visit the city/ country due to an increase in cost of visiting which not only leaving the businesses to lose profit but the rest of the local economy.

When hosting a major sporting event there is a concern for the safety of the people coming to see the event. This is because these major sporting events require a large amount of people to gather in one single compact space for a long period of time this leads to an increase in chance of an attack on. Sports venues are one of the most common spaces for terrorist attacks due to the large amount of people in such a small area and with all the possible chances to attack due to the large amount of games / events there is an even increased risk in total“ there have been 74 terrorist attacks at sporting venues around the world over the past 50 years.”(hummel, 1) these attacks have left a lasting impact on the country and the world. There is also an increase in concern for many of the tourist due to local crime of the host countries “South Africa, where criminality is extremely consequential and where according to the ONU in 2000 it is the country with the world highest rape rate per habitant, obviously it discouraged people to come”(Giraud, 12) this not only discourage people to come to the event leading the country to lose out on even more tourism then normal but it also increased the chance of people becoming a victim of a crime in that country due to the high concentration and it being difficulty of telling who did something in a large crowd. Hosting these events can lead to crimes, terrorist attacks that can have a lasting impact on the world.

Ultimately Countries should not host major sporting events because Countries who do end up spending billions of dollars on infrastructure that becomes unused, lack a major short term or long term benefit from tourism and end up in debt ultimately leading them to have to tax their citizens. Counties would be much better of spending there money on other forms of

infrastructure that would ultimately help out there whole country this is because countries“  
investments represent only an internal redistribution of internal resources. If it was not for the  
event, the money would have been spent on other projects elsewhere in the nation.”(Solberg and  
Ulvenes, 6) Spending this money elsewhere could majorly help out the country.

Word cited

Baade, Robert A., and Victor A. Matheson. "Going for the Gold: The Economics of the Olympics." *The Journal of Economic Perspectives*, vol. 30, no. 2, 2016, pp.

201–218,

[www.jstor.org/stable/43783713?read-now=1&seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/43783713?read-now=1&seq=1#page_scan_tab_contents).

Baker, William. *The Economic Impact of Mega Sport Event the Economic Impact of Mega Sport Event*. 2019.

Baumann, Robert, and Victor Matheson. *Infrastructure Investments and Mega-Sports Events: Comparing the Experience of Developing and Industrialized Countries*. 2013.

Evans, Joe. "International Sport Explained in 60 Seconds." *Theweek*, 3 Nov. 2023, [theweek.com/52-ideas-that-changed-the-world/104367/52-ideas-that-changed-the-world-23-international-sport](https://theweek.com/52-ideas-that-changed-the-world/104367/52-ideas-that-changed-the-world-23-international-sport).

Giraud, Thomas. *Economic Impacts of Hosting a Major Sporting Event Did the 1998 FIFA World Cup in France Have Positive Impacts on Employment?* 2014.

HLB. "The Economic Impact of Hosting Large Sporting Events | HLB." *HLB*, 11 Sept. 2024, [www.hlb.global/the-economic-impact-of-hosting-large-sporting-events/](https://www.hlb.global/the-economic-impact-of-hosting-large-sporting-events/).

Hummel, Kristina. "Protecting Major Sporting Events From Terrorism: Considerations for the Paris Olympics and Beyond - Combating Terrorism Center at West Point."

Combating Terrorism Center at West Point, 28 June 2024,  
[ctc.westpoint.edu/protecting-major-sporting-events-from-terrorism-considerations-  
for-the-paris-olympics-and-beyond](https://ctc.westpoint.edu/protecting-major-sporting-events-from-terrorism-considerations-for-the-paris-olympics-and-beyond).

Khanya Thabi. “Economic Impact of Major Sporting Events on Local Economies.”

*International Journal of Humanity and Social Sciences*, vol. 3, no. 3, 3 June 2024,  
pp. 1–13, <https://doi.org/10.47941/ijars.1940>.

“Nissan.” *Nissan-Togo.com*, 2014,

[www.nissan-togo.com/en/experience-nissan/formula-e-news-room/](http://www.nissan-togo.com/en/experience-nissan/formula-e-news-room/). Accessed 24  
Nov. 2024.

Paschos, Nikolaos. “The History of the Summer Olympic Games.” *Sportsmed*, 6 June 2024,

[www.sportsmed.org/membership/sports-medicine-update/summer-2024/history-of-  
olympic-sport](http://www.sportsmed.org/membership/sports-medicine-update/summer-2024/history-of-olympic-sport).

Pettinger, Tejvan. “Advantages of Hosting a Major Event - Economics Help.” *Economics*

*Help*, 24 Oct. 2019,  
[www.economicshelp.org/blog/4909/economics/advantages-of-hosting-a-major-eve-  
nt/](http://www.economicshelp.org/blog/4909/economics/advantages-of-hosting-a-major-event/).

Rose, Andrew K, and Mark M Spiegel. “The Olympic Effect.” *National Bureau of Economic*

*Research Working Paper Series*, 8 Apr. 2009, [www.nber.org/papers/w14854](http://www.nber.org/papers/w14854).

Savin, Ivan. “Does Hosting the Olympics, the World Cup or Other Major Sports Events

Really Pay Off?” *The Conversation*, 21 Feb. 2024,



[theconversation.com/does-hosting-the-olympics-the-world-cup-or-other-major-sports-events-really-pay-off-222118](https://theconversation.com/does-hosting-the-olympics-the-world-cup-or-other-major-sports-events-really-pay-off-222118).

Solberg, Harry Arne and Preuss, Holger. Major Sport Events and Long-Term Tourism Impacts. 1 Apr. 2007,  
[www.researchgate.net/publication/266003775\\_Major\\_Sport\\_Events\\_and\\_Long-Term\\_Tourism\\_Impacts](https://www.researchgate.net/publication/266003775_Major_Sport_Events_and_Long-Term_Tourism_Impacts). Accessed 5 Dec. 2024.

Solberg, Harry Arne. *Major Sports Events – the Reasons for Hosting Them*. Vol. 4, no. 1-2, 1 Jan. 2016,  
[www.researchgate.net/publication/309704694\\_Major\\_sports\\_events\\_-\\_The\\_reasons\\_for\\_hosting\\_them](https://www.researchgate.net/publication/309704694_Major_sports_events_-_The_reasons_for_hosting_them).

Wells, Martine . “London Lost Tourists but Gained Revenue during the Olympics.” Skift, 27 June 2013,  
[skift.com/2013/06/27/london-lost-tourists-but-gained-revenue-during-the-olympics/#:~:text=Britain%20saw%20a%205%20per,watching%20Olympic%20and%20Paralympic%20action](https://skift.com/2013/06/27/london-lost-tourists-but-gained-revenue-during-the-olympics/#:~:text=Britain%20saw%20a%205%20per,watching%20Olympic%20and%20Paralympic%20action)

Wills, Jennifer. “The Economic Impact of Hosting the Olympics.” *Investopedia*, Investopedia, 25 June 2019,  
[www.investopedia.com/articles/markets-economy/092416/what-economic-impact-hosting-olympics.asp](https://www.investopedia.com/articles/markets-economy/092416/what-economic-impact-hosting-olympics.asp).

Zimbalist, Andrew. “Is It Worth It?: Hosting the Olympic Games and Other Mega Sporting Events Is an Honor Many Countries Aspire To—but Why?” *Finance & Development*, vol. 0047, no. 001, 22 Mar. 2010,

[www.elibrary.imf.org/view/journals/022/0047/001/article-A004-en.xml](http://www.elibrary.imf.org/view/journals/022/0047/001/article-A004-en.xml),  
<https://doi.org/10.5089/9781451922257.022.A004>.

*How Many Cities and Countries Have Hosted the Olympic Games?*

[olympics.com/ioc/faq/electing-olympic-hosts/how-many-cities-and-countries-have-hosted-the-olympic-games#](http://olympics.com/ioc/faq/electing-olympic-hosts/how-many-cities-and-countries-have-hosted-the-olympic-games#).