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The Legacy Games: Social and Economic Impacts for Summer Olympics Host Cities

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The Legacy Games: Social and Economic Impacts for Summer Olympics Host Cities

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*The Legacy Games: Social and Economic
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This, though, can be said of our Olympics with confidence. The costs of possible failure were always greater than the benefits of possible success. – Matthew Parris, London Times

I. Introduction

Every four years athletes, coaches, officials, sponsors, media, and tourists gather in one city for the world's most prominent mega-event, the Summer Olympics. Though many of the early Games were relative afterthoughts incorporated into the billing of the World's Fair, the Modern Olympiad has since flourished into a global phenomenon that draws hundreds of millions of dollars in television contracts and billions in host nation spending.

The Olympic Games have followed a distinct path, increasing in global importance along the way. From the 1948 London Games to the 1980 Soviet Games, the International Olympic Committee courted cities instead of the other way around.¹ Highly lucrative television deals have changed the landscape of the Games, enabling the well-documented and sometimes lamented commoditization of the event. This period in Olympic history allowed cities like Barcelona and Atlanta to put themselves on the map and made the Olympiad a highly desirable entity.

Recently, the Summer Olympics have entered a new era in which host nations use their most preeminent city and considerable national funding to stage a cultural and economic showcase with an emphasis on short-term glorification and long-term legacy. No longer do the Olympics enable a nation's comparatively smaller cities to be vaulted into global relevance. The IOC reserves bids exclusively for major world cities, whose government leaders in turn draw on massive amounts of public funding to stage a cultural spectacle.

In order to fully comprehend, even justify, the shifting landscape of the Olympic Games, our approach for evaluating them must change. Recently, as the costs of staging the Olympic Games have steadily climbed, an added emphasis has been placed on cost-benefit analysis. There are, however, two critical issues with the current cost-benefit perspective. First, the majority of

¹ Noam Shoal, "A New Phase in the Competition for the Olympic Gold: The London and New York Bids for the 2012 Games," *Journal of Urban Affairs* (2002), 589.

economic analyses are conducted in advance of the Games themselves.² This approach results in a relative abundance of prospective forecasts, with few post-Games assessments for comparison. The incentives for conducting predictive studies are much greater; thus, funding for analyses is often more readily available in advance of the Games. These ex ante studies, however, are typically conducted by groups advocating for or against hosting the Olympics and are therefore frequently subject to bias.³ Those ex post studies that have been conducted typically cast doubt on optimistic predictions from ex ante studies.⁴ Second, the very notion of “worth” implied by a cost-benefit framework seems circuitous, even misguided. Nations such as Great Britain celebrate a victorious Olympic bid triumphantly. For decades, government officials and Olympic planners put enormous sums of money into staging the Games, and while the cost of hosting the Games may or may not decrease in the future, we are sure to see host counties pump billions of dollars into the mega-event. It must be said then, given the high demand for the Games, that by some combination of tangible and intangible benefits there is indeed considerable “worth” in hosting the Olympics.

There is also a noticeable trend of unsound economic analysis regarding the Summer Games. This is most typically manifested in a tendency to omit intangible or difficult-to-price costs while overemphasizing intangible or difficult-to-price benefits, implying or stating that there is an element of “pricelessness” to the benefit while ignoring many of the underlying costs. When evaluating “12 Enduring Legacies Of Olympic Host Cities,” for example, authors Adam Taylor and Samuel Blackstone compare Beijing’s estimated total sporting related costs of \$5.5 billion to

² Lloyd Barton, “The Economic Impact of the Olympic Games,” *Pricewaterhouse Coopers European Economic Outlook* (2004), 21.

³ Evangelia Kasimati, “Economic Aspects and the Summer Olympics: A Review of Related Research,” *International Journal of Tourism Research* (2003), 442.

⁴ Harry Walton, Alberto Longo, and Peter Dawson, “A Contingent Valuation of the 2012 London Olympic Games: A Regional Perspective,” *Journal of Sports Economics* (2007), 305.

the legacy benefit of “a vital step in cleaning Beijing’s polluted air.”⁵ The analysis is quick to note that Olympics provided an incentive for a much-needed social benefit that might not have otherwise been attained, but ignores the fact that it could have possibly been done at a much lower price and fails to acknowledge potential economic or individual detriment caused by shutting down factories and limiting the number of cars on the road.

This paper will examine the role of the Olympics as a national, cultural event. Section II explores the formal bidding process. In recent iterations, the International Olympic Committee has encouraged conscious legacy building in lieu of profit making. Section III evaluates how the current cultural emphasis has limited potential hosts to globally recognized metropolises. Smaller cities that were once in contention to host the Games are now being passed over for world hubs. Section IV examines the effects produced by host cities’ emphasis on legacy. With global reputation as a strong motivation for hosting the Games, cities are spending more money than ever before. Finally, Section V proposes criteria for evaluating the impact of the Games beyond the typical economic measures of GDP and job growth. The Olympics are no longer seen as a largely economic endeavor, but rather as a socioeconomic one, and our understanding of the Games can be enhanced but re-conceptualizing the way we evaluate Olympic success.

The focus of this paper is exclusively on the Summer Olympics, for while the Winter Olympics share some trends with their summer counterparts, the Winter Games themselves are comparatively much smaller in scope. The Summer Olympics enjoy greater prestige and popularity, as evidenced by significantly higher television viewing and attendance totals. Additionally, the Winter Olympics are at the mercy of nature, affecting both the potential host locations and the freedom with which host nations can construct infrastructure.

⁵ Adam Taylor and Samuel Blackstone, “12 Enduring Legacies Of Olympic Host Cities,” *Business Insider*, July 5, 2012.

II. The Bid Process

In 1987, the International Olympic Committee began electing Olympic host cities “seven years before the year during which the concerned Games of the Olympiad or Winter Games will be held.”⁶ The bidding process itself, however, begins several years earlier. In the case of the London 2012 Games, for example, a “Stakeholders Group” consisting of the Greater London Authority (including then Mayor Ken Livingstone), the British Olympic Association, and others commissioned firm Arup to perform an exploratory cost-benefit analysis on hosting the 2012 Olympic Games in January of 2002. The British Olympic Association decided in 1997, eight years before the bid would be awarded and fifteen years before the Games themselves, that London would be the site of the next Olympic bid.⁷ The entire process, from preliminary bidding procedure to the staging of the Games themselves, is one that can easily span three decades.

The formal Bid Procedure as set forth by the International Olympic Committee is divided into two phases, a structure that was first introduced when determining the host for the 2008 Games. Phase 1 represents the process of moving from “Applicant Cities”—cities submitting to be considered by the IOC—to “Candidate Cities—those cities on which the IOC will ultimately vote. Phase 2 consists of moving from several Candidate Cities to one Host City.

The Timeline and Required Applicant Steps for the 2012 bid process are included as Appendix I. Exact IOC deadlines vary slightly, but every bid process follows a similar timeline. The first official deadline comes approximately nine years before the corresponding Olympiad. To bid for the 2012 Summer Games, for example, National Olympic Committees were required

⁶ *Olympic Charter '87*. International Olympic Committee, 20. Prior to 1987 the IOC held elections at least six years in advance.

⁷ John Horne and Garry Whannel, “London, the Olympics, and the Road to 2012,” *Sport and Society*, British Library (2011), 12.

to submit applicant city names no later than July 15, 2003. The national government and NOC of an applicant city must submit a guarantee that “the Olympic Games will be organised to the satisfaction of and under the conditions required by the IOC,” making the decision to bid a full commitment to hosting the Games should the applicant city be ultimately chosen as host.⁸ Applicant cities must also submit a non-refundable payment of \$150,000 shortly thereafter, a relatively tiny sum given the ultimate cost of staging the Games but one that symbolizes the city’s commitment and covers IOC costs related to host selection.

The next deadline in the bidding process arrives several months later, when applicant cities are required to submit replies to the “IOC Questionnaire.” For the 2012 bidding procedure, Applicant Cities were required to submit the Questionnaire no later than January 15, 2004. The document includes basic preliminary information such as motivation for hosting the Olympic Games, foreseen impact and legacy, vision, general public opinion, government viewpoint, and legal aspects. Applicant cities are also required to provide more thorough submissions such as estimated budgets and planned budget structuring, as well as plans for sports venues, the Olympic Village, accommodations, transport, and security.⁹

Approximately eight years and two months before the corresponding Olympic Games begin, the IOC selects a list of cities to be considered Candidate Cities. Those selected must then pay an additional \$500,000 and have roughly six months to submit their Candidature File, which requires a much more detailed blueprint of the city’s plans for staging the Olympiad.¹⁰ The IOC reviews the material, visiting and evaluating each Candidate City. The bidding process comes to

⁸ *Olympic Charter '87*. IOC, 66.

⁹ *Candidature Acceptance Procedure: Games of the XXX Olympiad*, International Olympic Committee (2003), 25-32.

¹⁰ *Bid Procedure for the Games of the Olympiad of 2012*, Research and Reference Olympic Studies Centre (2010), 1.

a conclusion seven years before the Olympics when members of the IOC travel to a predetermined city that is not located in a bidding country to vote for the Host City. A city requires over half of total votes to be named host city. If no candidate reaches that sum, the city receiving the lowest number of votes is removed and the process is repeated. Five cities (London, Paris, Madrid, New York City, and Moscow) were in contention for 2012 voting, and the maximum of four possible rounds were required. London edged Paris to earn the bid by a count of 54 to 50 votes in the fourth and final round.

III. The Changing Bid Landscape

Though maintaining a fairly consistent process, the Summer Olympic bidding landscape has undergone significant change in the past several decades. The 1976 Montreal Games resulted in a shortfall of approximately \$1.2 billion, severely crippling the city's financial viability for decades to come and damaging the appeal of hosting the Olympiad.¹¹ In the next bid year, 1978, only Los Angeles and New York expressed interest in hosting the next Summer Games. Per the IOC's rule that a National Olympic Committee may not submit multiple bids, the USOC held a vote between the two cities, and the winner—Los Angeles—provided the only formal bid for the 1984 Olympic Games.¹² Still showing the aftereffects of the Montreal Games, the next bid year in 1981 saw only two bids.

The Los Angeles Olympics are renowned for their financial success and their role in “restoring the Summer Olympics as the acme of desire for place promoters and urban

¹¹ John R. Gold and Margaret M. Gold, “Olympic Cities: Regeneration, City Rebranding and Changing Urban Agendas,” *Geography Compass* (2008), 305.

¹² Andrew H. Levin, “No Olympics, No Problem: New York City's Political Regime after the Bid for the 2012 Games” (Thesis, Northwestern University, 2008), 12.

regenerators.”¹³ Leveraging the fact that it was the only city submitting a bid to the IOC, Los Angeles staged an “unprecedented” Games in terms of financial structuring and bottom line. The Games, which relied heavily on sponsorship, television rights, private sector investment, and preexisting facilities, ran a profit of \$225 million and brought an estimated \$2.4 billion into the regional economy.¹⁴

Los Angeles’ demonstration that staging the Summer Olympics could be extremely financially beneficial ignited worldwide interest in hosting the Games. The chart in Appendix II shows the number of cities that submitted a formal bid for the corresponding Games year, beginning with Los Angeles as the lone bid in 1984.

The first bid process to take place following the Los Angeles Games was the contest for the 1992 Olympics, which saw a jump to six bidding cities as the world now fully comprehended that mega-events could be used to stimulate local economic development. Soon after, the success of the 1992 Barcelona Games proved that the Olympics could positively impact the local economy while achieving immense urban regeneration.¹⁵ As a result of these Olympic successes, the number of cities vying to host the Summer Games has since never dropped below five and has been as high as ten on two separate occasions.

Although the Los Angeles and Barcelona Games are generally thought of as successes, the heavy reliance on private investment ultimately proved controversial in subsequent years.¹⁶ The 1996 Atlanta Games, in particular, were marred by criticism of over-commercialization. The

¹³ Gold and Gold, “Olympic Cities,” 306.

¹⁴ *Ibid.*

¹⁵ M. Malfas, E. Theodoraki, and B. Houlihan, “Impacts of the Olympic Games as Mega-events,” *Municipal Engineer* (2004), 211-2.

¹⁶ Gold and Gold, “Olympic Cities,” 307.

tremendous amount of sponsorship-related marketing was seen as ultimately detrimental to the Olympic spirit.¹⁷

Following criticism in the wake of the 1996 Atlanta Games, the International Olympic Committee amended the Olympic Charter to include a “legacy” clause.¹⁸ It first appeared as paragraph 13 of Rule 2 (Role of the IOC) in the 2003 edition of the Olympic Charter, stating that the IOC:

13. takes measures to promote a positive legacy from the Olympic Games to the host city and the host country, including a reasonable control of the size and cost of the Olympic Games, and encourages the Organizing Committees of the Olympic Games (OCOGs), public authorities in the host country and the persons or organizations belonging to the Olympic Movement to act accordingly.¹⁹

Notably, the legacy clause has since been altered. In all subsequent Olympic Charters, the “Mission and Role of the IOC” (see Appendix III) states that the IOC’s role is:

14. to promote a positive legacy from the Olympic Games to the host cities and host countries;

The dramatic shortening of the IOC’s legacy clause, particularly the omission of the phrase relating to “reasonable control of the size and cost of the Olympic Games,” reveals the new role that the notion of legacy has taken on during its relatively short existence. Introduced as an effort to detach from the immense commercialization that had taken place over the past several decades, the legacy clause and other IOC efforts have already done much to shift the focus of the games away from corporate marketing and instead towards longer-term impact and sustainability.

¹⁷ Myung-Soo Lee, Dennis M. Sandler, and David Shani, "Attitudinal constructs towards sponsorship: Scale development using three global sporting events," *International Marketing Review* (1997): 1.

¹⁸ Iain Macrury and Gavin Poynter, “The Regeneration Games: Commodities, Gifts and the Economics of London 2012,” *The International Journal of the History of Sport* (2008): 2077.

¹⁹ *Olympic Charter 2003*, International Olympic Committee, 20

Furthermore, added predictability in terms of anticipated Games revenues provides host cities with reasonable expectations for Olympic operating budgets. The IOC handles the sale of television and sponsorship rights well in advance of the Games, taking a share of the revenue (approximately half) to be distributed to international sports federations and national Olympic committees.²⁰ The host city's Olympic Games Organizing Committee receives the remainder of the funds and thus has a very clear idea of Games-related revenue long before the Olympics begin. This figure serves as the basis for the operating budget, ensuring that cities hosting the Olympics can comfortably break even in terms of the operating costs of actually staging the Games. In fact, the IOC stipulates that:

Any surplus incurred by a host city, an OCOG or the NOC of the country of a host city as a result of the celebration of an Olympic Games shall be applied to the development of the Olympic Movement and of sport.²¹

The Olympics are now seen largely as a breakeven endeavor because the benefits of staging the best showcase possible are considered to be greater than the benefits of running an operating budget surplus.

This emphasis on legacy has dramatically impacted the type of cities that submit bids and advance to the later stages of the selection procedure. During the last two bidding processes, the IOC received bids from only two Candidate Cities—Leipzig and Chicago—that were not the biggest in their respective countries. Only Chicago, which might already be considered a major global city and a cultural hub, made it to Phase 2 of the process. This represents a stark difference from previous years when cities such as Brisbane, Birmingham, Manchester, and Melbourne lasted until the IOC vote and comparatively smaller, less renowned cities like Barcelona and Atlanta ultimately won the right to host the Games.

²⁰ Shoval, "A New Phase in the Competition for the Olympic Gold," 585.

²¹ *Olympic Charter 2011*, International Olympic Committee, 65.

IV. Mega-Events For Mega-Cities

Noam Shoal divides the history of global mega-events into four periods. The first two eras, from 1851 to 1939 and 1948 to 1984, respectively, deal primarily with the rise and fall of the World's Fair as society's most important mega-event. The third phase, from the 1984 Los Angeles Games to the 2000 Sydney Games, saw the rise of the Olympics through television deals. During this phase, cities such as Birmingham, Manchester, Barcelona, Brisbane, Atlanta, and Osaka were inspired to vie for the Games "as tools for economic and physical regeneration and not just for visibility, prestige, or symbolism."²²

Shoal notes that many of the typical justifications for hosting the Olympics between 1984 and 2000 do not exist for recent Applicant Cities, particularly London and New York. Global recognition seems superfluous; the tourism industry is at risk for the "stay away factor;" infrastructure and urban development could be more easily accomplished without hosting the Games. The justification for bidding, according to Shoal, comes from a fear of competition and the desire to "stay ahead of rivals that are trying to improve their position in the hierarchy of the world's cities." London's bid, for example, was in part motivated by a "desire to maintain cultural and economic status in relation to cities like Paris and Berlin."²³ Rather than hoping to boost a city into worldwide relevance, the motivation for hosting the Games now comes from a wish to cement an already globally recognized city as one of the world's most relevant financial and cultural centers.

Of all aspects of today's Olympic Games, the opening ceremony perhaps best epitomizes the current emphasis on legacy. Over the course of a century, the opening ceremonies have evolved from relatively modest athlete parades to multi-million dollar extravaganzas. In 1992, Barcelona

²² Shoal, "A New Phase in the Competition for the Olympic Gold," 590.

²³ *Ibid*, 596.

began the 25th Olympiad with “the forerunner to the quintessential modern ceremony.”²⁴

Barcelona’s opening ceremony cost approximately \$28.6 million in 2012 dollars. The amount of money spent on the opening ceremonies increased over the next several Olympiads (see Appendix V for all figures), culminating in a Beijing showcase that was “spectacular” in “scale and majesty” and is estimated to have cost well over \$300 million.²⁵

The opening ceremony is typically regarded as an opportunity to showcase the host city and nation to the rest of the world. The ceremonies themselves see some direct financial returns through ticket sales, but these figures are modest compared to the price tag with many of the most expensive tickets being set aside for members of the government, foreign dignitaries, and high-profile business figures. Olympic, city, and national officials confidently pump millions into the ceremony in an effort to turn the world’s focus into economic benefit and cultural realization. London, for example, doubled the original opening ceremony budget, adding an additional \$64 million so as not to miss the opportunity to put on a show for the rest of the world. Minister for Sport and the Olympics Hugh Robertson justified the with the following statement:

It’s about the impression that people take away of this country. And we hope it’s an impression that people will say “we want to come back here, do business and spend tourism money”.²⁶

This attitude was reflected in comments from other government officials, such as Prime Minister David Cameron, and is highly indicative of the larger view towards the entire Games in which a high price tag is justified by the possibility of economic benefit and the opportunity for cultural advancement.

²⁴ Olivia Parker, “London 2012: Olympic Ceremonies through the Ages,” *The Telegraph*, July 27, 2012.

²⁵ “U.K. Prime Minister Calls On LOCOG To Double London Games Ceremonies Budget,” *Sports Business Daily*, December 6, 2011.

²⁶ “London 2012 Olympic ceremony budget doubled,” *BBC News*, December 5, 2011.

With operational budgets relatively secure, the differentiation between Olympic bids now comes largely in the form of the infrastructural plans. The world's largest cities have considerable capabilities for creating infrastructural and cultural legacy, and as a result the IOC favors bids from these cities. The British Olympic Association, for example, was unofficially informed by IOC officials in 2000 that no United Kingdom bid would be taken seriously unless the site was London.²⁷

The London 2012 proposal placed considerable emphasis on infrastructural improvements. The bid's success was primarily attributed to the promise of regeneration in the city's East End.²⁸ Organizers sought to bridge the gap between rich and poor in London by providing the deprived East London area with an Olympic Village that could serve as affordable housing after the Games.

The increased focus on legacy has almost certainly increased the cost of staging the Games. This is largely because plans tied to "legacy" are less readily abandoned and their costs are often underestimated. What results are bids that become "deeply flawed in relation to estimating clearly identifiable, event-related costs" such as that of Beijing, which exceeded the initial bid by an estimated \$20 billion or more.²⁹ The cultural, social, and economic legacies of the Summer Olympics now supersede profitability, a far cry from the 1984 Los Angeles Games. Indeed, with this new phase of Olympic staging, the very notion of "breaking even" seems largely reserved for detractors.

There is a considerable gap to bridge between what the modern Olympic Games cost and what they achieve in terms of more traditional methods for evaluating success. Analysis of the

²⁷ Shoval, "A New Phase in the Competition for the Olympic Gold," 592.

²⁸ Macrury and Poynter, "The Regeneration Games," 2077.

²⁹ *Ibid*, 2080.

Games typically starts with a look at increase in GDP and growth in jobs. These figures hardly seem to justify the high price tag of the Games. More importantly, perhaps, these traditional economic indicators do not adequately reflect the major legacy-based motivations for hosting the Games. The analysis, it seems, has not yet caught up to the new motives.

V. Quantifying Olympic Success

In “Impact of the Games on Olympics host cities,” Richard Cashman states that it is “virtually impossible” to identify the true cost of staging the Olympics, as budgets are “political, contentious and notoriously unreliable.” Benefits, according to Cashman, are “equally vague” because they are typically “uncosted and their value inflated” and after the Olympics there is “limited assessment as to whether any proposed benefits have been realized.”³⁰

In light of the evolution of the Summer Olympic Games, as well as the high price tags paid largely by cities and citizens, it becomes crucial that new measures are utilized for evaluating Olympic success for host cities. As Games planners and government officials put more faith into less tangible benefits of hosting the Olympics, sound economic evaluation of the Games relies on better quantifying and analyzing these legacy benefits. Three potential areas where legacy effects of hosting the Olympic Games might surface are in philanthropic giving, crime rates, and sport participation.

Professor Christopher Marquis recently examined the impact of mega-events on charitable donations from corporations. In *Punctuated Generosity: Events, Communities, and Corporate Philanthropy in the United States, 1980-2006*, Marquis predicts that “even before a mega-event begins, it can bring together local corporate and nonprofit actors, and increase the salience of

³⁰ Richard Cashman, “Impact of the Games on Olympic host cities,” *University Lecture on the Olympics* (2002): 7.

local identity, needs, and pressures for corporate giving.”³¹ The author found that in the case of the Olympics, locally headquartered firms increased philanthropic giving in the pre-event, same-year, and post-event stages.

In the same vein, proponents of the Olympic legacy might be interested in the impact that the Games have on individual charitable giving. This might be evaluated comprehensively through individual financial information, or could be investigated less intensively by looking at figures from the charities that typically command the largest donation totals each year. My hypothesis is that individuals from the host city will donate more to philanthropic activities as a result of enhanced civic pride. This effect would likely be most pronounced during the pre-event and same-year phases, as charitable giving might fall in the post-event stage after residents of the host city have spent substantial funds either attending or avoiding the Games. Even so, the potential increase in charitable donations might help quantify Olympic rewards that come with such a high risk.

Another potential benefit of hosting the Olympic Games is a decrease in crime rate. Ideally, from the perspective of a city planner, the new, higher-qualitative facilities and the increase in nationalistic, neighborly feelings should dissuade would-be crimedoeers from damaging property and harming their fellow citizens. My hypothesis is that areas in which significant regeneration takes place will see, in the long run, markedly decreased crime levels as a result of property rejuvenation. Other areas of the host city, however, likely would not see a significant change.

Based on data from the Olympics staged in the United States, Baumann et al. found in 2009 that the Games are associated with an increase in property crime of approximately 10%. This, according to the authors, “fits the hypothesis that a rise in visitors raises the crime rate by

³¹ Christopher Marquis, *Punctuated Generosity: Events, Communities, and Corporate Philanthropy in the United States*, 12.

increasing the number of potential victims and criminals.”³² If these findings are accurate, and the increase in property crimes is due to more serious offenses more so than relatively trivial police reports as a result of increased crowd size, then the benefits of hosting the Olympics may not include a beneficial reduction in crime rate.

A third possible legacy benefit of the Olympics—and one that is particularly relevant to the London 2012 Games—is an improvement in national health via increased sports participation. London set out with lofty goals in this area, as the bid’s success in part drew on guarantees of increased sport participation. In early 2012, however, the government dropped the initial target of 1 million additional U.K. citizens taking up sports as a result of the Olympics.³³

In December of 2008, Girginov and Hills published *A Sustainable Sports Legacy: Creating a Link between the London Olympics and Sports Participation*, concluding that the IOC and United Kingdom government had not been “channeling collective efforts and resources effectively” in order to influence “sustainable Olympic sports development legacy.”³⁴ My hypothesis, in line with this observation, is that the effect of hosting the Games on national health will be negligible. Some Olympic sports may become more popular in the host country during the lead up to the Games as the host nation, which receives automatic entry into all team sport competitions, attempts to field a respectable and presentable team in all events. The growth of overall sport participation, however, seems far too tangential to last, as a true commitment to this goal will require substantial funds in addition to the vast Olympic operation and infrastructural budgets.

³² Robert Baumann et al., *Sports Franchises, Stadiums, and City Livability: An Examination of Professional Sports and Crime Rates*, College of the Holy Cross (2009), 12.

³³ Roger Blitz, “UK Dumps Olympic Legacy Target,” *Financial Times*, January 10, 2012.

³⁴ Vassil Girginov and Laura Hills, “A Sustainable Sports Legacy: Creating a Link between the London Olympics and Sports Participation,” *The International Journal of the History of Sport* (2008): 2112.

VI. Conclusion

The current Olympic bidding process, which will end in 2013 when the IOC awards one city with the 2020 Summer Games, brought the lowest number of applicants in nearly twenty years. For the first time since the competition to host the 2000 Summer Games, only five cities submitted a bid to host the Olympiad. Time will tell if this figure represents an anomaly or a trend. One thing is certain: those officials choosing to bid for and ultimately host the Olympics can no longer rely on traditional economic figures such as GDP and job growth to justify the vast amounts of Games spending. The benefits in these realms, though apparent, are far too small in relation to the vast amount of risk that a host city takes on by agreeing to stage the Games.

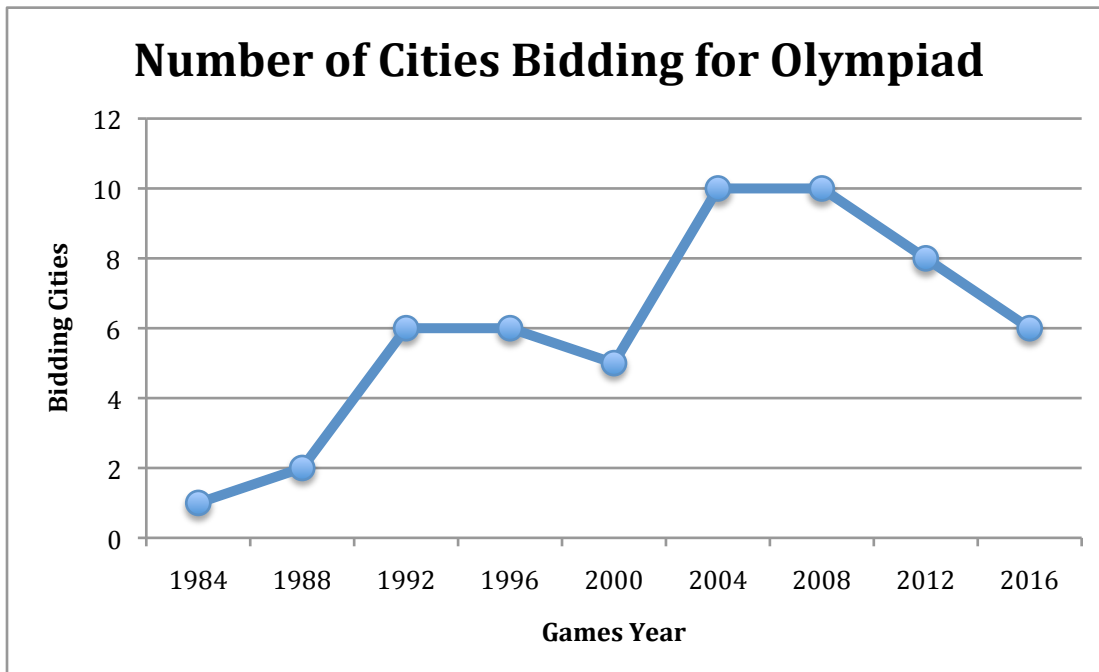
As motivations for hosting the Olympics have shifted, so too should our approach to analyzing their worth. Reports on the host city and nation's economies tell only part of the story; deeper analysis of socioeconomic trends may provide more substantial evidence of the Olympic Games' legacy effects. Cities like Beijing and London have proven to the world that they are capable of staging incredible displays of sport and culture. With a deeper understanding of the modern Summer Olympic Games, we can learn if the benefits of these spectacles come and go with the competitions themselves or positively impact host cities for years, perhaps even generations, to come.

Appendixes

Appendix I: 2012 Candidature Acceptance Procedure

| Step | Deadline |
|--|--------------------------|
| National Olympic Committees to inform the IOC of the name of an Applicant City | 15 July 2003 (by letter) |
| Meeting between the IOC and Applicant NOCs/Cities | Autumn 2003 |
| IOC to receive replies from Applicant Cities to the “Questionnaire for Cities applying to become Candidate Cities to host the XXX Games of the Olympiad in 2012” | 15 January 2004 |
| Examination of replies by the IOC and experts | By June 2004 |
| IOC Executive Board meeting to accept Candidate Cities for the XXX Games of the Olympiad in 2012 | By mid-June 2004 |

Appendix II: Number of Bidding Cities, 1984 to 2016 Olympics



Appendix III: IOC Mission Statement

The mission of the IOC is to promote Olympism throughout the world and to lead the Olympic Movement. The IOC's role is:

1. to encourage and support the promotion of ethics and good governance in sport as well as education of youth through sport and to dedicate its efforts to ensuring that, in sport, the spirit of fair play prevails and violence is banned;
2. to encourage and support the organisation, development and coordination of sport and sports competitions;
3. to ensure the regular celebration of the Olympic Games;
4. to cooperate with the competent public or private organisations and authorities in the endeavour to place sport at the service of humanity and thereby to promote peace;
5. to take action to strengthen the unity of the Olympic Movement, to protect its independence and to preserve the autonomy of sport;
6. to act against any form of discrimination affecting the Olympic Movement;
7. to encourage and support the promotion of women in sport at all levels and in all structures with a view to implementing the principle of equality of men and women;
8. to lead the fight against doping in sport;
9. to encourage and support measures protecting the health of athletes;
10. to oppose any political or commercial abuse of sport and athletes;
11. to encourage and support the efforts of sports organisations and public authorities to provide for the social and professional future of athletes;
12. to encourage and support the development of sport for all;
13. to encourage and support a responsible concern for environmental issues, to promote sustainable development in sport and to require that the Olympic Games are held accordingly;
14. to promote a positive legacy from the Olympic Games to the host cities and host countries;
15. to encourage and support initiatives blending sport with culture and education;
16. to encourage and support the activities of the International Olympic Academy ("IOA") and other institutions which dedicate themselves to Olympic education.

Appendix IV: List of Bidding Cities

| Bid Year | Games Year | Host City | Candidate cities that lost in voting | Applicant cities that failed to make vote |
|----------|------------|----------------|--|--|
| 1978 | 1984 | Los Angeles | None | None |
| 1981 | 1988 | Seoul | Nagoya | None |
| 1986 | 1992 | Barcelona | Paris, Belgrade, Brisbane, Birmingham, Amsterdam | None |
| 1990 | 1996 | Atlanta | Athens, Toronto, Melbourne, Manchester, Belgrade | None |
| 1993 | 2000 | Sydney | Beijing, Manchester, Berlin, Istanbul | None |
| 1997 | 2004 | Athens | Rome, Cape Town, Stockholm, Buenos Aires | Istanbul, Lille, Rio de Janeiro, Saint Petersburg, San Juan, Seville |
| 2001 | 2008 | Beijing | Toronto, Paris, Istanbul, Osaka | Bangkok, Cairo, Havana, Kuala Lumpur, Seville |
| 2005 | 2012 | London | Paris, Madrid, New York, Moscow | Havana, Istanbul, Leipzig, Rio de Janeiro |
| 2009 | 2016 | Rio de Janeiro | Madrid, Tokyo, Chicago | Baku, Doha, Prague |

Appendix V: Opening Ceremonies Approximate Costs

| Host City | Year | Opening Ceremony Cost (approximate, 2012 dollars) ³⁵ |
|-----------|------|---|
| Barcelona | 1992 | \$29 million |
| Atlanta | 1996 | \$40 million |
| Sydney | 2000 | \$40 million |
| Athens | 2004 | \$77.5 million |
| Beijing | 2008 | \$332 million |
| London | 2012 | \$127 million |

³⁵ Figures from *The Telegraph*, *Sports Business Daily*, and *Financial Times*. Converted to 2012 dollars using 0.56977 GBP to USD at 1.63 inflation (Barcelona); 0.64096 GBP to USD at 1.46 inflation (Atlanta); 0.66093 GBP to USD at 1.33 inflation (Sydney); 0.54618 GBP to USD at 1.21 inflation (Athens); 1.06 inflation (Beijing); 0.6355 GBP to USD with no inflation (London).

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