

**PALACKÝ UNIVERSITY OLOMOUC**

**Faculty of Science**

**Department of Development and Environmental Studies**



**IMPACT OF MAJOR SPORTS EVENTS ON THE LOCAL  
POPULATIONS**

MASTER'S THESIS

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## **Abstract**

The goal of the master's thesis is to research the impacts of large international sports events on the local populations. The emphasis is given on the Olympic Games, while other major sports events are described and used for comparison. The paper is focusing on the Olympic Games and tries to compare the organization in the developed and developing world, whilst focusing the Olympics in London 2012, as the representative of the developed world and Rio de Janeiro 2016, as the representative of the developing world. The thesis is examining what was the approach of the organizing committees, the actual reality and compare the outcomes between them.

## **Key Words**

major sports events, sport and development, Olympic Games, Olympics, IOC, impact, developing country, Brazil, United Kingdom, London Olympic Games, Rio Olympic Games

## **Abstrakt**

Cieľom diplomovej práce je preskúmať dopady veľkých medzinárodných športových podujatí na miestne obyvateľstvo. Dôraz je kladený na Olympijské hry, zatiaľ čo ostatné významné športové udalosti sú popísané a využité na porovnanie. Práca sa zameriava na Olympijské hry a snaží sa porovnať organizáciu v rozvinutých a rozvojových krajinách, zameriavajúc sa na Olympiády v Londýne 2012, ako zástupcu rozvinutého sveta a Riu de Janeiro 2016, ako zástupcu rozvojového sveta. Diplomová práca skúma, aký bol prístup organizačných výborov, skutočná realita a porovnanie vzájomných výsledkov medzi týmito dvoma Letnými olympijskými hrami.

## **Kľúčové slová**

veľké športové podujatia, šport a rozvoj, Olympijské hry, Olympijáda, MOV, dopad, rozvojová krajina, Brazília, Spojené Kráľovstvo, Olympijské hry v Londýne, Olympijské hry v Riu

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### Z á s a d y p r o v y p r a c o v á n í :

The goal of the master's thesis is to research the impacts of large international sports events, such as the FIFA World Cup or the Olympic Games, on the local populations. The paper will focus on several chosen countries of the so-called BRICS group, with the spotlight on Brazil where the beforementioned events occurred in the recent past.

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## Declaration

I declare that I wrote the master's thesis Impact of Major Sports Events on the Local Populations under the guidance of Mgr. Simona Šafaříková, Ph.D. All used sources cited in any form have been acknowledged in the text and in the list of sources.

In Olomouc, December 7, 2018

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## List of Abbreviations

<b>AD</b>	Anno Domini
<b>BBC</b>	British Broadcasting Corporation
<b>BCE</b>	Before Common Era
<b>BOC</b>	Brazilian Olympic Committee
<b>BRICS</b>	Brazil, Russia, India, China, South Africa
<b>BRT</b>	Bus Rapid Transit
<b>CDP</b>	Committee for Development Policies
<b>ECOSOC</b>	Economic and Social Council
<b>EU</b>	European Union
<b>EVI</b>	Economic Vulnerability Index
<b>FIFA</b>	Fédération internationale de football association
<b>G7</b>	Group of Seven (Canada, France, Germany, Italy, Japan, UK, US)
<b>G77</b>	Group 77
<b>GA</b>	General Assembly
<b>GDP</b>	Gross Domestic Product
<b>GLL</b>	Greenwich Leisure Limited
<b>GNI</b>	Gross National Income
<b>HAI</b>	Human Assets Index
<b>IAAF</b>	International Association of Athletics Federations
<b>ICC</b>	International Cricket Council
<b>IOC</b>	International Olympic Committee
<b>LDA</b>	London Development Agency
<b>LDC</b>	Least Developed Country

<b>LOCOG</b>	London Organising Committee of the Olympic and Paralympic Games
<b>LSA</b>	Linguistic Society for America
<b>LTD</b>	Limited Company
<b>NFL</b>	National Football League
<b>NHL</b>	National Hockey League
<b>OCOG</b>	Organizing Committee of the Olympic Games
<b>ORI</b>	Office for Research Integrity
<b>OTC</b>	Olympic Training Center
<b>TfL</b>	Transport for London
<b>UEFA</b>	European Football Associations
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>USA</b>	United States of America
<b>USD</b>	United States Dollar
<b>USOC</b>	United States Olympic Committee
<b>USTA</b>	United States Tennis Association

*“There are two types of Olympic Games: a city that serves the Games, and the Games that serve a city.”*

*– Pasqual Maragall, former mayor of Barcelona*

## 1) Introduction

### 1.1 Introduction to the Topic

In the first section of the thesis, we will look closely on what is the topic of the thesis *Impact of Major Sports Events on the Local Populations* about. We will also be given a short overview of recent major sports events in developing and emerging countries and of the ones that will be happening in a nearby future. Furthermore, we will look at some background information on the topic and the central idea of the thesis. Lastly, in this introductory section, the author will offer his motivation for choosing this particular topic.

In developing countries, the governments are more and more aspiring to organize major sports events such as the Olympic Games or the FIFA World Cup. As a pretense, they often point out that hosting such an event will help them to stimulate development in the country (Cornelissen, 2011). The supporters of this idea further argue that such events attract many large investors, wealthy visitors and, overall, lead to long-lasting economic growth in the host country (Matheson, 2004).

From the beginning of the millennium, we could notice the increased interest of developing countries in the organization of sporting mega-events. In particular, the demand has risen from the emerging countries of the so-called BRICS group. It all started with the 2008 Summer Olympic Games in Beijing, China, and went on, just two years after that to South Africa for the 2010 FIFA World Cup. In 2014, we witnessed even two major sports events in these countries – the Winter Olympic Games in the Russian resort of Sochi and the FIFA World Cup in Brazil. However, for Brazil, it was only a warm-up, as just two years after, the city of Rio de Janeiro hosted the 2016 Summer Olympic Games. In 2018 we were witnessing a little déjà vu, as it was again a year, when both, the FIFA World Cup and the Winter Olympic Games were being held in places which were not the typical Western developed countries that have been accustomed to organizing similar events throughout the 20th century. The Olympics were in PyeongChang, South Korea, and the Football Championship in Russia. In addition, in the future years, the trend continues – the Olympic Games are returning to Beijing, but this time in

winter, in 2022, and in the same year the FIFA World Cup is going to take place in the small country of the coast of the Arabian Peninsula – Qatar.

However, why is there such an interest from the countries' point of view in organizing these large sporting events? First of all, it is indeed a vision of economic gain, and then the opportunity to present the country to hundreds of millions, or even billions of viewers around the world, which serves as a promotion of tourism (Allmers, 2009) in the country, and thus a greater number of foreign visitors and the associated increased income from tourism. Nevertheless, there are also political reasons, as these major sports events are a prestigious affair for government officials, and they can gain sympathy from a large part of the population. Also, they can at the same time, use sport to strengthen the social situation in the country (Labuschagne, 2010).

However, the specific infrastructure that needs to be built for these events is extremely costly, and it is not entirely clear whether the short or long-term benefits of the games can at least slightly equalize their immense costs. In the world of researchers who are focusing on this issue, there is a prevailing opinion that the highly positive prospects used by the policymakers and supporters of these sports events are exaggerated, whereas, in developing countries, these differences are even more significant than in developed ones (Matheson, 2004).

It is challenging to assume the general economic impact of major sports events, and therefore it is never 100% guaranteed that each event will be successful and will ultimately bring more positives than negatives for the organizing country and the affected local population. For example, an organization of an event of this magnitude may lead to various difficulties for lower-income communities (Malfas, 2004). Once the country or a city has won a candidacy for the organization of an international sporting event, it begins with the preparation and construction of infrastructure and new sports facilities. At that moment, governments often stop other construction projects and even forcibly resettle the inhabitants, just to build a new road or a stadium. There are enormous costs for the governments, but even more, it can negatively affect the number of people who have lost their homes and have to move elsewhere, where it may be even more expensive for them to live, not accounting for the psychological trauma that comes with it.

## 1.2 Motivation and Justification for the Topic

The motivation for me, as the author of the thesis, to choose this topic was quite simple. Ever since I can remember, I have always been a huge fan of the Olympic Games, following them in not only television, but also reading books about their history, records, or significant athletes. I was fascinated by the overall meaning of the Games and loved the concept. I was fortunate enough to visit several places, which hosted the Olympics, such as Vancouver or London, where I was living during the 2012 Summer Olympic Games. However, I got to visit and see also the venues and what was left of them from the 2004 Olympics in Athens. That made me realize that the Olympics are not just this amazing sporting festival held once every few years somewhere in the world, but also a significant decision that influences the local people and the rest of the country, and it does not automatically bring wealth to them.

Despite this experience, I spent six weeks in the winter months of 2018 in the village of Lake Placid, in the upper New York state, which was the site of two Winter Olympics, first hosted in 1932 and the second in 1980. Here I could see how the entire village is interconnected with the ideals of the Olympic movement and even today, almost 40 years after the second Olympiad, all of the venues are being used and are in good condition. The thirteenth Games of the Winter Olympiad in Lake Placid are often also considered as the last small Olympics and have left a strong legacy until today (Olympic, 2014) when the village is considering its bid for the third edition of this major event. It was exceptionally inspiring to talk to the people that worked as volunteers during the Olympics, or to visit the Lake Placid Winter Olympics Museum, its archives and all of the sites used for the Games.

In the beginning, the main intention for choosing this particular topic for the thesis was an execution of qualitative research in Rio de Janeiro, Brazil, which after an unsuccessful bid for a scholarship had to be reevaluated. Then I decided that I have to slightly change the focus, research questions and research methods to a version which would be plausible without the need to travel to Brazil and conducting the research there.

## 2) Aim and Objective of the Thesis

### 2.1 Aim of the Thesis

In this section of the thesis, we will look at what is the main goal of the thesis, at the theoretical background for this topic, and also at the principal and subsidiary research questions that shall give us the direction the thesis will be taking. The author will also offer his remarks about the research questions for further clarification.

In this thesis, we will try to compare two different Summer Olympic Games. We will be focusing on the London 2012 and Rio 2016 Olympics. These two Games have been chosen for their close time proximity, as they were held right after each other, and they show us a great example of different approaches to organizing such major sports event in a highly developed and a developing country. We will have a close look on the diverse methods each of the organizing committees used in the preparation of the Olympics and also, what it means for the local populations when the Games are taking place in their neighborhoods and what impacts are to be expected.

Moreover, London was the first city to ever host the Summer Olympic Games for the third time in history and tried to use this opportunity to transform itself into a cosmopolitan capital of the world and as an economic and cultural powerhouse that embraces globalization (Calder, 2007). The London Committee, always bearing in mind the budget restrictions, had a pragmatic attitude towards the organization of the Games, made all the aspects of it as transparent as possible, and focused on making the long-lasting positive impacts of the Olympics on the local populations one of their top priorities, as well as limiting the negative impacts to minimum.

On the other hand, the impact of the Rio 2016 Summer Olympic Games has been enormous for the local communities, where many people are living in slums, or as they are called in Brazil - favelas. Before the Olympics were awarded to Brazil, ambassadors and top government officials tried to incorporate the slum communities into the candidature while presenting it as a part of culture and identity of Rio and Brazil and an excellent opportunity for these areas to increase their standards of living, as a result of the organization of the Games. However, soon after the successful Olympic bid, it was clear where the sporting events were going to take

place in 2016, the politicians have not delivered on their promises and found more important issues where they targeted the finances initially meant for the favelas, so that Rio could be shown as a successful emerging and a global city. Understandably, poverty and people living at its threshold in the favelas like Vidigal, Mangueiras, or the most famous and greatest Rocinha could not be presented in this picture. Therefore, instead of investing money into social projects to improve education, health, security or infrastructure in these areas, the money was put into large stadiums, or lost in corruption (Kweifio-Okai, 2016). It is estimated that over 77,000 people were forced to be resettled before the Summer Olympic Games in Rio in 2016, even though the government's reasoning for these actions was that they did it just as prevention from being in flood areas (Waldron, 2016). As already mentioned, at the outset, Brazilian politicians promised considerable investments in infrastructure development and housing support for the favela communities, where the most indigent population of the population lives, but this has not been achieved, and money has been used to build sports venues. But these venues have also failed to meet their expectations, and their use is today questionable.

Although before we get to the analytical part of the thesis, we will look back at the history of sport and sports events, the origins of the Olympic Games, as well as similar major sports events that are dominating today's world. Furthermore, we will learn from their good case practices and implement them in the final part of the thesis where we will put down some suggestions for a more sustainable future of the Olympic Games.

The main aim of the thesis is to find out what are the impacts of major sports events on the local populations, either in the developed or developing countries. Our main focus will be the Olympic Games, more precisely their summer version and we will be comparing the 2012 London Olympic Games and the 2016 Rio Olympic Games. From the findings, we will try to determine suggestions for the optimization of the processes connected to the organization of such an event that would limit their negative factors and impacts on the local populations.

The topic of sport and development is a marginal part of development studies. Several studies have already been written about the issue of sports mega-events in developing countries, but most of them focus on their purely economic impacts on the organizing country (Allmers, 2009; Baade, 2016; Cashman, 2002; Kasimati, 2003; Mandle, 2012) and much less on the impact on the local population. So given the fact, that the Games are more and more starting



to take place in the countries of the Global South, this side of the problem is also becoming increasingly important.

In the curriculum of the Master's program for the International Development Studies, we have the possibility to take a voluntary class *Sport and Development*. And even though there is some time devoted to the topic of major sports events, the class is more focused on development cooperation through sport and athletic activities, analyzing different approaches and introducing several non-governmental organizations working in this sector. In general, the domain of *Sport and Development* has been gaining in popularity but is still relatively new, especially in Central Europe, and not much research has been done about it. Therefore, this thesis will hopefully enlarge the knowledge in the field.

## 2.2 The Principal Research Questions

There will be two principal research questions discussed in the thesis. The first principal research question, as the title of the thesis suggests it, will be (1) **"What is the impact of major sports events on the local population?"** while the second principal research question is (2) **"What is the difference between organizing major sports event in a developed and a developing country?"**. The principal research questions will be further enriched by the subsidiary questions introduced in the next section.

## 2.3 The Subsidiary Research Questions

The first principal research question **"What is the impact of major sports events on the local population?"** has one subsidiary question which is further divided into four more specific questions. The second principal research question **"What is the difference between organizing a major sports event in a developed and a developing country?"** has three subsidiary questions with no further division of them.

1.1 What is the change in the standards of living for the local populations before and after organizing a major sports event in their area?

- 1.1.1. How has people's income changed in connection with major sports events?
- 1.1.2. What was the change in employment in connection with major sports events?
- 1.1.3. What are the changes in local infrastructure in the context of organizing a major sports event?
- 1.1.4. What is the impact of major sports events on the national GDP?

2.1 What was the difference in approaching the preparation of the organization of the Olympic Games between London 2012 and Rio 2016 Olympics?

2.2 What was the difference in execution of the Olympic Games between London 2012 and Rio 2016 Olympics?

2.3 What is the difference in the usage and legacy of the Olympic infrastructure between London 2012 and Rio 2016 Olympics?

## 2.4 Remarks about the Aims, Objectives, Principal and Subsidiary Questions

This thesis is going to try to offer an understandable and balanced view of the problem. For this reason were also chosen these principal and subsidiary questions. From previous research, we can anticipate what the main issues regarding this topic are. The critics of the major sports events are trying to show how negatively these events are influencing the lives of tens of thousands of people living in the areas of the implementation.

The critics often believe that developing countries should not host any of these major sports events (Matheson and Baade, 2004; Studebaker, 2014), such as the Olympics, or the FIFA World Cup for various reasons to which we will get in the analytical part of the thesis. But is it really so much different to organize the Olympics in a developing country than in a developed one? If so, what are the main differences? How differently do they approach the organization or the Games? What is their motivation to host them? The Olympic calendar gave us an excellent opportunity to compare two consecutive Games – London 2012 and Rio 2016 and

see for ourselves what were the biggest differences between them, before, during, and after the Olympics.

All of these principal and subsidiary research questions are answered in the analytical part of this thesis. The processes and methods used to do so will be explained in detail in chapter 4 *Methodology of the Research*.

In the first principal research question, we are asking "*What is the impact of major sports events on the local population?*". Under *impact*, we understand some kind of effect or a consequence that influences something else, in our case, what is the consequence of hosting a major sports event on the local population. We further specify that mostly we are focusing on the impact on the national GDP, employment, infrastructure, and transportation.

*The Conceptual Framework of the Thesis* which is the next chapter stands as the base for the research and offers some theoretical background for better understanding of the analytical part of the thesis.

### 3) Conceptual Framework of the Thesis

#### 3.1 Major Sports Events

##### 3.1.1 The Ancient Times

In some way, sport and exercising have been a part of human nature since the beginning of times. At first, it might have been more about survival, as when the first humans were running and jumping to get away from a bigger and a stronger predator, or when they were throwing a sharp tool to kill their next dinner. As time evolved, humans were evolving as well. They started competing against each other to see who was best at certain physical activity and who in another. These small tribal competitions were growing in size, but also in importance.

In Ancient Greece, there was a belief that competition fostered excellence and winning the Ancient Olympic Games meant becoming a hero back home, much like in today's society. The winner did not get any large sum of money, more typically, he received many other benefits, such as meals and accommodations provided by the local government, front-row tickets for the theater, or the possibility of having a statue of himself built in Olympia to commemorate his success (BBC, 2014).

Another example of the high relevance of sports events in the ancient times is the famous phrase *panem et circenses*, or in English translation *bread and games/circuses*, originally from the Roman Empire. This concept referred to a way of life and of public governance. According to the Roman emperors, to satisfy people they merely needed to have cheap food and a source of amusement, such as chariot races or gladiator games. This would appease them and make them overlook some more severe aspects of life such as poor governance and poverty.

##### 3.1.2 The Middle Ages

The Middle Ages was a phase in European history of humans' development that began about 500 BCE and extended to approximately 1500 (McNeill, 1991). The political power shifted north, from Greece and Rome to modern-day France and Germany. The Catholic Church started gaining its massive power and omnipotent presence typical for the Middle Ages. This fact also influenced the attitude toward sports at this time. The vast majority of any physical exercise had been dedicated to manual labor and on public activities such as dancing. Games

or sports were looked upon negatively. Physical education was not present in the educational system in any way for the working class (Ziegler, 2006).

However, a different case comes with the education of the young nobles within the feudal society. The young knights were trained in chivalry, a system of customs relating to ethics and medieval manners, religion, and warfare. These young men had to learn to fight with a sword while on horseback and maintaining a variety of social graces to show that he was a gentleman. In addition, the strong influence of the Christian Church expected him to be an example of Christian values, such as loyalty, honor, mercy, and concern for the weak (Ziegler, 2006). In general, the physical activities included in chivalry aimed to increase the fighting power of the soldiers.

However, Ziegler (2006) also mentions, that the feudal system of the Middle Ages offered various chances for all people to gain reputation and move higher in the hierarchy of society. The possibility for a regular peasant to join the nobility was highly motivational. A knight, who demonstrated his fighting abilities during a war or sporting jousts was often awarded great wealth. A skillful peasant could have been hired by the ruler to join the army and often received a piece of land. Celebratory songs and poems were even written about the most heroic warriors. During these tournaments, it was not uncommon to kill or to be killed. All these factors made the medieval sporting events highly popular amongst everyone, and people from all of the levels of society were vigorously taking part in it in the chase for fame, wealth or change in their social status.

However, there was one sport originating in the Middle Ages, whose impact surpassed the training grounds and the local tournaments. The sport was archery. In medieval England, it was mandatory by law for the lower classmen (peasants) to practice archery if they were older than 15. The Catholic Church even allowed the practice of archery on Sundays, which was common only as an honor reserved for traditional activities. Archery was mainly the sport of the lower class, but it was also practiced by the nobility, mostly for hunting. The reason for the immense popularity of archery was the fact that the English leaders used it as a highly effective tool in combat. The importance of this strategy was so great that at the Battle of Crecy, in 1346 during the Hundred Years' War, the French army was decimated by the archers. The longbow arrows killed nearly 2000 French knights and soldiers, while the English lost just

roughly 50 men, even though the French army outnumbered England with a ratio of three to one. (Faust, 2014)

The possibilities for medieval women to participate in sporting events were quite limited. During sporting jousts, they could be, at most, spectators, as the skill of archery was desired only for men. Women used to attend their husbands and sons in battle, but they were only occasionally getting involved, just when absolutely necessary for survival. However, ladies of the highest class could take part in hunting, as they were allowed to keep falcons. Although, if they preferred less dangerous pastimes, they could play board games, such as checkers or chess (Ziegler, 2006).

As we can see, in the Middle Ages, the social status influenced many things, among which were also the sport activities of the people. There was a clear distinction between the nobles and the peasants, as well as between men and women. The nobles were practicing chivalry, displaying their skills at joust tournaments, while the lower classmen were focusing on archery and the women participated mostly as spectators.

### 3.1.3 The Modern Period

The period in our history between the Middle Ages and today is being called the Modern Period. It is emerging from the Late Middle Ages, demarcated by historians as beginning with the Fall of Constantinople in 1453 and is also denoted by the invention of the printing press and the discovery of the Americas (Stearns, 2011). In this subsection, we will briefly look at the development of sport and sports events between the 16<sup>th</sup> and 20<sup>th</sup> century.

The activities which used to be liked in the Middle Ages, such as archery, jousting or board games, kept their favor also in the leading centuries after, however, none of them had developed into a professional sport. In this period, the ruling power that was influencing much of what was happening in the world was the British Empire. The United Kingdom was the most industrialized and developed place on the planet at that time and thus had the most resources. That also led to the most significant development of leisure time activities. At the time around the Elizabethan era in England, most of the sports that had been gaining on importance were the ones that are even today closely connected with the British culture, and there are three prime examples of this: cricket, golf, and horseracing. The eldest venues that stand even today are for these sports. The examples might be the Bruntsfield Links for golf, Chester Racecourse

and Epsom Downs Racecourse for horseracing and Mitcham Green for cricket, all located in today's UK. (Forgeng, 1995)

As sports were becoming more and more popular, new venues and stadiums were being built, and more people had been looking at sport as a possible source of income. In the 16<sup>th</sup> century, professionalism in the sport did not exist, and in the next century, most likely the only professional team sport was cricket. It was gaining the vast majority of its resources from gambling, which was also popular with horseracing, making it another popular sport with the marks of today's professionalism (Birley, 1993). At this time, the ball sports were usually played by uncodified rules.

Sports also used to play a role in the process of colonialization and in imposing of the *western* values. This was, in particular, the case for the British Empire where they understood sports as a key branch of cultural imperialism and an opportunity to take control of spreading their culture and ideals (Roser, 2016). The typical exported sports were cricket, tennis, badminton, soccer, or tennis (Perkin, 2007). The British were looked upon as the guardians of the *sport's rulebook*, so if there was any sports dispute, it always had to be decided by the colonizers. This and also the fact, that especially in the beginning, the British had much more experience in these sports, resulted in their dominance and even further intensification of their superiority over their colonies (Roser, 2016).

The British influenced many parts of the world, and this is the case also for North America. In the 18<sup>th</sup> century in cities like Boston, New York, and Philadelphia, people began to form groups, consisting partly of British colonial officials and military officers, somewhat of newly prosperous merchants, and partly of wealthy individuals. In Philadelphia, they grouped through joint membership in organizations as the fishing clubs, the dancing assemblies, and the hunting or jockey clubs. In New York, too, balls, plays, dances, horse races, and cockfights were important venues where the urban elite came to pass their leisure time. Also, here in the cities, where individuals were most business-minded, recreations took their first steps toward commercialization, as various tavern keepers, to attract customers, provided dart boards and bowling greens, were buying animals for fights and were building rings where their customers could enjoy these favorite past-times of this era. (Cayton, 1993)

The real breakthrough had, however, come in the 19<sup>th</sup> century. This is the time when sports, which are popular today started forming associations and first clubs, all under agreed-upon sets of rules. Usually these sports were based on some of the forms that were being used in decades before, but for example, basketball was an entirely newly made up sport by Mr. James Naismith in 1891 when he was thinking of what to do in winter with the players between the baseball and football season (Peterson, 2002). The notion of professional sport was mainly popular in North America, and the first league that was established was the baseball's National League in 1876, followed by the others in the early decades of the 20<sup>th</sup> century – ice hockey's NHL in 1917 and American football's NFL in 1920 (Riess, 2017).

The end of the 19<sup>th</sup> century was also the birth time for the sporting event most discussed in this thesis – the Olympic Games. Mr. Pierre de Coubertin founded the Olympic movement in 1892 with the first Olympics taking place in Athens in 1896. Further reading about the beginnings of the modern-day Olympics is in section 3.2.2.

#### 3.1.4 Modern-day Notable Major Sports Events

In this subchapter, we have a closer look at several modern-day notable sports events. The criteria for the events chosen for this list were the following: their overall fan reach, attendance of the particular event, financial severity to organize the event, the usage of venues, and its overall relevance to the thesis and issues discussed in it. In each subchapter, it is mentioned why it has been chosen and what is its relation regarding the Olympic Games.

##### *3.1.4.1 Tour de France - Cycling*

The Tour de France is the most iconic road-cycling event, often considered the most popular annual sporting event in the world and third overall, only behind the Olympic Games and the FIFA World Cup (Sportcal, 2017). The Tour de France started in 1903 and has been going on ever since, interrupted only by the two World Wars. It takes place for three weeks in July, on the streets of French cities and countryside, even though some of the stages might wander into surrounding countries.

The Tour attracts cumulatively around 3.5 billion viewers around the globe and an estimated 12 to 15 million live spectators over three weeks of competing. It is necessary to point out that the Tour de France has absolutely no revenue from any ticket sales and all the races are entirely free to attend by anyone. There are three principal sources of income for the Tour:



through the sale of broadcasting rights, via the generation of sponsorship revenues, and by charging a fee to towns and cities that host the event (Chadwick, 2014). Municipalities pay fees to the organizers for the opportunity to host — €60,000 for a start and €110,000 for a finish of one stage (Keh, 2017). However, also when bidding for the Olympic Games, the Local Olympic Committees must deposit \$500,000 to the International Olympic Committee (IOC). This amount serves as a proof of the seriousness of the organizers to the IOC. The costs associated with the bidding phase are primarily borne by the public sector (Dreyer, 2011). In recent years, this fact, that the taxpayers' money is being used for organizing the Olympic Games, started raising a wave of public outcry, when locals began to form various organizations trying to stop the Olympics happening in their city already before the bidding process began. For this reason, one of the things the International Olympic Committee is looking at is also the public opinion about organizing the Games in their place.

The Tour de France is the most popular and spectacular out of three *grand tours*, the other two being *Giro d'Italia* and *Vuelta a España*. They all share a similar fan base, both around the world and live at the event, as well as the principles of acquiring revenue. In addition, minimal investments into building facilities are required, as no new stadiums or other venues are built for the races. Furthermore, the Tours bring local development and tourism anywhere they go. All the roads must be in perfect condition to be accepted into their schedule. So everyone tries to take advantage of being in the international spotlight as their collective goal is to display their city in the best possible way to the world and to the thousands of visitors that come to see the race.

#### **3.1.4.2 Super Bowl - NFL**

Super Bowl is the championship final game of the National Football League in American football. It is the second most watched annual sporting event in the world, just after the UEFA Champions League final. For this reason, it possesses a vast marketing potential and is known for attracting the attention of the biggest international companies to present themselves in TV commercials during the intermissions of the game. For the year 2018, the average price for a 30 second aired commercial was \$7.7 million (Chairi, 2018).

However, the Super Bowl is not important just for the broadcasters, but also for the city where it is taking place. The NFL, the chief organizer of the event, switches the host city every year. Hundreds of thousands of people visit the host city, making it a lucrative intention for the local

municipality to try to be the chosen lucky one for the final game. The NFL tries to motivate the American cities to invest hundreds of millions of dollars in building new stadiums by promising them the prospect of the Super Bowl game as a reward. As a result, seven NFL stadiums have been built in the last twelve years. By 2020, all will have hosted the country's biggest sporting spectacle. But these stadiums are often co-financed by the tax-payers' money, which makes it highly controversial, as it is then a private property and the municipality has no direct income out of it. For the stadium in Minneapolis, which hosted the Super Bowl in 2018, the state of Minnesota spent \$348 million and the city added another \$150 million, a bit less than 50 percent of the stadium's total cost (Draper, 2018). However, is this all worth it? It can be argued, that all the tourism brought to the hosting city is probably displacing all other tourism in the area, as regular people, who are not interested in the Super Bowl will rather avoid this city and all the marked-up hotel and airfare prices, increased traffic, etc. This theory is also being brought up with organizing the Olympic Games or the FIFA World Cup, as the traditional tourists rather avoid these places in the duration of the tournaments for the already mentioned reasons, and thus the argument that these festivals mean an automatic increase in the tourism sector might be invalid.

The similarities between the Olympics and the Super Bowl can be summed up as that both are a great way to increase the public awareness about the hosting city, although it does not bring any considerable economic increase into the area. It might even be harming it, by requiring hefty subsidies from the state and local governments for building new stadiums. But the difference between the Olympics and the Super Bowl is, that for the latter one, the positive fact is that those stadiums are regularly used for many years after, avoiding the risk of being the infamous *white elephant*<sup>1</sup>, as is often the case of venues built for the Olympic Games.

#### 3.1.4.3 Cricket World Cup

The ICC Cricket World Cup is the final tournament of the cricket calendar, happening every four years. It is the third most watched sports tournament in the world, right after the Olympics and the FIFA World Cup. It is especially popular in the former countries of the Commonwealth and, for the purposes of the thesis, it is interesting that the Cricket World Cup

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<sup>1</sup> A white elephant is a possession that is useless or troublesome, especially one that is expensive to maintain or difficult to dispose of. The origin comes from the story that the kings of Siam gave such animals as a gift to courtiers they disliked, to ruin the recipient by the great expense incurred in maintaining the animal. (Oxford Dictionaries, 2013)

has already taken place several times in the developing world. Specifically, in India, Pakistan, Sri Lanka, South Africa, and Bangladesh.

The last Cricket World Cup to take place in the developing countries was in 2011. It took place on several different stadiums in India, Sri Lanka and Bangladesh. Two stadiums were built, and others were renovated for this tournament. A research study done by Tavakkoli (2015) focused on what was the impact of the Cricket World Cup in 2011 on urban development in India. The research revealed that hosting a major sports event has generated opportunities for improvement of land development, transportation, and other infrastructure promotions, and stimulated the Indian urban development even though it was a challenging role for the local governments. The results highlighted that due to the event there was a massive development in the sports infrastructure of the cities and new jobs opportunities created for the locals. Sporting mega-events have played a vital role in the regeneration of the downtown area for the host cities. In addition, fans visited the hosting cities from all over the country and the world. The World Cup provided India with the opportunity to display its ability to host major sporting and cultural events and its suitability to attract other major sports events like the Olympic Games in the future (Tavakkoli, 2015).

#### *3.1.4.4 Commonwealth Games*

The Commonwealth Games are a multi-sport event, repeating every four years, in the format similar to the Summer Olympic Games. The main specification is that only the countries that are members of the Commonwealth of Nations may attend, which are mostly former or current territories of the former British Empire.

The main reason why the Commonwealth Games are interesting for this thesis is their 2010 happening in Delhi, India. To date, this is the biggest sporting event that has occurred in this Asian country. The initial total budget estimated by the Indian Olympic Association in 2003 was \$250 million; however, that soon escalated to an estimated \$1.8 billion, without the excluded non-sports-related infrastructure development. Including that, the costs climbed to over \$11 billion, making it the most expensive Commonwealth Games ever (The Guardian, 2010). The money spent, and the number of sports is roughly the same as for any typical Olympic Games, with the amount of participating athletes equal to two-thirds compared to the Olympics (Shankar, 2010).

The 2010 Commonwealth Games were criticized by politicians and several Indian businessmen, one of whom being Azim Premji, chairman of Wipro Ltd, one of India's biggest software development companies. Premji believed the country needed to spend more on education and sports infrastructure, and not on grand sporting spectacles, making it a "drain on public funds." He also said that hosting the high-expense Games in India is not justified given that the country was facing more important priorities (The Times of India, 2010).

From the last two presented events, we can see that there are opposing opinions about the organization of major sports events in India. On one side, there is the 2011 Cricket World Cup, and on the other the 2010 Commonwealth Games. While the first was considered a success with many positive outcomes, the latter was perceived as a waste of public money in a developing country. However, there are some distinctions between those two events. First is the number of host cities, where the Cricket World Cup was co-organized by three countries and India itself hosted it in eight different cities all over the country, the Commonwealth Games were only in Delhi, making it much more difficult for the state government to finance an event of such a range. The other factor is that while for the Cricket World Cup, all that was needed was building a stadium for one sport, for the Commonwealth Games there was a need for 21 sports venues, which all needed to be in one city, as already mentioned before.

#### *3.1.4.5 The Grand Slams, U.S. Open - Tennis*

The tennis Grand Slams is a group of the most important and famous tournaments in the tennis calendar. They are formed by the Australian Open in Melbourne, the Roland-Garros or French Open in Paris, Wimbledon in London and the U.S. Open in New York.

All of those tournaments take part in great venues, with tens of tennis courts and tens of thousands seats for spectators. Similar to the NFL stadiums, these venues are being continuously used each year, and therefore they generate value for a much more extended period, in contrast to those stadiums which are built just for one use. Also, these Grand Slams tournaments bring additional income to their cities, for example, the United States Tennis Association (USTA) leases the land at the Flushing Meadows-Corona Park for the Tennis Center from New York City. In addition to \$400,000 a year in rent, the city gets one penny of every revenue dollar over \$25 million, including money from broadcasting, sponsorship, and concessions. That climbs up to \$2 million every year, not counting the economic impact on the community, which is additional \$500 million (Hoy, 2008).

However, the U.S. Open is not a perfect event as there are several concerns regarding its impact on the local communities. The area is located in the city part called Queens, and it is surrounded by the only major green space in close proximity, used for recreation, family gathering and other leisure activities. The stadiums are already taking away a large part of possible parks and thus limiting the communities. Moreover, the USTA is planning on expanding even further and building another stadium. Also, during the tournament, the USTA is encouraging visitors to use the grass at the Flushing Meadows-Corona Park as parking space for 5000 cars, damaging large parts of the park. On top of it, the whole tennis site is closed to the community in the offseason (Oshiro, 2013).

The U.S. Open is a good example of how a major sports event can be a success for some, but cause problems for many more, as is the case also for the Olympics. The tournament is a highly profitable event, which brings thousands of visitors to the area and millions of dollars to the local economy. However, the local communities are being limited by this event and their favorite park harmed. So while the organizers are collecting huge economic rewards by hosting the U.S. Open in the area, those benefits do not make their way into the Queens communities that surround and depend on the Flushing Meadows-Corona Park.

#### *3.1.4.6 UEFA Champions League & UEFA European Championship – Football*

Football is most likely the most popular sport in the world, played by hundreds of millions of people in all parts of the world. Even though football is gaining on popularity in Asia, its stronghold is still considered Europe. The European football governing body is called UEFA, short for Union of European Football Associations. UEFA is the chief organizer of the football events in Europe, starting from national competitions, like UEFA European Championship, to club competitions like the UEFA Champions League.

The Champions League is a club competition organized by UEFA where the best teams from all across Europe meet. It is known as the most prestigious football club competition in the world with the highest prize money for the participating teams. With a format where the tournament's games are played from September until June, cumulatively, it belongs to the group of the major sports events with the most significant fan outreach. The matches are played at the stadiums of the participating teams, with the final game awarded independently by UEFA to a qualifying venue. According to research conducted by the organizations Onefootball and GoEuro (2015), cities with participating teams experience a boost in their

hospitality sector, which is only comparable to income from the convention industry. The research was conducted by the organizations Onefootball and GoEuro (2015) to measure the impact and outcomes of having a Champions League match played in the city. The research focused on the costs of transportation, accommodation, food, and drinks consumed. They found that if the team reached the semi-finals, the last stage where the teams play at their own stadium, the cities' economies all benefited by an estimated €5,637,000 profit. This resulted from the profits garnered from matches in the group stage and the playoffs. The Champions League is an excellent example of a major sports event, which is using an already existing infrastructure, and with its popularity is generating tremendous economic gains, not just for the participating teams, but also for the local municipalities and businesses.

The UEFA European Championship is a competition organized every four years, usually in one or two neighboring countries. The country, to be eligible to host this event, must convince the UEFA inspectors that they have enough high-level stadiums for the tournament, usually ranging from eight to ten stadiums. As already mentioned, football is a very popular sport, especially in Europe, so usually, it is not a major issue to find this number of stadiums that would qualify for the event, and thus the construction of new venues is relatively minimal compared to other major sports events, such as the Olympics. Moreover, according to UEFA, the tournament has a tremendous positive impact on the economy of the organizing country. For example, the last UEFA European Championship took place in 2016 in France, and as reported in a study concluded jointly by the Limoges-based Centre for Sports Law and Economy (CDES) and the KENEO agency, the event boosted French economy by over €1.2 billion (CDES, 2016). This is because of foreign visitors to the country during the tournament who were staying over a week in France and spending on average more than €150 a day (UEFA, 2017).

However, UEFA has come with an interesting concept for the forthcoming European Championship in 2020, which could be considered as an idea for the future development of the Olympic Games as well. They announced that for the first time in history, the tournament would be hosted in multiple cities across all Europe to mark 60 years of the tournament's existence. Another, an even more important reason, is that it is a logical decision at a time of financial difficulty across Europe, as this will mitigate the economic and logistical requirements on one or two host nations, as stated by UEFA's former president Michel Platini (Riach, 2012). The critics say that it will make the traveling more difficult for the teams and fans. But, in the

world, where from one end of Europe to another it takes only a couple hours by plane, or by high-speed trains crossing the continent, this remark loses its reasonability when compared to the higher cause of using an already existing infrastructure plus venues, and therefore saving a significant amount of resources.

#### *3.1.4.7 FIFA World Cup – Football*

In this part, we will focus mostly on two FIFA World Cups –2010 in South Africa and 2014 in Brazil.

For African sport was 2010 a big year, and the main reason was football. For the first time in history, the African continent had the opportunity to host a major sports event of the largest magnitude. FIFA World Cup took place in June and July 2010 in nine cities all over South Africa. Interestingly, FIFA decided that this tournament would be awarded according to a new rotation where the tournament could be assigned solely to an African country (FIFA, 2003).

Five new stadiums were constructed and the remaining ones upgraded for the purpose of the tournament. The total cost for the stadiums was around \$1 billion, with total costs of the whole World Cup \$3 billion (FIFA, 2010). But for the most developed African nation, it was not just about the sport. For them it was about much more, as we can understand from the words of the chief executive of the South African World Cup Organizing Committee, Danny Jordaan: *“The World Cup is about nation-building, it is about infrastructure improvement, it is about country branding, it is about repositioning, it is about improving the image of our country, and it is about tourism promotion. It is also about return on investment, job creation, and legacy. These are the things that drive not only our nation but the nations of the world.”* (Allmers, 2009, 501). As Allmers further states, people tend to share this enthusiasm and hopes. They believe a major sports event can bring more jobs and economic growth to the country and region.

However, the reality might not be as bright, as Baade and Matheson (2004) found in their study that there are no positive short-term economic benefits for the host nation. They focused their research mostly on the 1994 USA FIFA World Cup, but another researcher Szymanski (2002) analyzed the twenty largest economies between 1970 and 2000 and found that their growth was significantly lower in the year when the World Cup took place in their country. For South Africa, the government spending on infrastructure and improvements of

transportation created 130,000 jobs (Marcus, 2010), whilst the Championship indirectly led to a gain of over 415,000 jobs (Oosterban, 2013). Overall, thanks to the World Cup, the GDP of South Africa increased by 0.54% in 2010 (Cottle, 2010).

As stated before, in South Africa, it was not just about economics. For the South Africans, it was also about creating something that they could be proud of, something that would lift their spirit and show to the rest of the world the transformation they achieved.

The FIFA World Cup 2014 took place in Brazil. For many Brazilians, football means almost as much as religion (Ghosh, 2014), so one would think that they would be in favor of organizing the championship. However, as the date of the first game in June 2014 was approaching, more and more people showed aversion for the major sports event. One of the reasons for this is also the fact that while in 2007, when Brazil was awarded the World Cup, the country was experiencing a great economic boom, while in 2014, their economy had still not picked up from the global financial crisis, the unemployment was rising and so was the inflation. Furthermore, the Brazilians were protesting the corruption in the federal government and complaining about the resources spent on this month-long sports extravaganza, which in their opinion should have been used otherwise. (Antunes, 2014; Watts, 2014)

As it was just mentioned, one of the major issues was the enormous public spending, which was mostly due to the construction of new stadiums. A perfect example of how absurd were some of the decisions done by the organizers and FIFA, is the stadium in the city of Manaus which cost \$300 million. This city is located in the Amazon jungle and is so remote that it is almost impossible to reach it by car. That is why officials had to have the stadium materials brought in by boat, shipped across the Atlantic from Portugal and up the Amazon River. This stadium was then used just for four World Cup games, and as there is no official team that could fill it afterward, it reasonably seems like a waste of resources (Holman, 2014). Afterwards, the stadium was used for some rare occasion, such as the women's football at the 2016 Olympics (Powell, 2016). The stadium was built to look like a big white basket, but with its usefulness, the stadium more resembles a white elephant.

#### *3.1.4.8 Summary of the Subchapter*

In this subchapter, we examined several other notable major sports events and linked them to the Olympic Games. The cities eager to organize the Tour de France, just like the cities that



want to host the Olympics, have to pay for this right. In the case of the Olympic Games, these fees in the last decade have resulted in several protests by locals, which led to withdrawals of the applications and a significant decrease in the final applicants.

The example of Super Bowl showed us that one of the most used arguments for the organization of a major sports event – the increase in tourism, does not have a reliable foundation and often can have an opposite effect.

Both the Cricket World Cup and the Commonwealth Games are examples of events that have taken place in a developing country, with one being considered a success and the other not. Whilst the Cricket World Cup has stimulated the Indian urban development, the Commonwealth Games are looked upon as a reckless show and a waste of public funds that could have been used in another way.

The Tennis Grand Slam tournament the U.S. Open is an example of an event, which brings revenue to the municipality but hurts the local communities. One of the arguments of the organizers of the Olympics is that it will bring a shared profit for everyone in the area.

With football, we mentioned several events. The UEFA's Champions League and European Championship are both examples of how minimal investments can lead to a profitable major sports event. On the other hand, the FIFA World Cups hosted by South Africa and Brazil show us that events of the biggest magnitude, often have a negative impact on the economies of the organizing countries, especially for the developing ones.

We have mentioned major sports events that have taken place in both, the developed and developing countries and could see that the success is not automatic for the events in the developed countries and failure for the developing ones. The comparisons help us later on in section 6 *The Results* with selecting the best categories for the analysis and comparison of the Olympics organized by a developed and a developing country. They also suggest several ideas for possible improvements for the process of the organization of the Olympic Games, that we offer in the section 7 *Suggestions and Solutions*.

## 3.2 The Olympic Games

### 3.2.1 The Ancient Olympic Games

If it were not for the ancient Olympic Games, there would surely not be any Olympic Games today. Although the purpose of the ancient Games was slightly different from the one we have nowadays, they laid the foundation for this spectacle.

The ancient Olympic Games started initially as a religious feast celebrating the king of the Greek Gods – Zeus. According to ancient records, the first Olympic champion became a young chef named Coroebos who won the race called *stadion*<sup>2</sup> – the only sport discipline of the Olympics. More running disciplines, such as *diaulos*<sup>3</sup> and *dolichos*<sup>4</sup> were added over time, along with discus and javelin throws. Later, additional sports disciplines were added, such as boxing, wrestling, and many more. Similar to today's Games, the ancient Olympic Games were held once every four years, and the first ones were in the year 776 BCE (Young, 2004).

However, several characteristics differed the ancient Games from the modern ones. The first is that the ancient Games were held solely in one place – Olympia, a valley not far from a nearby city Elis, in southwest Greece, roughly 250 km west of Athens. In Olympia, a sanctuary built for religious and athletic purposes was used for every single Games. The reason for organizing the Games in one place, Olympia, was not to save money, as one might think, but instead because of the sacred meaning of the hills of Olympia dating back all the way to the 10<sup>th</sup> century BCE (Penn Museum, 2018).

Another reason, why the original Olympics were held in one place was the fact that only the native Greeks could take part in them and so there was no reason to be moving them to another country. Today, the Olympic Games are open to participants from all over the World, yet in ancient Greece, only the freeborn Greek men, from a Greek city-state were allowed to take part in the festival, as long as they met the entrance criteria (Sansone, 2004).

As already mentioned, one must have been a male to be allowed to participate in the ancient Games. For women, it was forbidden to even be in the stadium as spectators, and if caught just crossing the river that borders the site, they would be thrown down from a high cliff of

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<sup>2</sup> Stadion was a race that consisted of a distance of roughly 180 meters

<sup>3</sup> Dialuos was a race that consisted of running two stadion lengths, so a little bit less than 400 meters

<sup>4</sup> Dolichos was a distance race that consisted of running 12 stadion lengths, so a roughly 4.5 km

Mount Tropaion opposite the stadium (Scanlon, 2004). Although, there was one exemption when a woman could have been a part of the Games and that was when she was the chariot owner, as anyone could have owned a chariot and thus compete in the Games (Olympic, 2018). However, along with the athletic competitions held at ancient Olympia, there was a separate festival in honor of Hera, who was the wife of Zeus. This festival, the Herean Games, was explicitly designed for unmarried girls and included only foot races. Unlike the ancient Olympic Games, where women were not allowed to view men competing, at the Herean Games, men were encouraged to watch the women take part in the competition, as it was often an occasion to find their future bride (Scanlon, 2004).

Today's Games last from the Opening to the Closing ceremony two and a half weeks. The ancient Olympics lasted five days. Besides sports events, they offered a wide range of religious practices, such as cow slaughtering in honor of Zeus. Regarding the sports included in the program, in our understanding, today we would classify them into either track and field, combat sports, such as boxing or wrestling, and horseracing. In the modern Summer Olympics, there are over 30 different sports taking part in them. (Olympic, 2018)

Other notable differences between the ancient and modern Olympic Games are that during the Greek times, all the athletes had to compete with no clothing on, and in the case of the combative sports, the athletes were even covered in oil. For a win, one received a laurel wreath from an olive tree and had a statue of him built in the Olympic area. On the other hand, for breaking rules, like an early start, there was corporal punishment. There was one main stadium for approximately 40,000 spectators, where all of the sports took place (Olympic, 2018). For today's Games, multiple stadiums are used.

Overall, the ancient Olympic Games laid down the fundamental underlying principles on which the modern Games could be built upon. The religious aspect (celebration of Zeus) of the festival was definitely important. All the events, athletic or non-athletic, took part in one place, the valley of Olympia, which had for this purpose constructed a vast sacred venue with a stadium. Today, the site of the Olympic Games is continuously changing every four years, and new constructions have to be made. Moreover, in the modern Games, we see with each Games stronger and stronger inclusion of women, even though it was not the case in several first Olympics. In ancient Greece, women could not compete, and they could not even enter the sacred grounds of the sanctuary.

The ancient Olympic Games lasted for over 12 centuries – from 776 BCE until 393 AD, when the Roman Emperor Theodosius I., who was trying to impose Christianity as the sole religion of Rome, forbade them, as a pagan cult after 293 happenings (Olympic, 2018). This began a tremendously long period without the Olympics. In 1896, a new modern chapter of the Olympic Games began.

### 3.2.2 The Modern Olympic Games

In this section, we will have a look at the Olympic Games, not only as we know them today, but also what were the origins of the modern Olympics at the end of the 19<sup>th</sup> century. Besides that, we will elucidate what the most important symbols and traditions of the Olympic Games are, what sports are part of the festival and what is the actual process of becoming the host of an Olympiad. Most of the focus will be given on the Summer Olympics, as these are the ones that are the main subject of this thesis.

#### 3.2.2.1. *The Origins*

Olympia and the Olympic Games got forgotten over the time. It was only in the 19<sup>th</sup> century when archaeologists, especially Ernst Curtius, began to redeem their ancient glory. This was all reinforced in the last decade of the nineteenth century when the French noble baron Pierre de Coubertin came up with the idea of restoring the ancient Olympics as one of the possibilities of promoting the sport and physical activity and presented this idea at the prestigious Parisian Sorbonne University in 1894. But it did not take long from the proposal to the implementation. The first Games of the new age were held in Athens in 1896 and have been held, according to the antique tradition, every four years<sup>5</sup>. Only in the years 1916, 1940 and 1944 were thwarted by the World Wars (Kršák, 1989). The advantage of the new games compared to the antique is their international character. Especially in the second half of the last century, they have grown to be the biggest celebration of world sport, with the competition of practically all countries of the world. The growth of the Games over the time can be seen from Table 1.

The Olympic Games are closely tied with a variety of traditions. The Olympiad has gradually developed a comprehensive set of symbols and customs that ensure their uniqueness. In 1913, Pierre de Coubertin introduced the central symbol of the modern Olympics. It was five

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<sup>5</sup> Later on, in 1994, the Summer and Winter Olympics started alternating in 2-year terms

interconnected circles representing each continent<sup>6</sup>. A year later, this symbol was transferred onto a white background and became the Olympic flag. As de Coubertin said in 1931 *"This design is symbolic. It represents the five continents of the world, united by Olympism, while the six colors (counting also the white background) are those that appear on all the national flags of the world at present."* (IOC, 2008) This is still true even today, and there is no flag in the world that would not contain at least one of the colors represented on the Olympic flag, and the five interconnected rings are one of the most prominent symbols on the planet.

The origin of the Olympic flame has its roots already in ancient Greece, and since 1928 it has been regularly burning at the main stadium for the duration of each Games. In 1936, for the first time, the traveling Olympic torch relay was used from the Greek Olympia to Berlin, Germany (Young, 2004). This tradition has stayed until today when months before each Olympics, the torch is lighted at the sacred mountains of Olympia, and then it begins its long journey to the organizing city when thousands of torchbearers are traveling with it by foot, car, plane, or even underwater. To ignite the Olympic fire at the Opening Ceremony is usually one of the biggest honors an athlete can receive and the very action of ignition marks the official beginning of the Games, as the extinguishing during the Closing Ceremony means the end of Games.

### *3.2.2.2 Sports and Their Economics at the Olympic Games*

In the section 3.2.1 about the Ancient Olympic Games, we have already looked at what were the sports at the original Games. Not surprisingly, the program of the Olympics today has drastically changed and keeps evolving from Games to Games. The choice of Olympic sports disciplines is not firmly fixed. Over the years, some have disappeared or modified or were replaced by others. The number of different disciplines in which the athletes compete at the Summer Olympics has also been expanded. At the Olympic Games in Athens in 1896, athletes competed in nine different kinds of sport and 43 disciplines. At the last Summer Olympics in Rio 2016, it was already in 28 sports and 306 disciplines. For more information look at Table 1.

As we have already mentioned, into the Olympic Games, have been gradually integrated several new sports, while others have been eliminated. For example, in 1908, one of the sports was water motoring, but today, any sports where the engine is used are automatically

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<sup>6</sup> Each color represents a particular part of the World – blue is Europe, black for Africa, red for the Americas, yellow for Asia and green for Australia and Oceania.

excluded from the possibility of being in the program, and that is why there are no, otherwise very popular, car racing disciplines (Gifford, 1989). Some sporting disciplines that are internationally very popular, such as cricket, golf, and rugby, had been at some point a part of the Olympic program, but have gradually disappeared<sup>7</sup>. Fortunately for rugby and golf, they have returned to the Rio Olympics in 2016. A similar case is also for softball and baseball, which will return to the 2020 Games after missing the previous two occasions.

But how does a sport become a part of the Olympic sporting family? The first step in the process is recognition of the sport and its governing body from the International Olympic Committee. Then, the IOC demands the application of its anti-doping policy. The Olympic Charter further insists that only the male sporting disciplines that are competed in at least 75 countries on four continents and the women's sports disciplines in which women compete in 40 countries on three continents can be included in the Olympics program (IOC, 2017). Even though some very popular sports, such as squash, or bowling, these conditions meet, they are still not part of the Olympics. There has been an ongoing discussion (Wenn et al., 2010) that the Olympic Games program has too many sports disciplines and they should instead be reduced, not expanded. However, the International Olympic Committee added another five new sports for the Tokyo 2020 Games – karate, surfing, sports climbing, skateboarding and the returning baseball/softball (Jones, 2016).

One might wonder why it is so controversial to have a limited number of sports at the Olympics, why not just have them all, but the reason is quite apparent. Almost every sport needs its particular venue, referees, volunteers, etc., which are all the factors that add to the bottom line and make the already expensive Olympics even more financially unbearable. From Table 2 we can see the different costs of several Summer Olympic Games, with the costs in the amounts for that particular year, but also, for a better comparison, in the prices that it would be roughly today, after taking into account inflation.

From Table 3 we can observe the correlation between the number of total disciplines at the Games and their total costs in 2018 USD. The correlation coefficient  $r$  has a value of 0.635, which is a moderate positive correlation. That means that there is some trend suggesting that with an increasing number of disciplines, the costs of the Olympics are also higher. However, here we must remind ourselves the typical statistical precept which states *correlation is not*

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<sup>7</sup> Some other examples of discontinued sports are polo, lacrosse or tug of war.

*causation*. This means that there might also be a third (or more) variable influencing the results. Thus, it would be wrong to assume that the number of disciplines is the sole cause for the increase in the price of the Olympic Games. There is a large number of various factors that contribute to the final price. In some organizing cities, almost the entire infrastructure, as well as the venues for sports, had to be built. In others, there were new airports or metro systems constructed. Furthermore, security is becoming more and more prevalent part of the budget.

However, we can definitely assume that the number of total sports and disciplines is undoubtedly a factor that has an effect on the final price of the Games and thus, if the International Olympic Committee would like to cut down the potential cost of future Olympics, lowering the number of participating sports would be a reasonable step. For even better understanding of what is the relation between the total number of disciplines and the total costs of the Games, please have a look at Table 4, which puts into a different perspective the correlation coefficient. We can see that even though there is an increase in both, the costs and the number of disciplines, the relation is definitely not automatic.

<b>Year</b>	<b>Host City</b>	<b>N° of Participants</b>	<b>N° of Countries</b>	<b>N° of disciplines</b>
1896	Athens, Greece	241	14	43
1900	Paris, France	1225	24	95
1904	St. Louis, USA	689	13	91
1908	London, UK	2035	22	110
1912	Stockholm, Sweden	2547	28	102
1916	<i>Berlin, Germany</i>	<i>Canceled due to World War I</i>		
1920	Antwerps, Belgium	2669	29	154
1924	Paris, France	3092	44	126
1928	Amsterdam, the Netherlands	2014	46	109
1932	Los Angeles, USA	1408	37	117
1936	Berlin, Germany	4066	49	129
1940	<i>Tokyo, Japan</i>	<i>Canceled due to World War II</i>		
1944	<i>London, UK</i>	<i>Canceled due to World War II</i>		
1948	London, UK	4099	59	136
1952	Helsinki, Finland	4925	69	149
1956	Melbourne, Australia	3184	67	145
1960	Rome, Italy	5348	83	150
1964	Tokyo, Japan	5140	93	163
1968	Mexico City, Mexico	5530	112	172
1972	Munich, West Germany	7123	121	195
1976	Montreal, Canada	6028	92	198
1980	Moscow, Soviet Union	5217	80	203
1984	Los Angeles, USA	6797	140	221
1988	Soul, South Korea	8465	159	237
1992	Barcelona, Spain	9367	169	257
1996	Atlanta, USA	10318	197	271
2000	Sydney, Australia	10651	199	300
2004	Athens, Greece	10625	201	301
2008	Beijing, China	10942	204	302
2012	London, UK	10768	204	302
2016	Rio de Janeiro, Brazil	11238	207	306

**Tab. 1 Summer Olympics summary** (Gifford, 2008; Olympic, 2018)

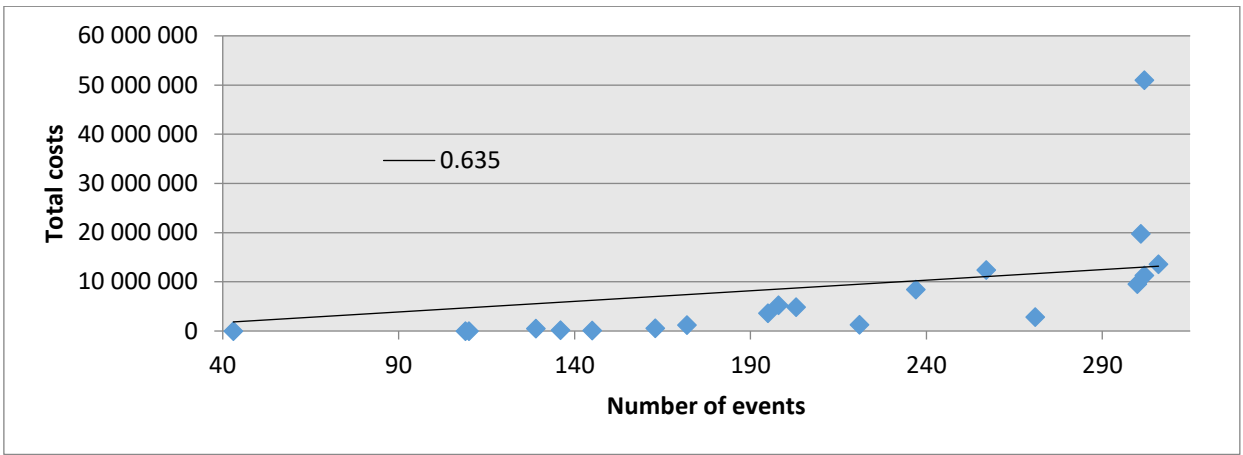


Year	Host City	Costs in Thousands of US\$	Costs in Thousands of 2018 US\$	N° of disciplines
1896	Athens, Greece	448	13 500	43
1908	London, UK	394	10 800	110
1928	Amsterdam, the Netherlands	1 183	17 264	109
1936	Berlin, Germany	30 000	538 000	129
1948	London, UK	21 200	219 938	136
1956	Melbourne, Australia	13 000	120 000	145
1964	Tokyo, Japan	72 000	579 000	163
1968	Mexico City, Mexico	175 000	1 255 000	172
1972	Munich, West Germany	611 000	3 647 000	195
1976	Montreal, Canada	1 200 000	5 263 000	198
1980	Moscow, Soviet Union	1 350 000	4 890 000	203
1984	Los Angeles, USA	546 000	1 311 000	221
1988	Soul, South Korea	4 000 000	8 438 000	237
1992	Barcelona, Spain	7 000 000	12 451 000	257
1996	Atlanta, USA	1 800 000	2 860 000	271
2000	Sydney, Australia	6 600 000	9 564 000	300
2004	Athens, Greece	15 000 000	19 816 000	301
2008	Beijing, China	44 000 000	51 000 000	302
2012	London, UK	10 400 000	11 300 000	302
2016	Rio de Janeiro, Brazil	13 100 000	13 620 000	306

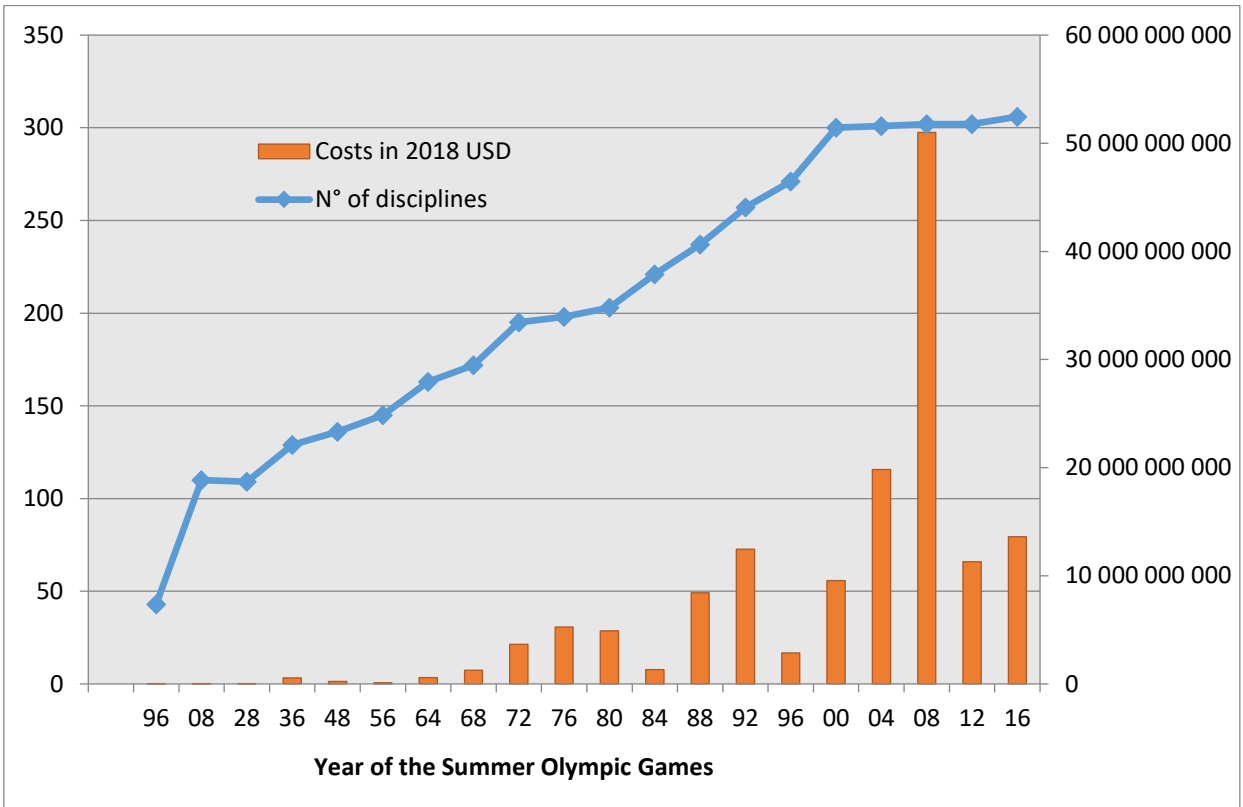
**Tab. 2 Cost of various Summer Olympic Games<sup>8 9</sup> (Zarnowski, 1991; Baade, 2016)**

<sup>8</sup> For the missing Summer Olympic Games were either no data available or the amounts were in different currencies where the conversion rate was not available

<sup>9</sup> The costs in 2018 USD were calculated from the original cost after accounting for the inflation since the year of the Olympic Games. The tool used for this calculation is <http://www.usinflationcalculator.com/>



**Tab. 3 The correlation between the number of events and total costs in thousands of 2018 USD with the trendline** (Made by the author, in Microsoft Excel)



**Tab. 4 Comparison of the total number of disciplines vs. the costs of the Summer Olympic Games** (Made by the author, in Microsoft Excel)

### 3.2.2.3 Becoming the Host of the Olympic Games

Being the host of the world's largest international sporting competition is not easy at all. It requires a tremendous amount of planning, investment, and commitment. But it can provide prestige and publicity and give a chance to restore the city or region. That is why the combat to win the role of the Olympic Games organizer is excruciating. The history of any host city

begins at least eight years in advance of the Games when several cities are opting for the right to organize this world sports competition.

Any city or region may bid for the Olympics, but each country can offer only one candidate for the particular Games. The candidate city has to obtain official state approval because the organization of the Olympics requires substantial investments and commitments to be met by the whole country, with large sums of financing coming from the state budget and thus taxpayers' money. Especially in the United States it is common, that several cities would like to be the official bidding city for the Olympics and therefore must first win the support of their national Olympic committee USOC<sup>10</sup> (Game Bids, 2018).

Before the delegate cast their final votes, each organizational committee of the candidate city with all of the relevant authorities and stakeholders prepares a detailed presentation of its candidature based on a detailed *Candidature File*. Besides the introduction of the main ideas, the delegates are ensured that the Games leave a positive, long-term and sustainable legacy. In the past, it was not uncommon to hold various meetings "behind the curtains" where the rival cities tried to influence the IOC's decision in their favor. This had occasionally led to accusations of corruption when it was found that a small number of its members unlawfully took bribes, and therefore the IOC tightened its rules at the end of the 1990s (Gifford, 2008). The International Olympic Committee has been continuing on this effort and came up with the Olympic Agenda 2020, which tries to make the selection process much more transparent.

The process of deciding the host of the Olympic Games is described in detail in the Olympic Charter (2017) and is composed out of two phases – the Invitation Phase and the Candidature Process, which is further divided into three stages. We will now have a closer look at this process.

The *Invitation Phase* is basically just an informal part of the whole process, where the cities interesting in bidding for the Games can discuss with the IOC their potential candidature, visit their workshops and talk about the strategy and legacy they would like to have with their bid. When this period is over, and the city is still interested in hosting the Olympics, it becomes an official Candidate City. (IOC, 2018)

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<sup>10</sup> For example, Los Angeles was trying to be the official US candidate city 11, Detroit 7 and Chicago with Philadelphia 4 times. Combined total, there were 56 (37 summer and 19 winter) Olympic bids for the USOC

Then follows the Candidature Process. This process lasts roughly two years and is finishing with the final vote that decides what city is going to be the host. During this time, there is a dialogue between the candidate and the IOC and this whole phase is divided into three stages.

The first stage focuses on *vision, Games concept, and strategy*. Here the candidate cities try to come up with the legacy plan for the Games, with a strong emphasis on sustainability. The stage is concluded by sending the official Candidature File Part 1. (IOC, 2018)

In the second stage, the emphasis is placed on *governance and legal and venue funding*. The IOC-appointed Evaluation Commission will focus on proposed governance structures, legal elements and political, private and public support for the planned Games, evaluates it and then determines the challenges and opportunities for the particular project. This stage is finished with sending the Candidature File Part 2. (IOC, 2018)

The third and final stage of the Candidature Process is focusing on Games delivery, experience, and venue legacy. The Candidate City needs to show how they want to ensure a sustainable legacy lasting long after the Games. The IOC will also review legacy planning and the Games experience for all stakeholders. And with submitting the Candidature File Part 3, the full project dossier will be completed. (IOC, 2018)

Finally, during the Host City Election, the Candidate Cities will make a final presentation, often accompanied by the governing officials and famous athletes from the given country, to the IOC Session and the IOC members vote by secret ballot and elect the host city. The city must receive at least a simple majority of the votes. If that does not happen, the Candidate City with the least number of votes falls out of the race and the voting procedure starts again with the remaining candidates, if necessary, until there are only two Candidate Cities remaining, with the one getting more votes becoming the new host. The newly elected host city then signs the Host City Contract with the IOC. (IOC, 2018)

### 3.3 Developing Countries and BRICS

In this section, we will look at the countries that are the most interesting from the view of a student of the Department of Development and Environmental Studies – developing countries. A particular emphasis will be given to the group of countries called BRICS, as one of the two Olympic Games analyzed in the thesis were hosted by a member of this group, and also, some other major sports events took part in these countries.

#### 3.3.1 Developing Countries and LDCs

The developing countries are nations with a less advanced economy, underdeveloped industrial and service sectors and low Purchasing Power Parity and Human Development Index. Developing countries are located on most continents. These countries are found in Asia, Latin America, Oceania, pretty much all of sub-Saharan Africa and some states of Eastern and Southeastern Europe. In developing countries, the agricultural sector prevails, and there is a low level of industrialization. These countries are dependent on financial and material assistance from advanced states or organizations and are not very commercially competitive. Most developing countries have been under the rule of colonial powers in the past. The most significant problems of these countries are poverty, famine, illiteracy, epidemics and unresolved conflicts or civil wars (Dušková et al., 2011).

The denomination of a developing country was first used after 1964 at the United Nations Conference on Trade and Development. Before then the term *underdeveloped countries* was used to describe developing countries. However, this term was not very popular with the concerned countries. In the literature, we can see several other labels describing the same group of countries. The term Third World is often used. This concept came into being during the Cold War, when the world was politically divided into the Western capitalist states and the Eastern Socialist block. All the countries that belonged to neither of these blocks were considered the *Third World*. Even though developing countries formed most of these states, also other neutral countries, such as Sweden or Switzerland were a part of it (Nováček, 2014). This means that using the term a Third World country with regard to talking about a developing country is misleading. Another name used for developing countries, or groups they

are forming, might be the *Group 77/G77<sup>11</sup>*, the *Countries of Global South*, or the *Non-Aligned Movement*.

But even in the group of developing countries, there are large disproportionalities. Some countries are worse off than others, and some are doing better. Therefore, we further categorize these countries. To find the ones that are in the worst condition, emphasizing their need for rapid development and give them more attention, the United Nations created a special group of countries – the Least Developed Countries. The establishment of a category of least developed countries (LDCs) was first advocated in the 1960s to attract special support measures for the most disadvantaged economies. The UN's Committee for Development Planning proposed an initial list of 25 LDCs based on a simple set of criteria (per capita gross domestic product, a share of manufacturing in GDP and adult literacy) (United Nations, 2008). Countries classified as the LDCs may, for example, qualify for various development projects helping them to get on the track to achieve higher economic growth. Next, the trade benefits like low or no import tariffs are a great way for LDCs to accelerate their development. The Least Developed Countries are also the biggest receiver of the Official development assistance.

Today, the General Assembly (GA) and the Economic and Social Council (ECOSOC) mandate the Committee for Development Policy (CDP) to review the list of LDCs every three years and to make recommendations on the inclusion and graduation of eligible countries. The countries may graduate from the list of LDCs if they fulfill the requirements regarding their income, human assets, and economic vulnerability. (United Nations, 2018)

The income is measured with the help of GNI per capita, which provides information on the income status and the overall level of resources available to a country. Regarding the Human Assets, an Index is made – the Human Assets Index (HAI), which is a measure of the level of human capital, where low levels of human assets indicate major structural impediments to sustainable development and so lower HAI represents a lower development of human capital. Also, the economic vulnerability is measured with an index – the Economic Vulnerability Index (EVI), which is a measure of structural vulnerability to economic and environmental shocks, where a high vulnerability indicates significant structural difficulties to sustainable

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<sup>11</sup> The G77 is a coalition of developing countries at the United Nations, pursuing common goals and cooperation.

development, and thus a higher EVI represents a higher economic vulnerability. (United Nations, 2018)

Today's thresholds for the inclusion to the LDC group are:

- Income
  - The inclusion threshold is set at the three-year average of the level of GNI per capita, which the World Bank defines for identifying low-income countries. At the 2018 review, it was \$1 025.
  - The graduation threshold is set at 20 percent above the inclusion threshold. At the 2018 review, it was \$1 230.
  - The income-only graduation threshold is twice the graduation threshold. At the 2018 review, it was \$2 460.
  
- Human Assets Index (HAI)
  - The absolute thresholds for the HAI are used to determine inclusion eligibility.
  - The inclusion threshold has been set at 60.
  
- Economic Vulnerability Index (EVI)
  - The absolute thresholds for the EVI are used to determine inclusion eligibility.
  - The inclusion threshold has been set at 36 (United Nations, 2018)

### 3.3.2 BRICS

As we have mentioned earlier, there are differences between developing countries and amongst the ones that are the most developed are the members of the so-called BRICS group. The BRIC(S) acronym was first spotted in 2001 when Jim O'Neill (2001) of Goldman Sachs Investment Bank used it as a label for a group of four major developing economies - Brazil, Russia, India, and China - which he believed would play an increasingly important role in the global economy. It is clear today that his predictions have been met, and these countries have grown significantly faster than the rest of the world in the past, and thus significantly

increasing their share of the world market. Ten years after the first mention of BRIC, in 2011, another country was added – South Africa, completing the acronym to BRICS, as we know it today.

But what O’Neill did not expect, was the fact that the countries of BRIC(S) were going to start to institutionalize. Since 2006 when the Foreign Ministers of BRIC countries met for the first time during the 62<sup>nd</sup> session of the UN General Assembly, these countries have begun to meet at the highest levels and, from 2009, they are holding regular summits and coordinate their positions. From this seemingly disparate group of countries, which share a considerable geographical and cultural distance, have been established closer clusters in many areas.

But when we return to O’Neill (2001) and his report, he points out that the GDP growth of these major developing countries - Brazil, Russia, India, China - will outpace the growth of the largest developed economies associated with the G7<sup>12</sup>. He mentions that at the end of 2000, the BRIC countries' share of world GDP was 8%, but regarding purchasing power parity it was already 23.3% of world GDP, and that over the next ten years, their share in the world economy was going to grow significantly. In 2003, this report was followed by a further forecast by Goldman Sachs *Dreaming with BRICs: The Path to 2050* (Wilson, 2003), which predicted growth in the BRIC countries to reach half of G6<sup>13</sup> GDP by 2025 and even surpasses in next 40 years.

As we can see, the countries of the BRICS group are on their way of becoming important economic powers. Besides that, in the last decade, there has been an extensive boost in organizing various major sports events on their soil. Here is the list of them:

- 2008 Summer Olympic Games in Beijing, China
- 2010 FIFA World Cup in South Africa
- 2010 Commonwealth Games in Delhi, India
- 2011 Cricket World cup in India (co-hosted with Pakistan and Bangladesh)

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<sup>12</sup> G7 is a group of the seven largest advanced economies of the world, and consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

<sup>13</sup> In the article, Wilson creates the G6 as a group of countries, whose GDP is above 1 trillion USD (all countries of G7 except Canada)



- 2014 Winter Olympic Games in Sochi, Russia
- 2014 FIFA World cup in Brazil
- 2016 Summer Olympic Games in Rio, Brazil
- 2018 FIFA World Cup in Russia

As we can see, all of the countries of the BRICS group have organized at least one major sports event since 2008. This phenomenon reflects a trend to adopt global sports events as a diplomatic tool to enhance prestige and become more socially accepted in the established world order. Russia and China today, like the other countries of the BRICS, are outsiders to the Western-dominated established social order and aspire to be socially accepted as prestigious great powers. In fact, major sports events in the BRICS today reflect a different trend – outsider regimes that use global sports events as a diplomatic tool at a time when they aspire to be accepted in the world community. Through these events, these countries are also trying to showcase their development and increase their overall status. The major sports events in BRICS represent more than just spectacular sporting festivals. They give a boost to the prestige of aspiring emerging great powers of this era in a world order that is unfolding before our eyes. (Foulon, 2014)

## 4) Methodology

In this chapter, we find what methods have been used to answer the principal and subsidiary questions, but also other methods used throughout the thesis. The base for this section has been set on the theoretical background in chapter 2 *Aims and Objectives of the Thesis*.

This thesis is dealing with the impact of major sports events on local populations. The thesis is also looking at it from the development context and thus will be giving special attention to the major sports events and their impacts in the developing countries. The thesis is divided into two parts – theoretical and practical. The thesis begins with the theoretical part, where we try to lay down the basic information about the topic. Through analysis and critical assessments, we can learn from their approaches and then implement them at the end of the thesis where we try to suggest improvements for the future organizing of the Olympic Games. Furthermore, in the theoretical part, we have a closer look at some notable major sports events, which have happened in the developing world, and we finish the theoretical part with the section where the two Olympic Games on which we are focusing are described.

The main core of the analytical part is based on comparing two different Summer Olympic Games, one in a developed world – London 2012, and one in a developing world – Rio 2016. The other reason why these two particular Olympic Games were chosen is that they happened right after each other, and thus are the most relevant to compare. Also, they are both Summer Olympics and the two most recent Olympics. As the main background literature were chosen the Candidature Files, each of the candidate cities must write when they are applying to host the Olympics. According to those files, which include everything from the vision, Games concept, strategy, venues to be built, to the average temperature or the public opinion on organizing, the IOC Evaluation Commission then chooses the final organizer of the Olympic Games. As these files offer substantial information about the approach each organizing city has adopted, they make it an excellent base for this thesis and the research questions asked in it. Another source of data for the thesis were the specialized reports of the IOC which were evaluating the Games. In these reports we can find fair comparisons between those two events, from the same evaluator – the IOC. Besides that, we used various scholar articles and books, mostly by Zimbalist, to have more data for the comparisons.

Towards the end of the thesis, there is a chapter, which is focusing on suggestions for the future Olympic Games with examples of solutions for particular problems mentioned

throughout the thesis in the process of the organization of the major sports events. Also, in the thesis, there are mentioned several case studies, which are shining more light on various issues regarding the major sports events and give the reader a better and broader understanding of the whole topic.

As in the thesis are used both – qualitative and quantitative research, that means that we are doing the so-called mixed methods research. This kind of methodology is used when the researcher is trying to obtain a more comprehensive understanding of the topic, as he or she would get by using just one kind of approach. Using the mixed methods research, we can look at the research questions from different angles and better clarify the potential findings. (Schoonenboom and Johnson, 2017)

In the process of preparing for writing this thesis, the author began with searching what scientific literature is already out there about this and similar topics. The author used appropriate keywords, such as *major sports events, sport and development, Olympic Games, Olympics, IOC, impact, developing country, Brazil, United Kingdom, London Olympic Games, Rio Olympic Games*, while looking through the online databases, libraries while also cooperating with his supervisor from whom he received additional information and literature.

Thematic analysis is one of the most fundamental approaches in qualitative data analysis. It is a generic approach to data analysis that enables data sources to be analyzed regarding the principal concepts or themes. These themes are then further developed by the author to allow the data to be reduced to key ideas. Overall, this method is bringing order, structure, and interpretation of the mass of collected data. It is the search for general statements about relationships among categories of data to identify content (Marshall and Rossman, 2016).

In our case, the thematic analysis is used especially throughout the analysis of the Candidature Files for the London 2012 and Rio 2016 Summer Olympic Games, where we used this method to get the categories, or themes, to be analyzed and compared between the two Olympics in the thesis. An important step using the thematic analysis is the familiarization with the data. If we were to skip this part, it could lead to endangering the validity of the analysis. In our case, that means that the author had to read the Candidature Files a number of times and familiarize himself with the notes that have emerged in the process. These notes are in the

literature being referred to as memos. The author used them to mark down summaries of his findings and comments about some specific parts of the Candidature Files.

Furthermore, during the reading process, some broader understanding of the data began to emerge. Besides the thematic analysis, in the analysis of the Candidature Files, we are also using discourse analysis. We use this method to analyze the meaning or semantics "beyond the boundaries of a sentence." Besides studying the structure of the Candidature Files, our goal is also to comprehend the social reality for the researched subjects, and thus even the understanding can be subjective, as we might not, and most likely do not possess the entirely same cultural or historical background as the authors of the Candidature Files. (LSA, 2012). We use discourse analysis throughout chapter 6, especially in subchapter *6.1 Why Organize the Olympics?* where we are trying to understand the motives of the organizers to host the Olympic Games.

In chapter 6 *The Results*, we focus on the analysis and comparison of the two Summer Olympic Games: London 2012 and Rio 2016. The centroid sources for this research are the Candidate Files written by those two cities, with which they were bidding for the Olympics, but other documents, such as the Official IOC Reports, articles and books were also used. The topics chosen for the analysis are: *6.1 Why Organize the Olympics?*; *6.2 Financing*; *6.3 Infrastructure and Transportation*; *6.4 Employment*, *6.5 Venues, and Their Legacy*. These topics were chosen while studying the Candidate Files of both cities as they offered valuable comparisons between them. The author has made memos throughout the research, which helped him to determine the best themes for the thematic analysis.

In the next part of the analysis, we use quantitative approach, such as data analysis. Data analysis is the process of systematically applying statistical techniques to describe and illustrate, condense and recap, and evaluate data (ORI, 2005). Various analytic procedures provide a way of drawing assumptions from data and distinguishing the phenomenon of interest from the statistical fluctuations present in the data.

In our case, this part of data analysis is based on the collected statistical data provided by the official statistical bureaus of the United Kingdom (Office for National Statistics) and Brazil (Instituto Brasileiro de Geografia e Estatística – The Brazilian Institute of Geography and Statistics), and also on the data from worldwide organizations such as the International

Olympic Committee, the United Nations and the World Bank. With the data from these institutions, we were able to complete comparative analysis and descriptive statistics.

Descriptive statistics is a method, which is describing the main features of the data collection and measurement results. Descriptive statistics try to capture relevant information about given data and provide summaries about the sample and the measures (Trochim, 2016). We are using descriptive statistics in the sections 3.2.2, 6.2 and 6.4.

The thesis also contains a number of tables, figures, and graphs for visualization of data and a better understanding for the reader. These units were made in the program Microsoft Excel unless stated otherwise. Regarding the statistical operations, the most used approach was a correlation, more precisely Pearson correlation coefficient.

## 5) London 2012 and Rio 2016 Summer Olympic Games

In this thesis, most attention is given to two major sports events and their analysis and mutual comparison. These two events are the Summer Olympic Games in London 2012 and Rio de Janeiro 2016. In this chapter, we look at the general information about both of these Games. Then in the next chapter *6 The Results*, we analyze their differences and similarities, specifically through looking at their respective Candidature Files.

### 5.1 London 2012 Summer Olympic Games

These were not the first Olympics for the capital of the United Kingdom. They hosted the biggest sport festival already two times before 2012. Until this day, London is the first and only city in the world that has hosted the Olympics three times, however, Paris and Los Angeles will catch up in 2024 and 2028 respectively.

The first Olympics in London took place in 1908, and the second, forty years after. Interestingly, the first Games in London were not even supposed to take place there. Rome, the proposed host for these Games, was forced to withdraw when Mount Vesuvius erupted. The two previous Olympics were in Paris 1900 and St. Louis 1904, and both were swallowed up by the World's Fair, which was happening at the same time in the same city. This put in risk the entire idea of the Olympic movement, and another unsuccessful Olympiad would most likely put an end to the whole concept. That is when London stepped in. A 68,000-seat stadium was built in ten months, and three times as many competitors as at the previous Olympics in St. Louis took part. That brought the Olympic Games back on track (Aldred, 2012).

The second time for London, and 11<sup>th</sup> in total, the Olympics came to the city quickly after World War II in 1948. Teams had to bring their own food, athletes were housed in barracks and schools, they ran on grass that turned into mud and went home in buses. The total cost was less than half of the previous Games, as we can see in Table 2. For all these reasons, these Games got the nickname "Austerity Games." After all, the 11<sup>th</sup> Olympics were ultimately very popular and understood as a form of relief from all the other issues resulting from the reconstruction after the war. The defeated powers – Germany and Japan, did not participate, as well as the Soviet Union. The site of the Opening and Closing Ceremony was at the Wembley

Stadium, which standstill today. Also, these were the first televised Games in history. (Aldred, 2012)

London has had definitely an experience with hosting of the Summer Olympics. The Games of the XXX Olympiad, also known as 2012 London Olympics were its third edition. They took place from Friday 27 July to Sunday 12 August and 204 countries were represented, with 10 768 athletes, who participated in 302 events in 36 sports (IOC, 2013). London was awarded the Games on June 6, 2005, at the 117<sup>th</sup> IOC Session in Singapore. The bidding process started already in 2003 when total nine cities submitted their applications<sup>14</sup>. After the initial evaluation, the IOC reduced the number to the following five: London, Madrid, Moscow, New York City and Paris. London was awarded the Games after four rounds of voting procedure, in the final close battle between with Paris, getting 54 over 50 votes, as we can see in Table 5. (Game Bids, 2018)

Candidate City	Round 1	Round 2	Round 3	Round 4
<b>London</b>	22	27	39	54
<b>Madrid</b>	20	32	31	-
<b>Moscow</b>	15	-	-	-
<b>New York City</b>	19	17	-	-
<b>Paris</b>	21	25	33	50

**Tab. 5 Results of the voting procedure for the 2012 host city selection** (Game Bids, 2018)

The Olympics took place all over London, with the central Olympic Park – the Queen Elizabeth Olympic Park, being set in East London – Stratford. There was also the main Olympic Stadium, which was built for the Games and hosted the Opening and Closing ceremonies, and the track

<sup>14</sup> The bidding cities were the following: Havana, Cuba; Istanbul, Turkey; Leipzig, Germany; London, UK; Madrid, Spain; Moscow, Russia; New York City, USA; Paris, France; Rio de Janeiro, Brazil.

and field events. After the Olympics, the stadium was rebuilt and nowadays is being used by the West Ham United football team.

At the heart of the London Olympics were always kept two aspects – sustainability and legacy. Through legacy, it was aimed to significantly improve the availability of sports facilities in London and all over the United Kingdom. Also, the venues were built with a great emphasis on sustainability and their further utilization. Many of them won various architectural awards for sustainability and were completed with an unprecedented health and safety record (IOC, 2013).

The Games of the XXX Olympiad featured even bigger gender equality than previous games, adding to the program several female disciplines, for example in track cycling or women's boxing. These were also the first Games where each country had at least one female athlete competing, which was primarily a significant achievement for Arab countries, with Bahrain sending even twice as many women than men (Hargreaves, 2013). The most memorable athletes were sprinter Usain Bolt from Jamaica and swimmer Michael Phelps from the USA, whose country also won the total medal table, and overall, 85 countries won at least one Olympic medal (ESPN, 2012).

## 5.2 Rio 2016 Summer Olympic Games

Unlike London, Rio de Janeiro had no previous experience with organizing the Olympic Games. It would not be the first time just for Rio and Brazil, but for the entire continent of South America, as well as for any Portuguese-speaking city. Although, we cannot say that Brazil would be completely inexperienced, as they hosted the FIFA World Cup two years prior to the Olympics and the FIFA Confederation Cup in 2013. When Rio placed the bid to be the South American sporting pioneer city, it was during a three decades long-lasting economic boom and the Olympics were supposed to serve as a catalyst to get Rio into the group of “crème de la crème”<sup>15</sup> cities of the modern world. However, the reality was not so bright, especially after the financial crisis that came at the end of the first decade of the 21<sup>st</sup> century.

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<sup>15</sup> Crème de la crème means the very best of a kind



This was already Rio’s fourth bid for the Olympics<sup>16</sup> (Games Bids, 2018). The application process started in 2007, and the final decision was given on the 121<sup>st</sup> IOC Session in Copenhagen on October 2, 2009. The other Candidate Cities were Chicago, Madrid, and Tokyo<sup>17</sup>. The Games were held from 5 to 21 August 2016, during Brazil’s winter season, and the biggest rival was Madrid, even though Rio had almost won already in the penultimate round, being only two votes shy of getting the necessary simple majority (for more details see Table 6).

The Olympics were beside Rio hosted in five other Brazilian cities: São Paulo, Belo Horizonte, Salvador, Brasília, and Manaus, as they hosted the Olympic football tournament. Otherwise, all of the venues were located in one of four Rio’s quarters: Barra, Copacabana, Deodoro, and Maracanã, with Barra accommodating the most sports. The Olympic events took place at eighteen already existing buildings. In addition, nine new venues were constructed specifically for the Games, along with seven other temporary venues (BOC, 2009).

Candidate City	Round 1	Round 2	Round 3
Chicago	18	-	-
Madrid	28	29	32
Rio de Janeiro	26	46	66
Tokyo	22	20	-

**Tab. 6 Results of the voting procedure for the 2016 host city selection** (Game Bids, 2018)

The Opening and Closing ceremonies took place at the famous Estádio do Maracanã, but for the first time since the 1900 Paris Games, the track and field events were hosted at another stadium (Estádio Olímpico João Havelange). As for the previous Olympics in London, also for the Rio Games, the biggest emphasis was put on sustainability. Creating a positive environmental legacy was a significant element for Rio's bid, and has been as well engraved into its history, as it hosted the 1992 UN Earth Summit or the Rio+20 conference in 2012. But what was really the reality we will discover in chapter 6 *The Results*.

<sup>16</sup> Rio was bidding for 1936, 2004, 2012 and 2016 Summer Olympics. Brasilia, the capital of Brazil, placed a bid for the 2000 Games.

<sup>17</sup> Other unsuccessful candidates that did not make the cut were: Baku, Azerbaijan; Doha, Qatar; Prague, Czech Republic.

The Games of the XXXI Olympiad brought back two sports that fell out of the official Olympic program – rugby and golf. 11 238 athletes from 207 participating countries competed in 306 events in 28 sports (IOC, 2016). The United States dominated the medal tally, 86 countries won at least one medal, and the most memorable athletes, thanks to achieving the most respected records, winning the most medals and gaining the most publicity, were sprinter Usain Bolt from Jamaica, swimmers Katie Ledecky and Michael Phelps from the United States and cyclist Jason Kenny from the UK (IOC, 2016). The Games were specific for having a special Refugee Olympic Team, consisting out of 10 athletes who were unable to represent their home countries for various reasons (IOC, 2016)<sup>18</sup> and for the doping scandal regarding the Russian track and field athletes, which made the IAAF - International Association of Athletics Federations forbid them to participate at the Rio Olympics.

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<sup>18</sup> The athletes were originally from the following countries: Democratic Republic of Congo, Ethiopia, South Sudan, and Syria.

## 6) The Results

This chapter is devoted to the analysis and comparison of the two Summer Olympic Games we are focusing on: London 2012 and Rio 2016. The centroid sources for this research are the Candidate Files written by those two cities. The topics chosen for the analysis are: *6.1 Why Organize the Olympics?; 6.2 Financing; 6.3 Infrastructure and Transportation; 6.4 Employment, 6.5 Venues, and Their Legacy*. We try to see if the approaches towards the organization of the Games were similar or different between these two cities and if their promises and plans were fulfilled or the reality was distinct. For each discussed issue, we first summarize the situation for London and then for Rio. Then we look at the analysis of the real state, evaluate it and sum it up afterward.

### 6.1 Why Organize the Olympics?

We begin with probably the most fundamental question, which is why organize the Olympics? What were the reasons and motivation for each city to host this sporting festival? Often the cities want to display their local culture, as it was the case for Salt Lake City in 2002 and their Mormon community. Or they want to showcase their power, as it was in Beijing 2008, the Games that proved that China is undoubtedly becoming one of the world's powerhouses. However, what were the rationales for London and Rio? This will help us to answer the research question 2.4 – *What was the difference in approaching the preparation of the organization of the Olympic Games between London 2012 and Rio 2016 Olympics?*

#### *London 2012*

The capital of the United Kingdom does not have any reasons to be proving to other countries its economic and political strength, and showing off their culture. After all, they did that for centuries, and it did not really make them liked in the world. But the times have changed, and London with them. Today London is one of the most multicultural cities in the world and the reasoning of its officials to organize the Olympic Games copies the trend in the countries of the Global North. The Olympics are a great way for area development and reconstruction of the parts of the cities that were forgotten (Levermore and Beacom, 2009).

For London, this area is called Stratford, and it is located in East London. After becoming an industrial suburb in the early 19<sup>th</sup> century, Stratford experienced a massive decline and

recession in the second half of the 20<sup>th</sup> century. Several attempts of restarting the development in this part were unsuccessful, but the luck started turning around with London's bid for the 2012 Olympics. The London Organizing Committee of the Olympic and Paralympic Games (LOCOG) planned using the Games for specific urban redevelopment, making Stratford, an area full of brownfields, a new modern suburb (LOCOG, 2005). Besides that, the Games wanted to create a lasting change, and that is why the official motto was *Inspire a Generation*.

### *Rio 2016*

For someone, Rio's motivation might seem similar to London's – to take the Olympics as an opportunity to modernize several parts of the city. However, that was not really the case. As it is a custom in the countries of the *Global South*, their government takes a major sports event as an opportunity to project and showcase achieved level of modernity (Levermore and Beacom, 2009).

Brazil and other developing or emerging countries that have hosted events of this rank try to use it as a chance to display their progressiveness and economic strength. When the bid was sent, Brazil was a country with some of the highest GDP growths in the world and the World Bank was expecting that by the time the Olympics would be happening in 2016, it would be in the top five of the strongest economies of the world. Brazil was planning to use the Games as a tool how to catapult Rio de Janeiro into the group of the most developed and exclusive cities of our planet (Leuthold, 2011). Other arguments why Rio and Brazil wanted to host the Games were that South America never hosted them, and they were also considering it to be a self-affirmation of the Brazilian people (BOC, 2009).

### *Reality London 2012*

According to the Final Report of the IOC Coordination Commission, the London 2012 Olympic Games were undoubtedly a resounding success, going far beyond the 17-day festival of world-class sport and celebrations to inspire lasting change, transform an entire area of East London and engage billions of people around the world in the Olympic ideals. Also, Stratford, the part of London that was the most impacted by the Games, is now East London's primary retail, cultural and leisure center, as well as a significant business location in London (IOC, 2013).

From the transformation of East London and the construction of new sporting facilities, to the creation of programs to encourage youth sports participation, the legacy-focused approach of

the LOCOG ensured that the Games provide lasting benefits for the local community, the host city and the rest of the United Kingdom and thus succeeding in their goal to *Inspire a Generation*.

### *Reality Rio 2016*

The bid for the Olympics was placed in 2009, thus before the financial crisis had reached Brazil. However, the recession did not go around Brazil but hit it hard and in 2016 was still omnipresent. The Brazilian economy was in deep recession with GDP falling at roughly 4% annually for two consecutive years, and inflation was near 10%. Social services were being cut back, and there was a broad sense of government dysfunctionality (Zimbalist, 2017).

As the Games were approaching, we started to hear from all sides, about the issues the organizers are facing, whether it was corruption, lack of finances, or public protests (Silva, 2013 and Phillips, 2016). The Olympics definitely did not put Rio on the pedestal where they thought it was headed. Better said, successful Olympics in Brazil were only an illusion. Although the Games fulfilled some of their goals – they were the first in South America, and they will forever be remembered for this achievement. And also, throughout their entire duration, the fabulous Brazilian culture was felt from every corner, on every screen, and therefore confirming the planned Brazilian self-affirmation.

### *Summary*

The reasons why each of the cities organized the Olympics were fairly different. London wanted to rebuild a part of the city, Rio to showcase its modernity. Both cities attracted some international capital into the host country, but as the Games ended, we can definitely see that London was in its pursuit and fulfillment of its goals more successful than Rio. Stratford, the place where the London's Games took part, is now an attractive and vibrant quarter of the city, whilst Rio's efforts to be seen as one of the new major capitals of the world have been overshadowed by the economic issues and negative view of the public.

## 6.2 Financing

In this sub-section we look at what were the sources of financing for each Games, how did they manage them and what was the final budget. This will help us to answer the research question 1.1.4 *What is the impact of major sports events on the national GDP?*

### *London 2012*

The London's Olympics were financed by the UK government, city of London, London Development Agency (LDA) and the IOC. This support included a funding package for specific Olympic costs from the UK Government and the Mayor of London totaling \$3.8 billion. The legislation was passed by the Parliament that would enable up to \$2.4 billion of National Lottery revenue to be used towards the preparation and delivery of the Games. The Mayor of London had guaranteed that he would provide his full support and up to \$1 billion towards the preparation, while the London Development Agency<sup>19</sup> guaranteed that it would provide up to \$400 million towards the preparation and staging of the 2012 Games. In addition, the LDA was going to be also acquiring land and planning permission for the Olympic Park and staging of the 2012 Olympics. Regarding finances, LOCOG's goal was to have a clear and transparent audit trail throughout the entire process, following strict EU directives (LOCOG, 2005).

### *Rio 2016*

The Rio 2016 Finance team developed the Rio 2016 Games budget with the assistance of the local and international Games-experienced specialists, and two internationally recognized planning and financial consulting firms with extensive experience in finance and organization of major sports events. Brazil was relying on the fact that their average annual GDP growth was more than 3.5% in the last ten years, prior to the bid, reaching \$1.3 trillion in 2007, ranking the country as the world's tenth largest economy (BOC, 2009).

During the Candidature Phase, the three levels of Government presented to the IOC letters of guarantee signed by the highest authorities, including the President of Brazil, the Governor of the State of Rio de Janeiro and the Mayor of the City of Rio de Janeiro. They were confirming that they would finance and fund the Organizing Committee of the Olympic Games (OCOG) and its activities regarding the organization of the Games and cover any potential economic shortfall of the Games. Besides these three bodies, the IOC also financed the Games. The initially planned budget was \$8.8 billion. (BOC, 2009)

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<sup>19</sup> London Development Agency used to be a regional development body that was trying to drive sustainable economic growth within London. It was closed in 2012, and most of its activities were overtaken by the Greater London Authority

### *Reality London 2012*

The London's Games went over their budget. And it was not just by a little. They surpassed the original budget of \$3.8 billion by almost another \$7 billion, stopping at \$10.4 billion, which is 174% increase compared to the originally planned budget and 274% of that budget (IOC, 2013).

However, the British government was expecting this rise and planned for it several years before the Olympics in 2007, which made it more manageable, as the organizers knew they had sufficient funds. With the additional funding, the Games were actually close to \$750 million under the revised budget as stated by the former UK's Minister for Sport and Civil Society Hugh Robertson (in GOV.UK, 2013).

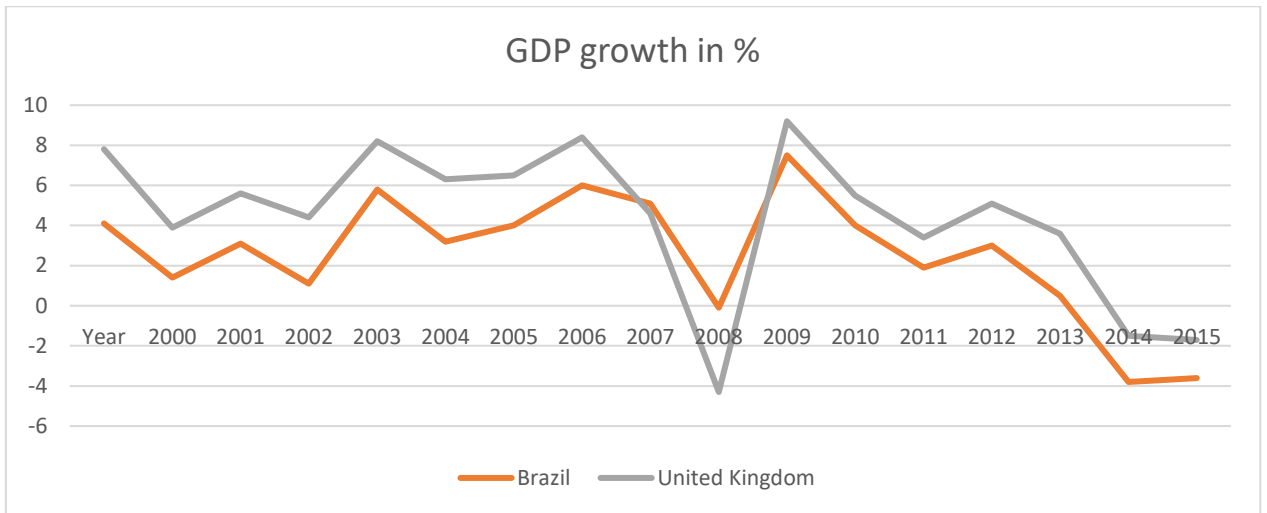
### *Reality Rio 2016*

There probably are not many people in the world that would expect that these Games could have been under budget. And they were not. However, as it is stated in the Oxford University Olympic study (Flyvbjerg et al., 2016), the Rio's Games were over the original planned budget *only* \$1.6 billion, running 51% over the budget, which is significantly less than the Games in London or any other previous Olympics<sup>20</sup>.

As Rio and Brazil were relying on the positive economic state in which they were in the time of the Olympic bid in 2007, in 2016 the country was in its worst financial crisis since World War II. Although, the Brazilian officials do not agree with the study and for example, the mayor of Rio de Janeiro stated that the cost of the Games was actually 35% less than projected in the original bid (Leahy, 2016). Nevertheless, we must look at statements like this with reserve, as the host governments and the International Olympic Committee have not been transparent about the actual cost and cost overrun of the Games (Flyvbjerg et al., 2016). This is the case especially when just a few weeks before the opening of the Olympics, the governor of Rio de Janeiro had declared a state of financial emergency and begged for federal support to avoid a collapse in public security, health, education, transport and environmental management (Watts, 2016).

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<sup>20</sup> 47 % of Games have cost overruns above 100 %. The largest cost overrun for Summer Games was found for Montreal 1976 at 720 %, followed by Barcelona 1992 at 266 %.



**Tab. 7 GDP Growth (annual %) in Brazil and the United Kingdom** (World Bank, 2018)

*Summary*

It has not happened in decades so it would be naïve to expect that the Olympic Games would have a balanced budget that would equal to the one in the Candidate Files at the beginning of the bidding process. For both cities, the governing bodies that were supposed to finance the Olympiad fulfilled their promises.

In this comparison, the Games in Rio de Janeiro did overall a better job than the Games in London. Their cost was lower, as well as the needed budget increase in percentage. An interesting achievement for keeping the overrun relatively low for the Games in Rio is also empowered by the fact that the country was at the peak of the financial crisis, as we can see from their annual GDP growth in Table 7. However, as we now, the governor of Rio had to ask for help the federal government, so even a lower budget overrun does not guarantee trouble-free times.

In the research question 1.1.4, we are asking *What is the impact of major sports events on the national GDP*. When we look at Table 7, we see that the trend lines are very similar for both, the United Kingdom and Brazil, without any significant change in the years of the organization of the Olympic Games in (2012 and 2016). This suggests that there is no impact of major sports events on the national GDP.



### 6.3 Infrastructure and Transportation

When the Olympics arrive, thousands of athletes, officials and millions of visitors come with them. The Olympics are usually spread out over several parts of the host city, and thus the infrastructure needs to be built in an organized and well-functioning manner.

#### *London 2012*

The London's underground is one of the most known symbols of the British capital. London already had had a highly developed network of public transport, but the LOCOG had several goals for improvements for the 2012 Olympics because the IOC had doubts if the already busy system can absorb the Olympic needs. They wanted to achieve that 80% of athletes would stay within 20 minutes of their events, Heathrow would become the best-connected airport in the world, ten railway lines would handle carrying 240,000 people every hour to the Olympic Park and a special *Olympic Javelin* shuttle would be available to take care of 25,000 travelers per hour (LOCOG, 2005).

Besides that, the UK Government had already, disregarding the success of the Olympic bid, committed to spending \$30 billion to improve London's transport by 2012. LOCOG has stated that the Londoners are used to using public transportation and thus did not plan to build any major parking spaces for the Games, rather using the park-and-ride system, where the visitors would leave their cars at a car hub outside the city center and take a train to the venue (LOCOG, 2005).

#### *Rio 2016*

The main transport strategy of the OCOG was to design that all those attending, participating in or working at the Olympic and Paralympic Games were going to enjoy safe, efficient, fast and reliable transport. Athletes and the IOC personnel were planned on being served by exclusive transport systems with dedicated fleets, facilities and management structures of more than 150km of Olympic Lanes in each direction, connecting all venue zones and allowing rapid, congestion-free journeys. Thus, nearly half of all athletes would be able to reach their venues within ten minutes and almost 75% within 25 minutes (BOC, 2009).

More than \$5 billion was going to be spent to enhance the existing transport infrastructure and systems with all work due to being completed by 2015. This targeted feasible and funded investment into a wholly renovated suburban railway system, an upgraded metro system, and

three new Bus Rapid Transit (BRT) systems. This would finally help to finish the so-long expected and needed *Line 4* of the Rio's subway system. Infrastructure, systems, management structures, processes, and staff readiness were going to be tested thoroughly during the 2014 FIFA World Cup, as well as during dedicated transport test events in 2015. Regarding the airport, OCOG planned to fully upgrade the Rio International Airport, increasing its capacity by 60% to 25 million passengers per year (BOC, 2009).

### *Reality London 2012*

As the final IOC report (2013) states, already in advance of the Games there was much debate that London's busy road network and heavily used public transport infrastructure might not adapt to the complex pressures of Games traffic and the very different needs of each client group. The reality was refreshingly successful. Public transport, and especially the underground Tube network, was particularly effective, with a number of client groups, which would previously have relied on cars reverting to public transport for reasons of speed and convenience.

The Olympic Javelin line was constructed as planned and is being used until today as part of the *Southeastern* railway system. The service ran for the duration of both, the Olympic and Paralympic Games, eight trains per hour (IOC, 2013).

As the Transport for London (TfL) states in their evaluation of the transportation during the Games, in average only about 30% of Games Lanes were at the end of the day needed daily during the Olympics as one-third of Londoners changed their travel habits (Evers, 2012). The author can only confirm this, as during the time of the 2012 London Olympics he lived in London and saw the effort the TfL put out to ask the locals rather walk, or use buses during the peak hours of the Olympic schedule.

The goals set by the LOCOG in the Candidature Files were fulfilled and even exceeded, there was a record number of passengers at 4.5 million at the busiest day August 7 (Evers, 2012), and no significant delays were happening throughout the Olympics on London.

### *Reality Rio 2016*

One of the biggest downfalls of the 2016 Rio Olympics was the infrastructure. The infrastructural transportation works have proven themselves insufficient on a short-term basis, with completely full BRTs from day one and a new subway line awaited for more than

three decades with only one stop in the Olympic Park. The official buses kept getting lost and taking the wrong direction (Zimbalist, 2017).

Regarding the subway system and the *Line 4*, it was not open as promised in 2014 for the FIFA World Cup, nor for the transport test events in 2015, but just less than a week before the Opening Ceremony of the Rio's Games. Moreover, after it was open, the locals could not use it, as it was designated only for the IOC personal and athletes. This was due to the significant mismanagement of infrastructural transportation, constant delays, and overcrowded buses. To top it all up, after the Olympics ended, *Line 4* was closed until the Paralympics, when the locals still could not have used it. And when it finally opened, Line 4 was going through upscale real estate developments and wealthy neighborhoods, thus not helping out the regular inhabitants of the city (Fonseca, 2016).

Rio's airport, such as its subway system, was not finished on time and the goal set by the OCOG were not completed almost at all. The capacity was not expanded, and the officials instead focused on improving the inside spaces, overall usability of the airport, adding parking lots and lounges. This was all to improve the airport which was just at the beginning of the Olympic year rated in top three of the worst airports in Brazil, according to their Department of Civil Aviation (Grimond, 2016).

To sum it up, Rio did manage to fulfill some of its original goals – the athletes got from the Olympic Village to their venues and back in time, but for the price of nobody else using the new subway line. Otherwise, the infrastructure and transportation were one of the biggest issues the Games in Rio had, with huge delays, unfinished projects and costs far higher than expected.

### *Summary*

Having a functional infrastructure is one of the most crucial, but also tricky parts of organizing any Olympic Games. And looking at the aftermath of London and Rio, there is a clear winner and a clear loser. We have to take into consideration also the fact that the British government has devoted significantly more money to the improvement of the infrastructure. However, this might also raise a question, if a country should even bid for an organization of a major sports event when it cannot provide sufficient resources for its smooth execution. Especially,

when the availability of the newly built infrastructure for the local population is as limited as it was the case in Rio.

## 6.4 Employment

One of the biggest arguments of proponents for the organization of the Olympics is that it will bring a massive increase in employment. However, is it really the case? Moreover, is the employment long-lasting, or only temporary? Usually, the preparation of Games demands thousands of people, mostly in the construction industry, and therefore influencing not only the city job market, but the market for the entire country.

### *London 2012*

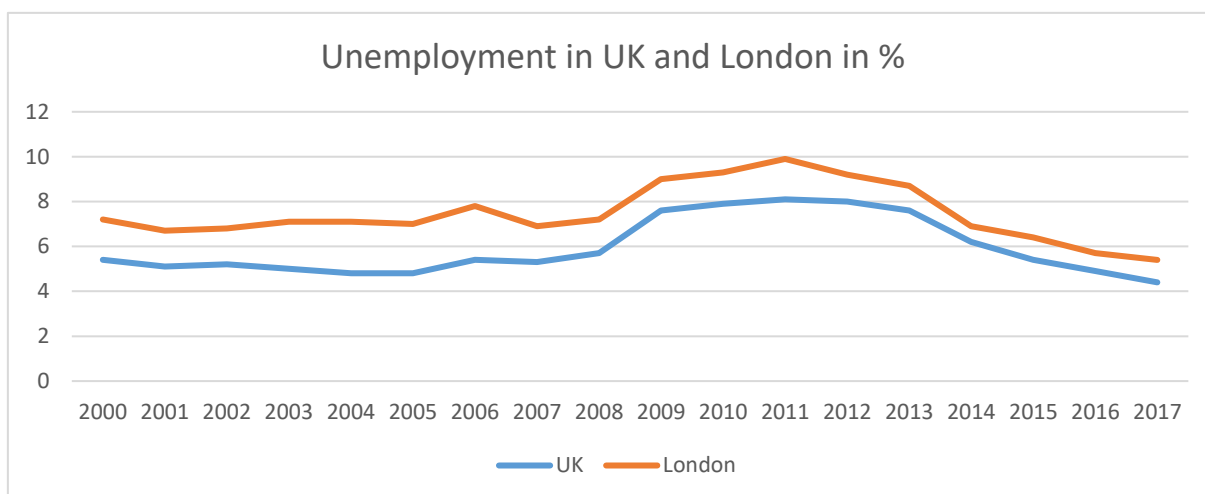
The LOCOG's plans for employment mentioned in the Candidate Files were suggesting that every sector of the economy would benefit from the staging of the Olympic Games. The planned application for the Olympic Park predicted the need for 7,000 full-time equivalent jobs in the construction industry alone and assumed that around 12,000 jobs could be created as a result of the legacy development of the Olympic Park area. While many of the economic benefits would accrue to East London, the whole of the UK would gain from the prosperity generated by the Olympic Games. The biggest economic legacy from the Games would be the creation of broader employment opportunities and improvements in the education, skills, and knowledge of the local labor force in an area of very high unemployment. The nature and range of those skills would enable residents of East London to have a stake in the economic growth of their region and begin to break the cycle of deprivation in the area. (LOCOG, 2005)

To meet the organizational needs of the Games, LOCOG would work in partnership with all the national governing bodies, volunteer organizations, schools, and colleges based in the UK. Efforts were going to be made to ensure that Games volunteers comprise a careful balance between local personnel and international multi-sport experienced staff. At the moment of the bid, LOCOG stated that 15% of the UK population had experience as sports volunteers. They were committed to increasing this number over the next years through schemes such as '*Step into sport*,' a program for young people aged 14-19 which would provide opportunities and training for leadership and community volunteering within the sport. (LOCOG, 2005)

### *Rio 2016*

The BOC (2009) was promising that 48,000 adults and young people would undergo an extensive Rio 2016-funded program of Professional and Volunteer Training in areas of strategic importance for the Games. This program, integrating Government, training institutions and universities, would help participants find jobs after the Games. Further, the BOC states that 50,000 temporary and 15,000 additional permanent jobs would be generated in events, sport management, tourism and venue operations, in addition to a significant number of jobs in construction-related industries as a result of the substantial infrastructure investments. Permanent retail and commercial roles would also be created.

However, what the organizers of the Rio Olympics really tried to achieve, was to establish a volunteer culture. In the Candidature Files, BOC is suggesting that with the largest proportion of the sporting workforce made up of volunteers, Rio 2016 was going to benefit directly from one of the key legacies of the 2007 Pan American Games: its volunteer program. More than 80,000 people applied to be volunteers, and 14,000 were chosen to work under the Games Workforce Program *Força Rio 2007*. Many of the sports volunteers were drawn directly from physical education colleges and sports schools, while others were experienced professionals from various fields including commerce, medicine, and advertising. All were assigned to the most relevant areas. The program served to strengthen the value of non-paid community-based activities in Brazil such that since the Games, many volunteers have subsequently participated in other sports competitions or entered employment, demonstrating the importance of sport as a tool for social transformation. For Rio Olympics, they wanted to continue in this trend. The OCOG had continued to communicate with all volunteers from the 2007 Pan American Games database to maintain their interest in volunteering for the 2016 Olympic and Paralympic Games and would provide the opportunity to register as a volunteer for 2016. City-wide research to ascertain interest in becoming a volunteer for 2016 Olympic and Paralympic Games yielded very positive results, particularly from young adults in the State of Rio. (BOC, 2009)



**Tab. 8 Unemployment rate in % for the United Kingdom and London 2000 – 2017** (Office for National Statistics, 2018)

Year	Unemployment UK in %	Unemployment London in %	GDP growth UK in %
2000	5,4	7,2	3,7
2001	5,1	6,7	2,5
2002	5,2	6,8	2,5
2003	5	7,1	3,3
2004	4,8	7,1	2,4
2005	4,8	7	3,1
2006	5,4	7,8	2,5
2007	5,3	6,9	2,4
2008	5,7	7,2	-0,5
2009	7,6	9	-4,2
2010	7,9	9,3	1,7
2011	8,1	9,9	1,5
2012	8	9,2	1,5
2013	7,6	8,7	2,1
2014	6,2	6,9	3,1
2015	5,4	6,4	2,3
2016	4,9	5,7	1,9
2017	4,4	5,4	1,8

**Tab. 9 Unemployment rates in UK and London and GDP growth in the UK in % 2000 - 2017** (Office for National Statistics, 2018; World Bank, 2018)

### *Reality London 2012*

The economy of the United Kingdom was still shaken up from the recession that hit it a few years before the Olympics, as we can see from the graph in Table 8. The job market was influenced by it, and according to the International Labor Organization, the Olympics were one of the reasons what helped to break the trend and help with the rise in employment in

London. They calculated that unemployment in London area fell by 46,000 in the second quarter (April – June) 2012 to 8%, the lowest rate since July 2011 (Rodríguez, 2015).

The IOC's Evaluation Committee report (2013) also confirms the job growth thanks to the Olympic Games, particularly in the construction sector, but also in manufacturing and services. The Games also provided a catalyst to create or bring forward related developments in the East End of London – Stratford, such as the Westfield Shopping Centre neighboring the Olympic Park. Indeed, of the 10,000 permanent jobs created to operate Westfield Stratford City, around 3,000 went to locally unemployed residents. Furthermore, 1,951 host borough residents were employed by LOCOG as part of its workforce (55 % of whom were previously unemployed), and 21,000 host borough residents were part of the contractor workforce in roles such as catering, retail, and security. The Games brought a significant boost in employment, between 62,000 and 76,000 workless Londoners gained short or long-term jobs because of the Games (IOC, 2013).

The provision of new economic opportunities had also continued after the Games ended, as the Olympic Park was expected to remain as a hub of employment. There were needed around 2,600 construction jobs for the transformation of the Queen Elizabeth Olympic Park with another 8,000 jobs created through the businesses that are occupying the range of employment space, and the management and operations of the venues and facilities in the Park (IOC, 2013).

When we look at Table 8, we can see a strong correlation between the unemployment rate of London and the entire United Kingdom. The correlation coefficient  $r$  has a value of 0.92, which is a very strong positive correlation that confirms a strong relationship between the levels of unemployment in London and the UK. However, from the graph and Table 10 we can also see that when the London Olympics were being prepared, the levels of unemployment were increasing and thus the organization of the Games did not make the UK's and London's job market immune to the financial crisis (seen at Table 7).

The correlation coefficient  $r$  for the relationship between UK's unemployment and UK's GDP growth is -0.462, which is a moderate negative relationship. This means that there is a tendency that with bigger GDP growth, the unemployment decreases, and vice versa. However, the link is not strong enough to prove that this trend is automatic and, at least in

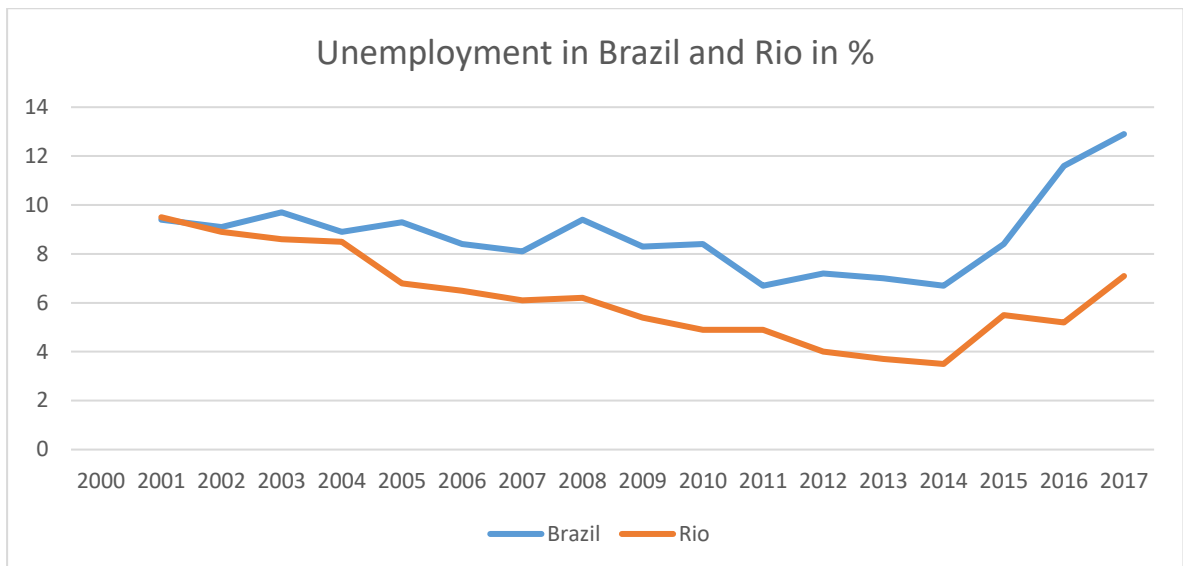
this case, there is a buffer, such as government precautions, that reduces the impact of the GDP growth/decline on employment.

### *Reality Rio 2016*

After a massive volunteering campaign, 50,000 volunteers have signed up for the Rio Olympics, which was 30,000 less than for the 2007 Pan American Games. However, around 30% of them quit after working only a few days for various reasons, starting from working long hours two weeks straight, lousy accommodation, or insufficient food supplied (Sims, 2016). Regarding paid employees, unfortunately not much data is available at the moment, however, one sector that has gained significantly on the workforce is the tourism sector. A report made by the Rio's Mayor's Office states that 13,000 direct jobs and 40,000 indirect jobs were created because of the boom in the hotel industry, thanks to the Olympic Games (Rio Perfeitura, 2016).

What we can look at, are the data from the official statistics about the unemployment in Rio and Brazil. The correlation coefficient  $r$  for the relationship between Brazil and Rio's unemployment is 0.5, which suggests a moderate positive relationship. After we calculate the correlation between Brazil's GDP growth and unemployment, we see an even weaker connection. The correlation coefficient  $r$  for that is -0.278, which means a weak negative correlation. These results suggest that in Brazil, between the years 2001 – 2017, the growth of GDP did not have a strong influence on the levels of unemployment. In addition, Rio's unemployment is much less correlated with Brazil's, compared to the levels of unemployment in London and the UK. The author is suggesting that the major sports events – FIFA World Cup and the Summer Olympics, could have helped to protect the job market in Rio de Janeiro. This theory would also explain, why there is a sudden rise in unemployment in 2017, and not already in 2014 like is the case for Brazil, as we can see in Table 11. There might be several explanations for this, and more data would be necessary to establish a viable answer.





**Tab. 10 Unemployment rate in % for Brazil and Rio de Janeiro 2001 – 2017** (Office for National Statistics, 2018; World Bank, 2018)

Year	Unemployment Brazil in %	Unemployment Rio in %	GDP growth in %
2000	13.4		4,1
2001	9,4	9,5	1,4
2002	9,1	8,9	3,1
2003	9,7	8,6	1,1
2004	8,9	8,5	5,8
2005	9,3	6,8	3,2
2006	8,4	6,5	4
2007	8,1	6,1	6
2008	9,4	6,2	5,1
2009	8,3	5,4	-0,1
2010	8,4	4,9	7,5
2011	6,7	4,9	4
2012	7,2	4	1,9
2013	7	3,7	3
2014	6,7	3,5	0,5
2015	8,4	5,5	-3,8
2016	11,6	5,2	-3,6
2017	12,9	7,1	1.1

**Tab. 11 Unemployment rates in Brazil and Rio de Janeiro, GDP growth in Brazil in % 2000-2017** (World Bank, 2018; Quandl, 2018)

### *Summary*

It is complicated to answer the question if the Summer Olympic Games affect long-term employment. Both of our cities have focused a lot of attention on gaining a massive volunteer base, but especially Rio put on this a big emphasis. Before the Olympics, many jobs are in the construction sector, and after the Games finish, the jobs that stay are usually in services and tourism.

From the available data, we could see that the Olympics could have helped to protect the job market in the organizing city, although, they definitely did not have a real effect at the levels of employment in the entire country. One of the ways to ensure a long-lasting legacy after the Games is by the creation of many job opportunities that would stay in the organizing city even years after the Olympics are gone. That is why the question of employment and the Olympics should be one that in recent years will receive increased attention, whether from the IOC or other researchers.

## **6.5 Venues and Their Legacy**

Besides infrastructure, venues are the second most expensive thing when organizing the Olympic Games. Although, the prices vary, depending on what arenas are already built and how many arenas are going to be permanent, as the temporary ones cost significantly less. Another important aspect we are going to look at is how these venues are used when the Olympics leave the city.

### *London 2012*

The LOCOG intended to have one central location where most of the sports would take place. Also, a big emphasis was given on using already existing venues. Then, where possible, venues would have been shared. Regarding the utilized existing sites, the legacy needs of the sport and the city would be taken into account. Moreover, the venues would have been positioned to allow the athletes to compete and train with minimal travel times from the Olympic Village (LOCOG, 2005).

Some examples of the incorporation of the already existing venues and iconic historical London places would be the tennis tournament at Wimbledon, Greenwich Park for equestrian and pentathlon, Hyde Park for the triathlon, Wembley Stadium for football and the Horse

Guards Parade for beach volleyball. Besides that, the streets of London would be used for road cycling, marathon and race walking (LOCOG, 2005).

Not all sports were planned to taking place in London. The goal was to include the entire United Kingdom of Great Britain and Northern Ireland in the Games and that by playing the football tournament in each of the UK's countries: England, Northern Ireland, Scotland, and Wales. Moreover, some venues would have to be in places outside of the Greater London area as there would be no practical way to host an event in the city center. This was mostly the case for sports on various bodies of water, such as canoeing or sailing. (LOCOG, 2005).

The LOCOG was planning to use 33 competition venues and 50 training venues. Fifteen already existing venues were going to be used, where no permanent work would be required, while another two existing venues would need some permanent work. Nine permanent venues were planned on being built for a total of \$922 million<sup>21</sup> and seven temporary venues for \$245 million. All the events would be tested 18 to 6 months before the Olympic Games to assure its preparedness. (LOCOG, 2005)

### *Rio 2016*

Rio's proposed plan wanted to be a cost-efficient concept that would promote economic, environmental and social sustainability. The idea was trying to offer substantial use of existing venues and construction of only a small number of new permanent venues. The venues plan was developed based on the ideas like showcasing the city and maximizing the Games' broadcast appeal through the strategic location of sports and venues, a high level of clustering to concentrate the experience, operational and transport efficiencies within each zone, or maximizing use of existing venues with only 26% of the total venues to be built. They also wanted to ensure strong legacies for all Olympic and Paralympic venues for community and youth recreation and optimizing the social impact of sport on the city and its people. (BOC, 2009)

The chosen locations of venues in the four zones were: Barra, Copacabana, Deodoro and Maracanã. They were selected to distribute legacy facilities throughout the local communities, while the concentration of venues would create an enhanced spectator experience. The

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<sup>21</sup> In 2004 USD

famous Maracanã Stadium would be upgraded to Olympic standards for the 2014 FIFA World Cup.

Furthermore, nine new competition venues were going to be developed as permanent legacy venues, each accompanied by a solid business plan ensuring long-term sustainability for Olympic and Paralympic sport development and community participation. (BOC, 2009)

The most significant legacy project from the Candidate File was going to be the Olympic Training Center (OTC) program and facilities with its headquarters in Barra, next to the Olympic and Paralympic Village. The OTC would include two venues already existing from the 2007 Pan American Games as well as other facilities built in preparation for the 2016 Games. The OTC would serve as a training base for the Brazilian Olympic Teams for the 2016 Olympics, but also after the Games, as a sport-hub for the national federations. (BOC, 2009)

As a distinction between some of the previous Games and the Rio 2016 Games, the BOC (2009) wanted to bring also other sports, like canoe, kayak or sailing, that usually were isolated outside of the central area, closer to the heart of the city center. This way, it would add exposure to these sports and allow the athletes, officials, and fans to enjoy the same feeling of festivity as those in all the other sports.

### *Reality London 2012*

Immediately after London won the bid to host the 2012 Games, LOCOG reviewed its venue masterplan to enhance the Olympic Park experience for both the athletes and spectators, which included placing key venues and the Olympic Village close to public transport hubs. This also resulted in the complex relocation of volleyball to Earls Court, which took some time and considerable negotiations to resolve. Central to LOCOG's venue masterplan was the idea of placing sport at the heart of the city, showcasing London by using a mix of new venues, designed to provide a lasting legacy, such as the Copper Box and the Velodrome (IOC, 2012). During the Olympics, the Copper Box hosted the handball tournaments and the modern pentathlon. Today it is used as a multi-sport arena for various indoor sports while delivering a diverse grassroots sports program for the local community by supporting more than 20 local sports clubs and 20 local schools (GLL, 2018).

One of LOCOG's biggest concerns was fulfilling a commitment from the bid to avoid leaving any "white elephants" by building permanent venues only where they would have a proven

long-term legacy. To achieve that, existing venues were used where appropriate, while organizers also built more temporary venues than any previous Games. World-renowned existing venues, such as Wembley or Wimbledon, and temporary arenas in places such as Horse Guards Parade and Greenwich Park were successfully used. The construction of the main site - the Queen Elizabeth Olympic Park, allowed London to transform Stratford and other parts of the East End of London, creating a lasting legacy (Mahtani, 2013). Similarly, new venues, such as the re-sized Aquatics Centre, the Velodrome are having a long-lasting benefit for the local communities (IOC, 2012). The Aquatics Centre is an excellent example of how to deal with the newly built venues after the Games. During the Olympics, it could seat up to 17 500 visitors. Such capacity would be hard to fill up, and thus after the Games, the arena was resized and now can host up to 3 800 visitors. Today, the Aquatics Centre is trying to help local communities, mostly by offering swimming lessons to local schools, but also to adults, allowing thousands of people to learn how to swim (GLL, 2018). Besides receiving money from its visitors, the Aquatics Centre also got a donation £5 million (\$8 million) from the organization Sport England, which enabled it to function as a public pool. The transformation project for the London Aquatics Centre from the Olympic mode to its present legacy mode was carried out as part of a larger project of transforming the Olympic Park into a new public park (Kingsland, 2015).

### *Reality Rio 2016*

Major sports events have become a significant driver in urban transformation on the organizing cities. Rio wanted to use this opportunity to leave a long-lasting legacy of venues that would serve the local communities decades after the Games would have ended. According to Zimbalist (2015), if the host city wants to benefit from the Olympics economically, it must adopt a long-term legacy perspective. But already six months after the Games left Rio, it was apparent, that this goal was not going to be fulfilled.

Estádio do Maracanã, the legendary stadium that was once the biggest sporting venue in the world was renovated for almost \$500 million for the 2014 FIFA World Cup and then used for the Opening and Closing Ceremonies of the Olympics. Once, the crown jewel of the entire Games, was just a few months after their finish abandoned. There were reports of violent robberies and vandalism when were stolen televisions, expensive memorabilia, or even fire extinguishers and over 7,000 seats are missing from their original places. The grass on the football pitch turned brown and was invaded by worms. The stadium was disconnected from

its electricity, because of the debts of about one million dollars towards the local power company (Charna and Darlington, 2017). This state is mostly because three parties are arguing about who is responsible for the stadium. In the disputes are involved Maracana SA, the company responsible for the stadium's upkeep, the Rio 2016 Organizing Committee, responsible for the stadium when most of the damage occurred, and the state of Rio, who was the owner of the stadium. But it seems like brighter times are awaiting Estádio do Maracanã. A French company Lagardère decided to take over the stadium, cover its debts and invest in its renovation (Belen, 2017).

There are several other notable examples of how the Rio Olympics mishandled the situation around its venues. Another dazzling example is the Olympic Aquatics Center. This stadium that hosted the swimming and water polo events was supposed to be a model for future Games of a temporary facility that will be dismantled after the Games and serve the local communities years after. However, only a few months later, the stadium is a ruin. The murals that were firstly showing off Brazilian culture are now torn apart and just flapping in the wind. The pool inside is corroding, and the outside practice pools are filled with muddy orange rainwater. The plan to disassemble the stadium after the Games and use it for two community pools has failed terribly, due to inefficiency in the legacy follow-through after the Olympics had ended, and the stadium has become the one thing the organizers feared – another Olympic venue white elephant. (Otto, 2017)

Next example is the Olympic Golf Course. This venue was controversial since the beginning of the construction, as according to local biologists, it might have caused an “*environmental crime*”. The formerly protected sandbank, on which the golf course is built, belongs to the Atlantic Forest, which is registered by UNESCO and is one of the most threatened biomes in the world. But the golf course was successfully constructed for the Olympics, and the State of Rio de Janeiro even issued a report stating that it, after all, contributed to the growth of local vegetation. This report, however, has been disputed by various independent agencies (Torres, 2016). Similarly, like the Aquatics Center, just a few short months after the Games, the golf course was almost completely deserted with only a few attendees per day (Flamer, 2017). This is still better compared to the case of the Aquatics Center, but bearing in mind the fact that it was built in a protected natural area, it raises questions about its usefulness and long-lasting legacy.

### *Summary*

From the Candidature Files, we could see that both of the organizers tried to adopt a long-term legacy perspective. In this part, we decided to offer a few examples of how did London and Rio managed to deal with the venues and their legacy.

London heavily benefited from using the already existing venues, such as Wembley or Wimbledon. That did not just lower the costs, but also offered a unique experience for athletes and fans. All of these venues are still operating today. On the other hand, Rio was not as fortunate with its already existing venue – the Maracanã Stadium. After the Games, three organizations argued over who is supposed to take care of it, ending up abandoned and vandalized.

The Aquatics Centers have also brought us two very different results. The London's Aquatic Center has been decreased in size and now serves as a community pool for the locals. Rio's Aquatic Center had very ambitious plans, but now is instead abandoned entirely, with rusty water and destroyed premises. One of the reasons why it might have come to such diverse results is the different political climate that existed in both countries during the preparations for the Olympics. Since Rio's Olympic bid was approved in 2009, Brazil's economy completely collapsed. During that same time, corruption ran amongst the Rio organizing committee. This means that most Olympic plans were executed at the last minute, leaving the legacy projects as an afterthought and unfinished (Gibbs, 2009).

To summarize, from the research, we can definitely say, that the venues in London have served a much bigger purpose than just the Olympic Games and even though happened four years prior to the Rio's Olympics, are in a much better condition.

## 7) Suggestions and Solutions

In this chapter, the author is going to offer several his suggestions and solutions, how to plan and manage the Olympic Games in the years to come. As we have seen in the previous chapter, it is challenging to organize sustainable Olympics in the form they currently have. It is necessary to discuss, whether the Olympics should not change the current format, or if there should not be limitations to countries that could host them, to avoid a burden of the consequences on the locals in developing and emerging countries.

The first, for some also the easiest solution, is to cancel the Olympics altogether. One could say – no more Games, no more problems. But as we have also seen in this thesis, there can be significant advantages to hosting the Olympics, from new jobs to new roads and stadiums being built. As it is too big of marketing value and the IOC having too much power, we can safely assume that the cancelation of the Olympic Games is not happening anytime soon.

Somewhat more feasible could be changing the format of the Olympics. The IOC has already started limiting the number of sports, events, and participants at each Games to make them cheaper. As we have previously mentioned in the section 3.2.2.2 *Sports and Their Economics at the Olympic Games*, there is a positive correlation between the number of events and the cost of the Olympics, but also, we must bear in our minds the fact, that correlation does not automatically mean causality.

Other changes, then just limiting the number of sports, could be allowing the Games to take part not only in just one city but rather in whole regions. An example can be made from the 2020 UEFA European Championship, where the tournament is scheduled to take place in 12 different cities all over Europe. The solution for the Olympics could be, in an example, that the Winter Olympics would be hosted in the Alps, not just i.e. Innsbruck, or Cortina d'Ampezzo. Or the Summer Olympics in Benelux, or Texas, and not just in Amsterdam, or Houston. One of the changes that the IOC is already suggesting to the potential host cities to lower the costs of the Games is using the temporary and demountable venues (IOC, 2014).

The IOC is facing one of the biggest decisions that it has to make. They have realized that for some, the Games have become a toy in the hands of individuals who use them in the spirit of bread and games for momentary glory, not taking into account the costs or the future, as we could see in Beijing and Sochi. Another alternative is the return to the origins. The organizing



of the Olympics is today simply too expensive and inefficient. The Olympic Games have become this giant sparkling box with almost no content that has anything to do with the original idea, although, naturally, it claims the opposite. It is becoming extremely difficult to find a suitable host every four years. That is why there are rising the voices that call for the Olympics to choose one permanent city. Of course, instinctively, the choice should be Athens, as Greece is the spiritual home of the Olympic idea and it could be a way to get back on track to its origins. However, this solution has also its disadvantages. If the Games were to take place every time in Athens, it would benefit the Europeans and hurt the athletes and fans from other continents.

Another solution that would also deal with this obstacle could be an idea to have one permanent host per each continent and then rotate the organization between the continents (Waldron, 2014). The Northern hemisphere could be responsible for the Winter Olympics, while the Summer Games would be in charge of the Southern hemisphere. This way, there would be three organizers for each Games that would rotate every 12 years and thus would have a periodical use for the venues. This way would also rotate the fans and athletes that are close to their "continental base". The most efficient will be if we use the cities where the Olympics have already taken place, as there is an already built infrastructure and the same or slightly upgraded venues would be used.

To choose the best locations to host the Winter Olympic Games, we shall help ourselves with the research done by Scott (2018) to determine the cities climatically most suitable to host the future Winter Games. Scott has looked at climate data from previous Winter Games locations and applied climate-change models to predict future winter weather conditions. He found out that by 2080 only eight cities might be able to host the Olympics again. As we have said, the Northern hemisphere would be responsible for the Winter Olympics, as all of them have happened there anyway. That means that the Games would rotate between Northern America, Europe, and Asia. For Northern America, Calgary, Canada seems to be the optimal option. For Europe, it could be the region of the Alps (with Albertville, France, and Cortina d'Ampezzo, Italy being the most suitable locations, if we were to choose only one specific place). In Asia, PyeongChang, South Korea, and Sapporo, Japan are the only two options from the cities that have already organized the Olympics and will have sufficient amounts of snow in decades to come. As the Games in PyeongChang are the most recent ones, the facilities are

in the best shape, and the organizers have proven that they can manage to make profitable Games. The Olympics in 2018 have benefited them more than \$55 million (IOC, 2018).

For the Summer Olympic Games, we would use the continents of Australia/Oceania, South America, and Africa. Two Australian cities have hosted the Olympic Games – Melbourne in 1956 and Sydney in 2000. We will use the same method as for the Asian Winter Games location – Sydney's Olympics have been the more recent ones, so its venues are more modern and in better conditions. Moreover, Sydney's Olympics are widely considered as very successful ones. For South America, the case is straightforward, as there is only one city that has hosted the Games – Rio de Janeiro. However, one could discuss if, after the experience from 2016, it would not be better to consider Mexico City (1968) as a better candidate, and thus extend the understanding from South America to Latin America. For Africa, it will be a different case, as there have never been any Olympic Games. However, relatively recently, there has been a FIFA World Cup in 2010 in South Africa. They proved that they can organize a major sports event and thus are the final place for the Olympics. Rather than just choosing only one specific city, we could here use the entire region, as we did with the Alps in Europe for the Winter Olympics. The most logical region is the Gauteng region, where the cities of Johannesburg and Pretoria are located, and it is the most advanced and urbanized region in the whole of South Africa (OECD, 2018).

Therefore, to sum up, our chosen Olympic locations are Calgary, the Alps and PyeongChang for the Winter Olympics, and Sydney, Rio and the region of Johannesburg and Pretoria Gauteng for the Summer Olympic Games.

## 8) Conclusion

In our analysis we looked at the following topics: *6.1 Why Organize the Olympics?*, *6.2 Financing*, *6.3 Infrastructure and Transportation*, *6.4 Employment*, and *6.5 Venues and Their Legacy*. These topics were chosen according to the Candidature Files of both organizing committees.

In the first part of the analysis, *Why Organize the Olympics?* we have looked at what was the motivation behind the organization of the Olympic Games. London wanted to use this opportunity to rebuild a part of its city and make it a livable space for its citizen, whilst Rio wanted to show the world that it is a modern city and that also Brazil can organize successful Olympics. Rio had its Candidature Files also focused on legacy and how the Games would help the locals, but London definitely fulfilled these goals better, as the Rio's legacy goals were not completed at all.

The second subsection of the analysis talked about *Financing* of the Games. As expected, both of the Olympics ran over their initial budget, however, Rio's Games had better budgeting with overall lower costs for the Games and as well smaller increase in compared to the original budget. London's budget increased by a whopping 274%, while Rio's increase was *only* 51%. Although the Olympic Games meant billions of spent dollars in the area, neither of the GDPs had significantly changed, suggesting that their impact on the economy is hardly even symbolic. It is interesting to see how the cities managed these budget overruns. The Brits were expecting the higher costs and prepared for them beforehand, so while London still celebrates the effect the Games had, Rio had to ask for federal financial support to avoid bankruptcy even before the Olympics had taken place.

In the next section, we analyzed the *Infrastructure and Transportation*. This part is especially important, as for the smoothly operating Games, we need to have a functional and well-organized infrastructure. Also, the infrastructure is one of the things that leaves the biggest legacy and has a major impact on the local people. We found out, that the British government and organizers had realized this and gave it much greater importance than the Brazilians, and devoted a lot of investments into improving the infrastructure in the city. Rio has failed to deliver on its promises stated in the Candidature Files, and the transportation issues were one of the biggest stains on the whole event.

The impact of the Games on *Employment* was the next thing we looked at. We found out that employment has only a local effect and it does not influence the rest of the organizing country. Many of the jobs are only temporary, however, it also leaves some jobs even after the Games are over. For example, in Rio, over 13,000 direct jobs and 40,000 indirect jobs were made in the hotel industry, thanks to the Olympic Games and between 62,000 and 76,000 workless Londoners gained short or long-term jobs as a result of the Games. Increase in employment can be one of the biggest positive impacts of the Games on the local population, and that is why the IOC and the organizers should give it an increased level of importance.

The final part of our analysis talked about the *Venues and Their Legacy*. As infrastructure, venues may have the most significant impact on the lives of the locals. And as in the analysis of infrastructure, also in the analysis of venues and their legacy, we have found out that London's Games were much more successful than Rio's. London took advantage from a much broader portfolio of already existing venues, and its temporary venues were indeed temporary. The legacy in London is functional and has a positive impact on the lives of the local population, as we could see on the examples of the Aquatic Center and the Copper Box. The Olympic Games in Rio have been experiencing a problem to follow through on its long-term legacy plans, as we analyzed the examples of the Maracanã Stadium, the Olympic Golf Course and the Olympic Aquatics Center.

In our second principal question, we are asking *What is the difference between organizing a major sports event in a developed and a developing country?* We are considering London and the United Kingdom to be the representative of a developed country, whilst Rio and Brazil a developing country. From the results of our analysis, we can tell that there are definitely some differences. A well-functioning government can offer much better stability and assurance regarding delivering a well-thought off investments into the Games that will have a long-lasting legacy on local populations. Unfortunately, Rio still does not have these qualities, and that leads to unsuccessful fulfillment of the original promises stated in the Candidature Files. The main reason is that in the years leading towards the Rio Olympics, the government and the organizers had to face corruption charges and other allegations, which led to finishing the Olympic projects at the last minute with no time to spare to implement the legacy ideas. The organizers need to realize, that the Candidature Files are not just some random documents that want to convince the IOC to award the organization to the city. They are documents that possess ways of how to improve the lives of millions of people by increasing their standard of

living with better infrastructure, employment, or opportunities for an active lifestyle. However, if they are not delivered, the impact can be harmful, and it makes us think, whether developing countries should be awarded an organization of major sports events at all.

So where does that leave us? In chapter 7 *Suggestions and Solutions*, we have offered several ways that would make the organization of the Olympic Games much more feasible. We began with the idea of canceling the Olympics altogether, however, we did not develop it farther, as this is not an option for the IOC. Then we suggested to limit the number of sports and allow the entire regions to organize the Games, to lower the costs and pressures on one specific city. Furthermore, we tried to develop the idea that the Games are now far from their original purpose and so they should return to their origins, by having one stable host in Athens, Greece, the birthplace of the Olympics. Finally, we offered an idea that would be the fairest towards most of the athletes and fans, and that was to rotate the organization between continents, with each continent having one stable host city. This would limit the number of *white elephants*, as most of the venues would be used in long-term. Our chosen destinations are Calgary, the Alps and PyeongChang for the Winter Olympics, and Sydney, Rio and the region of Johannesburg and Pretoria Gauteng for the Summer Olympic Games.

We all know the fantastic stories that the Olympic Games are bringing us with each of its edition. But isn't the price for it too high? Finding a new city every four years is becoming a challenging task. The municipalities in the developed world realize it, and if there is an opportunity to organize the Olympics, they either do not allow it themselves or let the people decide in plebiscites. That leaves us with situations like was the process to choose the host for the 2022 Winter Games, where the IOC was left to pick from two countries, which neither has a reputation of being a democracy – Almaty, Kazakhstan, or Beijing, China.

The Olympic Games are a wonderful festival of sport that lasts a little bit over two weeks. The price for a short-term spectacle that costs billions should be reserved for cities and countries that can afford it and not for countries, where there is still a lot to be done in more pressing areas, like health care, education, or corruption and governance. The Olympic Games have become a luxury, which only some countries in the world can afford. At the end, we should remember that we do not want to have a city that serves the Games, but the Games that serve a city.

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