



# Editorial



## Are global sports events worth the bid?

England was more than a little depressed at its failure to secure the 2018 Football World Cup. This has been much discussed in the media and the two main issues to arise are: should we organise a sports event in a country where there is no culture or history in that sport, and what about the legacy of the event? Is it reasonable to organise an event where stadiums will not be useful after the event (the population of Qatar in just 1.5 million and won't need 10 huge facilities)?

It is quite clear that the outlay to develop the infrastructure to host a World Cup is substantial (more than US\$10 billion according to some research), but the bidding process for the 2018 and 2022 World Cups demonstrates how significant nations see the event. The Football Federation of Australia was provided with \$45.6 million of public funding to bid for World Cup 2022. It was also announced recently that should England have won the World Cup 2018 bid, the British government had guaranteed special laws that would have cost £5 million in visa waivers and a tax hiatus for the duration of the competition.

The societal benefits (national pride, world focus etc), improved infrastructure (better transport, investment in school sports, city regeneration etc) and economic advantages (job creation, retail, tourism, construction etc) are such that states are willing to risk significant sums and some reputation to bid for the right to host the tournament. Indeed, the money involved in recent bids may lead some national associations to question whether the rewards of hosting the competition outweigh the risk of failing. Is the reputational damage and financial cost of failing in a bid to host the World Cup more important than the cultural and economic benefits of winning?

Of course the views of national associations will be affected by the credibility of the bidding process. This now appears to be in dispute. Following the decision to grant Qatar the World Cup (a bid described by FIFA's own technical evaluations as high risk), questions will

be asked as to whether the process for selecting the host nation is credible. Criteria were not weighted prior to the bidding, two FIFA Executive Committee members were suspended for accepting bribes, and accusations of collusion between bid teams plagued the process.

With regard to the heritage of the event, it is important to create a legacy beyond the running of the competition. The Russian World Cup wants to create a new footballing ethos within the country, to grow attendances at their grounds; the London Olympics aims to regenerate an economically depressed area of London with new homes, improved healthcare and educational facilities and permanent world class sporting venues; and Qatar 2022 promises to dismantle their stadia after the competition and rebuild them in nations with a poor footballing infrastructure. Ultimately, to avoid the creation of white elephants and ensure the lasting impact of the event, it is up to the organisers to look beyond the tournament and utilise whatever resources have been used.

The Brazilian case for 2014 (World Cup) and 2016 (Olympics) seems to be non controversial, with a population approaching 200 million and a GDP that places them among the top 10 countries and looking to drive long-term performance to reach the top 5 by 2050, according to the IMF (with GDP average growth of 4.1%). Investments from Asian companies, mainly South Korean, have dramatically increased, to reach more than US\$1 billion. The country is currently ranked 4th for beer consumption (5.7% of the global market), for example, so presents huge market opportunities for big spenders such as Hyundai, Adidas, Coca-Cola and Budweiser. Surely these are the conditions to make an event bid successful and ensure the organisers (FIFA /IOC) and their various stakeholders achieve revenues in financial, reputation, image and promotional terms.

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