

The gains of hosting international sports events

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The World Cup is truly one of the biggest sporting events in the world. Host countries invest huge amounts of resources to organize and build infrastructures. Such countries surely are expecting gains in return for the huge investments they made. However, past experiences show that the chance of receiving economic benefits from hosting either the World Cup or the Olympics is surprisingly little (Maennig & Plessis, 2007). Despite this fact countries still want to host international sports events. This is because in assessing the profitability of hosting such events it is important to include both tangible and intangible benefits.

This paper takes a look at such intangible benefits to analyze a fuller extent of the gains of hosting such international sports events, taking the World Cup as an example. There are other benefits from a World Cup, besides the economical, which are recognized as positive contributions to the hosting country, they might be more intangible but nonetheless still important. The “feel good” effect of citizens experiencing domestic growth, stadiums being build, new jobs, foreign recognition etc. represents a certain social profitability of the project. This is something that should definitely not be neglected. These externalities may not only prove to be very important to the citizens of the host country, but also add to the competitiveness and development of certain sectors within the country. Intangible assets may in the long run prove to be just as important as tangible.

It is difficult to assign these numerical value, but it is however indisputable whether they are of importance. Happiness is basically what the World Cup may ultimately add to. The experiences related to sports, and the public satisfaction of hosting an event that has the attention of the world, may add

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more in terms of prestige and individual satisfaction than anyone may realize when planning the project. Surveys made in previous host countries have asked local inhabitants, whether they feel that the World Cup has benefited them, and the results have been predominantly positive (Maennig & Plessis, 2007). Another intangible gain is the branding effect that the World Cup has. Branding is something that is important for all countries in that reputation and international recognition of national abilities is something that is highly valued in export and international relations. The World Cup will also add positively in terms of tourism, which is likely to grow in sync with branding of a country.

Tourism is something that can be quantified, and is a source of great income to many countries, and host countries can potentially gain substantially in from a well-handled World Cup. Empirical research has shown that hosting a major sporting event rarely produces the net economic benefits that a hosting country anticipates. However in deciding to host such international sports events, countries base their calculations not solely economic gains, but also by accounting for such intangible gains. A quote from *The Economist* sums up the message of this paper very well: Tourism gets a boost but only temporarily. Evidence from Sydney and Barcelona, hosts of successful recent Olympic games (and tourist spots long before that), suggest long-term tangible gains were negligible. But who cares? The World Cup is mostly about intangibles, such as prestige and fun.