

The Economics of the Olympic Games: Analyzing the Issues that Bar Developing Countries from Hosting

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The Olympic Games transcend their position as solely a worldwide athletic competition; they symbolize a distinguished accolade that affords the host nation a chance to enhance its international standing and reap substantial economic advantages. Nevertheless, the economic strain of hosting, particularly for developing countries, frequently exposes inherent disparities in the bidding procedure. Developing countries interested in hosting the games have to compete with countries with the funding, infrastructure, knowledge, and experience to host large sporting events. Substantial changes need to be made to the bidding process and the financial burden of the Games to make hosting a more feasible option for developing countries. This paper aims to explore the opportunities and pitfalls of hosting such a mammoth event by examining GDP growth in the years surrounding the Olympics as well as more intangible benefits such as increased trade. Through this lens, we will address the inequalities that prevent developing countries from hosting the global quadrennial Games and offer potential solutions to create a more equitable hosting process.

Keywords: Olympics, Olympic bidding process, Olympics hosting, major sporting events, developing countries, economics

Introduction

The Olympic Games have been misrepresenting the advantages of hosting one of their events for decades. The quadrennial Games transcend their position as solely a worldwide athletic competition; they symbolize a distinguished accolade that affords the host nation a chance to enhance its international standing and reap substantial economic advantages. Nevertheless, the economic strain of hosting, particularly for developing countries, frequently exposes inherent disparities in the bidding procedure. The International Olympic Committee (IOC) strives to promote unity and inclusivity, but the existing structure and selection procedure of the Games tend to favor wealthier, industrialized countries. This preference limits the prospects for developing nations to host the Games.

This study examines the impact of the Olympics by exploring the short-term economic consequences and benefits for host countries. Specific emphasis will be on the difficulties encountered by developing nations compared with those experienced by developed and industrialized countries. We will examine the overall costs, including infrastructure, venue construction and renovation, and operational costs, and contrast them with direct revenue from sources like broadcast rights, sponsors, and ticketing. Previous studies have concluded that the Olympics are a “money-losing proposition”¹, so this study aims to explore the intangible impact and potential for growth through the country’s introduction to wider global trade and cooperation. This study aims to offer possible solutions to help developing countries take advantage of these benefits while offsetting the mammoth

costs normally associated with hosting the Games.

Literature Review

There are many economic studies on the effects of hosting mega sporting events like the Olympics however, most are commissioned by the countries hosting or bidding so the research can be biased to support their bid². Additionally, the research on post-Games economic effects is insufficient, as the numbers can be incredibly difficult to untangle. Due to constantly changing factors including economic conditions, the time, and physical location, comparing the games has been difficult and overspending and corruption are often a concern that may cause officials to not publish accurate data¹. In 1999, a member of Nagano’s 1998 Olympic bid committee admitted to ordering the burning of official records, including details of the purchase of First Class tickets and 5-star hotel suites for IOC members³. Additionally, countries all attribute infrastructure planned for the Olympics differently, and it can be difficult to determine whether infrastructure spending is for games or previously planned and which one had an effect¹.

Existing literature on the topic mostly focuses on the economic impact on developed countries as they are the vast majority of countries that have been selected to host the Olympics. Additionally, much of the economic analysis of the games is outdated, focusing on the turn of the century when the cost of hosting began to skyrocket and people began to question whether the costs were worth the outcomes. This research aims to relate analysis to developing countries and explore ways that

the process can be improved to create a more equitable hosting process.

Methodology

The research was gathered from the official website of IOC, academic journals found through Google Scholar and ResearchGate, and news articles from the periods of the individual Games. We have analyzed the operational costs of staging the games and compared the figures with direct revenues from sources like broadcast rights, ticketing, and sponsorships and indirect sources like tourism and long-term business activity. An analysis of the host country's GDP 2 years prior to the games running through 5 years after the conclusion was conducted to determine the long term financial benefits of the games.

Sources were assessed for their credibility by examining the publication source, number of citations in other literature, consistency with established research, and transparency. Due to the nature of Mega Events, the IOC and governments who spend exorbitant amounts of money on bids and the operation of the Games may want to hide or not publish the full extent of their expenditures.

Olympic Host Selection Bidding Process

The opportunity to host the Olympic Games not only brings a remarkable honor and an everlasting legacy for the city but also generates powerful economic benefits that will provide an advantage to not only the host city but the country as a whole. Or at least that's what the IOC has touted for years, consistently citing the success stories of LA in 1984 and Barcelona in 1992. However, factors specific to those years and locations allowed for such advantages that are unlikely to be possible for most countries bidding to host the games without significant monetary investment. Olympics pages state that hosting the games generates revenue to offset public investments, which, paired with the IOC's own cash contributions, allows for the stimulation of the economy⁴. However, many critics say that the costs of hosting the games take away government funding that could have been spent on infrastructure improvements rather than building Olympic-sized venues that are virtually unusable after the conclusion of the events.

Prior to 2024, the process of selecting the hosting city involved competitive bidding from major cities around the world. In the first step, or the Applicant City Phase, the IOC receives nominations from the National Olympic Committees (NOC) of their respective countries, with each bidding city filling out a 137-page questionnaire. This questionnaire inquired about the city's vision for the games, the existing infrastructure of the city, the political landscape, financial strategies, funding for venues, laws, customs, and immigration, as well as things like

the athlete experience, sustainability, safety, accommodation, transport, and marketing⁴. Each section of the questionnaire ends with a set of guarantees that should planning go awry, the promises stated in the questions above will be implemented and the whole document ends with an application fee of \$150,000⁵. Even the initial steps put developing countries at a disadvantage. From the substantial application fee to their lack of existing infrastructure to safety concerns, and even cities that are able to overcome these barriers face even more substantial hurdles in moving onto the next phase. The IOC then moves into the Candidate City Phase, where each "candidate city" submits its proposal, pays an additional fee of \$500,000, and hosts the Evaluation committee for a 4-day visit to their city⁵. Each candidate then attends the IOC session to make a 45-minute presentation and the IOC members vote to determine who wins the bid.

Table 1 Amount spent on making the bid to host the 2016 Olympic Games by the 4 Candidate Cities

Costs of 2016 Bids from 4 Finalist Cities	
City	Cost (in millions)
Chicago	\$100
Madrid	\$52.54
Rio	\$60-100
Tokyo	\$150

According to Zimbalist (2015), for the 2016 Olympics, Candidate cities Chicago and Tokyo spent upwards of \$100 million and \$150 million USD, respectively, for their failed bids⁶. The final candidate city, Madrid spent 37.8 million euros, or about \$52.54 million USD in 2008, to support their bid⁷. There is no accurate documentation of the cost of the bid from the winning city Rio but Carlos Roberto Osorio, secretary general of the Brazilian Olympic Committee, stated in an interview that "two years, bids [require spending of] 60million[to]100 million"⁸. In 2012, the Netherlands was working on its bid for the 2028 Games and had already spent \$105 million to "study the feasibility of hosting, draw up preliminary plans, mobilize relevant parties and organize events "to entice IOC members to vote for us"⁶. Figures on the bid costs of most cities are not available; however, it is estimated that the costs range from \$50-100 million⁹.

As it stands, the bidding process already costs countries significantly. Bidding cities have to prove to the IOC that they have the financial and structural capabilities to host the games and that they can hold an exciting, engaging Olympics that people will want to attend and watch. The IOC favors extravagant plans, and in an attempt to ensure their bids are successful, some countries spend millions on just the bidding process. Economists confirm that the "IOC bidding process encourages wasteful spending by favoring potential hosts who present the most ambitious plans"⁹. The Olympic games are in essence, a show. In order to gain

viewership and to get revenue from these views, the games now need to be a spectacle to ensure the world will tune in. This has resulted in extravagant and expensive bids, with cities trying to show themselves off as much as possible to earn the bid.

Economic Success Stories

As the only city to bid for the 1984 Summer Olympics, LA was able to negotiate terms favorable to them. When the bidding was held, back in 1978, many countries were hesitant to host the games following the terrorist attacks on the Munich Olympics in 1972. Not to mention the already looming concern over the cost of the Games. In 1983 Michael Payne, Sports consultant to the IOC, stated “the Olympics had been good for the 20th century but were too big and too costly to continue”¹⁰. However, in the 1980s, before the Olympics were the commercial behemoth that they are today, the Los Angeles Olympic Organizing Committee (LAOOC) was able to negotiate with the IOC to create much more favorable terms for the city. They also negotiated with broadcasting companies, selling exclusive domestic broadcast rights to ABC for \$225 million, 8-9 times as much as companies paid for the last two games, as well as another \$33 million from European and Japanese networks^{11,12}. Additionally, the LAOOC sold licenses to 43 companies to allow them to sell “official” Olympic products in their respective categories¹². The LAOOC also convinced a few companies to fund the construction of the only two new permanent venues for the games by giving them the rights to put their names on the facilities. McDonald’s paid for the construction of a swimming stadium, and 7-Eleven built the Velodrome¹³. In the year of the Games Los Angeles county saw 43.2 million tourists, a rate which jumped 9.5% from the previous year¹⁴. Tourism records for LA specifically, in the subsequent years, are limited, so we are unable to confirm whether the trend continued past the end of the Olympics year.

The LAOOC was able to take advantage of their lack of competition to not only hold the Games in a way that would allow them to invest as little of the city’s money as possible. Also, as the first city to monetize exclusivity, they were able to convince companies and broadcast networks to pay more than ever before to put their name into the games. Due to a lack of infrastructure and bargaining power, many countries would be unable to utilize similar tactics to help offset the costs of the games.

Almost a decade later, Barcelona experienced a tourism boom following the conclusion of the games in 1992. Previously, the majority of the city’s tourists came for work rather than vacation or leisure, and by “2019, before the pandemic, [the number of tourists] was almost 10 million”¹⁵. However, this was not a result solely from hosting the games, the city invested heavily in promotional campaigns to develop the interest that was initially boosted by the Olympics. The city government of Barcelona

was also incredibly smart in aligning its existing development and infrastructure goals with those required for the Olympics. “The 1992 Olympic Games created funding mechanisms that enabled an urban transformation that had been in the pipeline for a long time”¹⁵ said Mirela Fiori, director of the UOC’s Master’s Degree in Cities and Urbanism. The city was able to carry out projects that had long been in the works but were stalled due to budget constraints. Developing countries would likely have to spend the majority of funding on building venues and inflated infrastructure, which would likely be excessive or unnecessary for their population after the conclusion of the games. This would then lead to further expenses after the conclusion of the games, having to upkeep transit systems and public works too large to be useful to their citizens.

The Tourism level in Barcelona increased by over 100% from 1990 before the games to 8 years after in 2000¹⁶. Table 2 below shows the number of overnight stays in various European cities in Europe in 1990 and 2000 as well as the % increase over the 10 year period. Barcelona’s percentage showed the largest increase and moved from 10th on the list in 1990 to 8th in 2000.

Table 2 Overnight stays in European Destinations 1990-2000

	City	1990	2000	% Increase
1	London	91,300,000	120,400,000	3.19
2	Paris	31,166,172	31,633,273	1.5
3	Dublin	15,359,000	16,898,000	10
4	Rome	12,915,225	14,781,281	14.4
5	Madrid	9,481,728	12,655,413	33.5
6	Berlin	7,243,638	11,412,925	57.6
7	Prague	4,524,000	7,921,953	75.1
8	Barcelona	3,795,522	7,777,580	104.9
9	Amsterdam	5,720,500	7,766,000	35.8
10	Munich	6,923,970	7,756,152	12

Barcelona planned their Hosting strategically with the goal to increase tourism and was able to keep up tourism levels due to their careful planning. But the city was also able to take advantage of their status as a “hidden gem” tourism destination, often passed over for its more well-known neighbor, Madrid. Already established tourist destinations are not able to take advantage of this phenomenon. Locations like Sydney, who saw an 8.7% growth rate in visitors in the year of the Games, saw that number drop to -0.1% in 2001 and -0.9% in 2022¹⁶. Prior to the games their growth rate was an average of 3.9

For every host city during the Olympics, tourism has increased, but most fail to keep that number in the years following¹⁶.

Economic Disappointments

On the other hand, Montreal's hosting of the 1976 Summer Olympics is a perfect example of the risks of hosting. In their bid, the Canadian Olympic Committee projected the games would cost \$124 million, a number which ended up being over a billion dollars below the actual cost after all was said and done⁹. From construction delays to cost overruns, the games cost a whopping \$1.5 billion that was then thrust upon the taxpayers, taking almost 30 years to repay⁹. When taking on a project of this size, delays are bound to occur, and for an economy not prepared to withstand the potential costs associated with that, the results could be disastrous. The most recent developing country to have hosted the Games, Rio spent around \$13.5 billion and built fifteen thousand new hotel rooms as well as 6 new Olympic venues^{17,18}. These venues quickly fell into disrepair after the conclusion of the games, despite promises to build 4 schools from the dismantling of the handball arena or to make the new national team training base from one of the other facilities¹⁸. Even the most recent Paris 2024 Summer Olympics which, under the new reformed bidding process, utilized existing structures for 95% of the games venues and still went about 25% over the projected budget, landing at just under \$10 billion¹⁹. The majority of Olympic games throughout history have gone over their predicted budgets, and the additional costs become the responsibility of the city's residents to repay. While the already high budget costs of hosting would be a huge burden to developing countries, budget overruns push the prospect of the Games even further from the realm of possibility.

If the host country is not already struggling economically or heading towards recession, then the monetary setback of hosting the games is not as large of a concern. The upcoming Games could also allow the country to continue to allocate funds to repurposing structures built for the games, increasing tourism, and improving infrastructure in the years following their conclusion. To be able to fully reap the benefits of hosting such a mammoth event, the city and the country as a whole need to think further than the games themselves. Planning their infrastructure improvements not just to allow the games to run smoothly but also to ensure these improvements will be beneficial to the residents of the city long after the crowds of athletes and media and tourists have returned to their respective countries.

Economic Analysis

The benefits of the games from an economic standpoint have been a contentious issue since the Olympics began its growth into the modern day behemoth that it currently is. Looking at the GDP for host countries, running from 2 years before their respective hosting year to 5 years after the conclusion of the games, offers little conclusive evidence to the economic impact

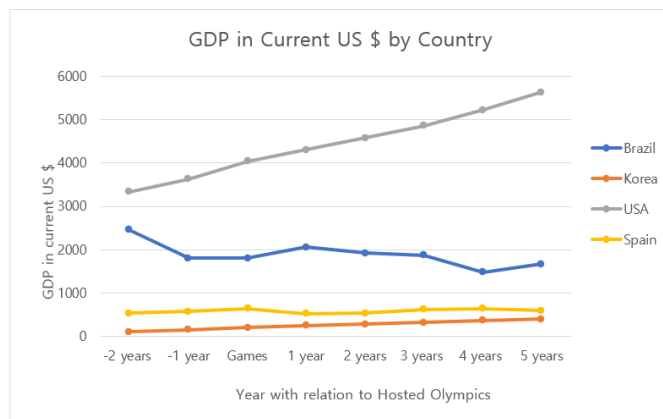


Fig. 1 Visual representation of Table 3

of the event.

Right before the start of the Games in 2015, Brazil was in the middle of a massive recession and its GDP had already begun to decline. While in the year after the Olympics, it did increase slightly from \$1.8 trillion to \$2.06 trillion, it quickly dropped back down to the same level in 2019²⁰. Spain in the early 1990s, was in a period of economic growth, but in the year following the games, the GDP was \$105.77 billion lower in 1993 and did not recover until 1995²¹. During the mid-1990s, Europe as a whole experienced an economic slowdown, and the impact of the Olympics in Barcelona on Spain's GDP appeared to be overshadowed by this in subsequent years.

In the case of Korea, their GDP had been rising steadily since the end of the colonization in the mid-1940s, and the Olympics did not appear to have a positive effect. Instead, the per capita growth, which had been rising at an annual rate of around 10.9% for the past 3 years, dropped to 6% in the year following the games and did not rise above 10% for the following 4 years²⁰. The US, similar to Korea, in the 1980s, was experiencing a period of economic growth and was growing steadily. There is a jump in the per capita growth to 6.3%, which could be attributed to the LA games, but also could be attributed to post-recession recovery²¹.

While the GDP analysis does not provide any conclusive evidence, it can be posed that the Olympics overall does not have a major effect on countries experiencing positive growth. However, when paired with unstable economic conditions, any positive effects from the Games are cancelled out.

It is difficult to compare the games as the reasons for their economic success and failures varied greatly from year to year. Barcelona experienced increased rates of tourism due to their discovery as a tourist destination whereas LA benefitted from lower costs. While the tourism in LA did increase during the year of the games there is no evidence to show that this stayed in the following years. Due to the inconsistent economic factors that led to their success, one single type of analysis would

Table 3 GDP of 4 Olympic Host Countries from 2 years leading up to the Games to 5 years after

GDP (current US\$) in millions								
Country	-2 years	-1 year	Games	1 year	2 years	3 years	4 years	5 years
Brazil	2460	1800	1800	2060	1920	1870	1480	1670
Korea	116.84	147.95	199.59	246.93	283.37	330.65	355.52	392.67
Spain	536.18	576.75	630.47	524.7	530.18	614.17	642.25	589.74
USA	3340	3630	4040	4304	4580	4860	5240	5640

Table 4 GDP per capita growth of 4 Olympic Host Countries from 2 years leading up to the Games to 5 years after

GDP per capita growth (%)								
Country	-2 years	-1 year	Games	1 year	2 years	3 years	4 years	5 years
Brazil	-0.3	-4.3	-4	0.6	1.1	0.6	-3.8	4.3
Korea	10.2	11.6	10.9	6	8.8	9.7	5.1	5.8
Spain	3.7	2.3	0.04	-1.5	1.9	2.3	2.2	3.2
USA	-2.7	3.6	6.3	3.3	2.5	2.5	3.2	2.7

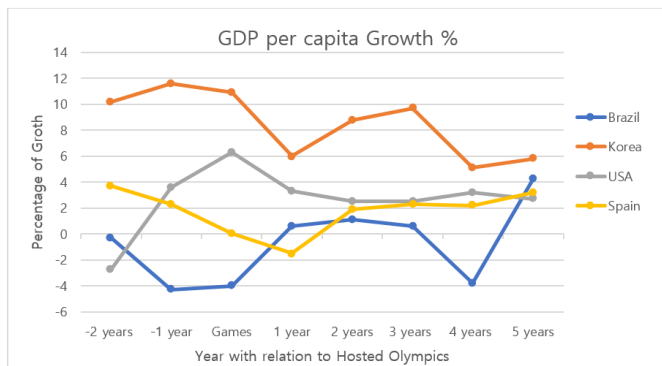


Fig. 2 Visual representation of Table 4

not properly illustrate the effect of the Olympics on their Host countries.

Structural Inequality in the Olympic Bidding Process

The next question to address is why it is harder for some nations to have successful bids. Istanbul has made five bids since 2000 for the Summer Olympic Games and has spent more than \$200 million without winning a single bid²². This is very likely due to the country’s lack of experience in hosting events of this size and caliber, as well as concerns about infrastructure and suitable venues. Some cities can rely on existing infrastructure rather than building new hotels, transportation lines, and venues to make their bid cheaper. However, developing countries don’t have this luxury, and the promise of new infrastructure plans and the creation of jobs from the construction of a new stadium is unstable at best.

Maintenance of venues of that size and caliber is also incredibly expensive. In many countries, venues like the 60,000-seat Moshood Abiola National Stadium built for the 2003 African Games in Nigeria remain empty and unused following the conclusion of their utilized games²³. Or the six venues of varying sizes built for the 2016 Rio Olympics, which were all slated for redevelopment or demolition after the conclusion of the Games^{18,24}. Instead, they sat empty for years, and almost 10 years later, the projects are still largely incomplete^{18,24}. Additionally, in Montreal in 2024, their government said “it would spend \$870 million to replace the rarely used stadium’s roof for the third time, leading critics to push for its demolition”⁹. These venues are often referred to as ‘white elephants’ as they are unable to be utilized due to their size and instead just sit empty. These white elephants either drain funds for upkeep or fall into disrepair, creating eyesores at best and safety hazards at worst.

High upfront costs of hosting create a significant barrier for developing countries that do not have the excess capital to spend on making a lavish bid presentation and currying favor with the IOC. A lack of infrastructure and perceived safety can create significant disadvantages over developed countries. To try and resolve this economic issue and make the bidding process more equitable for all countries, the IOC has announced they will be implementing a new system. Instead of prioritizing glamorous new facilities, the IOC now requires potential hosts to use as many existing and temporary venues as possible, only building new ones “if there is a long term legacy need”²⁵. Additionally, they give the option to spread the games over a wider geographic area, agreeing that “events can be located in more than one city, region or country”²⁵. Under the new reforms, bidding is now much more private, consisting of conversations amongst IOC members and NOC officials from candidate locations. The

official Olympics website states that the process begins with “informal exchanges” and if talks progress, then they begin “non-committal Continuous Dialogue”²⁶. Here, the potential host can discuss and improve their Olympic proposal with the IOC without being linked to a particular year or set of games²⁶.

Instead of written submissions, the IOC utilizes independent studies to determine the feasibility of the project and help suggest improvements. After, the potential host can be recommended by the Future Host Commission for “Targeted Dialogue” where, if accepted, the location is invited as potentially one of a few “preferred Hosts”²⁷. In this stage the IOC will create independent opportunity and risk reports on “venue costs, public opinion, and potential environmental impact”²⁷. At the end of these discussions, one of many things can happen. If the IOC feels the city is ready, the board can “put forward one or more hosts for election by the IOC session”; if they feel the conditions haven’t been met or the proposal isn’t ready, then they can recommend returning to the Continuous Dialogue stage²⁷.

The hosts are still chosen by vote but the bidding locations are assessed by “how well they fit with existing regional and national development plans, in addition to the long-term strategic goals of the Olympic Movement” amongst other points of economic and regional viability²⁵. The initial economic pressure upon beginning the bidding process has become slightly lighter. In turn, this makes the election process more open to developing countries and allows them to begin to reconsider the idea of hosting. However, the emphasis on temporary and legacy venues could still make the process of hosting a long and expensive road as bidding cities would still need to prove economic stability and viability.

While these reforms are aimed to make significant steps to reduce the costs of hosting the Games, it is nowhere near enough to make a significant difference for developing countries. Even with the new guidelines, the process is still incredibly expensive, and unless the NOC of the country wins a bid, the money spent on it is essentially wasted. Additionally, the level of privacy that is placed on the “conversation stage” has raised questions about potential corruption. In an attempt to prevent overbidding by not releasing the names of the cities currently in talks with the IOC, it has created further problems. Despite the claims that the new process is more transparent than ever, some say that the 2032 Olympics have been ‘stolen’, deciding on Brisbane as the sole candidate 4 years ahead of the usual schedule. In 2021, the IOC announced that Brisbane, Australia, was the only candidate in the “preferred Host” phase for the 2032 Olympic Games, 11 years away²⁸. The 2030 games had yet to be awarded, and the 2028 games were awarded at the same time as the 2024 games. The current changes do seem to be a step towards ensuring the Games are a more equitable and less costly proposition for potential host cities. However, much more needs to be done before developing countries are able to confidently place their names in the proverbial hat and win a bid to host the Olympic

Games.

Case Study: 1988 Seoul Olympics

Using the example of my own country, Seoul, as the second city in Asia, after Tokyo in 1964, and the second developing country to host the Modern Olympics, had a lot to prove. This was to be Korea’s entry onto the world’s stage as an economic power. After emerging from its occupation by Japan and the tumultuous period of civil war, the newly formed Republic of Korea (South Korea hereafter) wanted to show the world that they were ready and open to global trade and collaboration. In 1988, when the games were held, they were the single largest event the Olympics had ever seen. 167 countries participated with over 13,000 athletes competing in 237 events watched by over 240 thousand spectators who attended the various events held in Seoul²⁹. The South Korean government believed that this would not only be South Korea’s big debut into the world of sports as a worthy contender but also their first foray into international legitimacy as well as the possibility to gain diplomatic recognition from socialist allies of North Korea³⁰.

The South Korean government invested around \$3.6 billion in Olympics-related infrastructure developments with the cost split relatively evenly between the central government, city, and private funding³¹. To prepare for and support the increase in tourism from the Games, three new underground railroads were completed, and Gimpo Airport was expanded to allow for additional capacity³¹. Beautification projects to clean up roadsides within Seoul were started, parks were expanded and renovated and massive cleanup projects for both the Han River and Suyong Bay were held³¹.

Like Barcelona in 1992, Korea was also able to take advantage of some long-term benefits of its infrastructure development for the games. To allow for the transmission of results and other information during the games, the government funded the creation of not only a new computer and communications system but also developed new hardware and software³¹. By the time the year of the Olympics came around, Korea’s main export was now electronics, having taken over textiles, which poised South Korea as the tech giant that it was becoming³¹.

The 1988 Games allowed South Korea to change its global image from that of a poor, war-torn country following the Korean War. The games did in fact put Seoul on the tourism map. Post-Olympics, the government continued to invest in tourism, which, similar to Barcelona, is what allowed for a solid base to be able to support the tourism boom caused by the Hallyu wave in the 21st century. Korea, as a developing country, had to be smart with its bid, planning not to pose Korea as a tourist destination but a global industrial power. Knowing that the costs would outweigh the immediate monetary benefits but planning for increased benefits in the future. Rose & Spiegel (2011) talk about how Korea hoped the games would allow other countries

to see their manufacturing prowess and found post-Olympics their exports were 20% higher².

The official results of the 1988 Games, announced by the Seoul Olympic Organizing Committee (SLOOC), were expenses of \$847.7 million and a profit of \$139 million³². However, that number did not include the \$3.2 billion spent by the Gyeonggi Government, which brought the total costs near to \$4 billion³². The large increase in expenses dwarfed the revenue and put the Seoul Games back on the list of countries in the red after the conclusion of their hosting experience.

The Seoul Olympics were a springboard for South Korea's growth as a tourist destination and economic power, all of which were made possible by continued monetary investments from the government. This further supports the idea that the main problem with the IOC's process is that the only cities able to benefit from hosting the Olympics are those that can secure immense funding.

Possible Solutions for Equity and Inclusivity

Olympic scholars, Vassil Girginov and Jim Parry believe that the Olympics are a 'political project' and when countries consider hosting the Games, they look at the potential benefits to be gained across both national and international aspects³¹. National aspects include employment, urban regeneration, and nation-building. While international aspects include political functions and diplomatic links that could allow for countries to boost their prestige and outmaneuver rivals. As developing countries rarely get the chance to host the Olympic games, there is no opportunity for them to take advantage of these potential benefits.

Currently, there are no economic benefits for the IOC to entice them to elect to host the games in a developing country, which is likely why there still have been no games held in Africa, the Middle East, South Asia, or South East Asia. While the IOC has already made progress, recognizing the limitations and economic burdens of the previous bidding process, and is making significant efforts to reform the system, more still needs to be done to ensure bidding is fair and equitable for all countries. Many developing countries are held back from hosting by the lack of resources available to shoulder the entire cost of games with such expansive needs. To help offset these issues, possible solutions include creating a new Olympic body to focus on the economic impact of the games on host cities and allowing a collection of cities across multiple countries to host the games.

Create a body specifically to focus on the economic impact of the games in host cities

Creating a body to focus on the economic impact of the games would allow for all countries to benefit from an increased focus on the costs. This would include both the leadup to the games

themselves and in the aftermath once the initial tourist boom during the run of the event has died down. This body would focus on the infrastructure development of the host city or cities and ensure that the games will leave behind assets to benefit the community after the end of the games. To keep costs lower and prevent the creation of more 'white elephant' venues, for the most recent games in 2024, Paris built only a single new permanent sports facility³³. Holding the rest in existing or temporary structures in addition to planning to turn the Olympic Village into housing following the conclusion of the games³³. The body could determine which countries have the greatest opportunity to benefit economically from the Olympics as well as evaluate the impact on the economy itself. Using this information, the IOC can determine whether the bidding country currently can handle the burden of hosting or what it would need to do to be able to handle it.

This body could potentially include organizations that focus on economic growth for developing countries. Including bodies like the United Nations Development Programme (UNDP), International Monetary Fund (IMF), or the World Bank to help offset the costs of the Games would allow the countries to reap the long-term benefits awarded to countries who get to host the Olympics. These organizations have similar purposes in helping developing nations to close the gap between wealthy and poor nations and the Olympic Games, if utilized properly, can be a solid boost to a city and even a country's economy.

The IOC, as a large established body, could be resistant to this change. The focus on economic impact is not currently within the IOC's scope, as once the year's games conclude, the IOC has no further concern with that city. The creation of this body would allow the world to see the true economic impact of the Games on each host country, and those are not always positive. It is unlikely the committee would readily agree to something that could cause the public to view them and the games in a negative light. Ensuring the body is independent and accountable could pose a significant challenge, but if successfully implemented, it could create a more equitable process.

Have several cities across countries host collectively

To allow more countries the opportunity to be a part of the Olympic Movement, having two or more countries band together to host the Olympic games collectively would provide a new solution. Under the current bidding process and hosting reforms, the Olympics supports and even encourages spreading the games across multiple locations. This would allow for multiple countries to benefit from the potential economic or tourism advantages without saddling a single city with the entire economic burden of hosting this massive event. While the cities might not be able to gain as many of the immediate, tangible monetary benefits of hosting the games, shared hosting would allow developing countries to host a few events that they are

already equipped to take on. Additionally, this would allow the hosting country, or countries, to create a more global profile, make better connections with surrounding countries, increase tourism, and put their name out as a nation open for global trade.

The IOC has already begun talks to allow events to be spread out among cities to allow hosts to take advantage of current infrastructure. In the current plans for the 2028 Olympics in LA, some of the venues include a softball park and whitewater center in Oklahoma, as well as potentially relocating cricket to New York^{34,35}. This would likely be the most agreeable option to the IOC as they would not be required to provide any additional capital and would be seen as promoting global cooperation.

Conclusion and Future Research

The Olympic Games in this day and age are indeed a capitalist venture, but the IOC must not allow itself to be solely driven by monetary desire. One of the main missions of the Olympics is “to encourage and support the development of sport for all”³⁶ and by limiting the locations and funding for games to wealthy developed countries, it is denying both development and support opportunities to numerous developing nations.

This paper has examined the economic benefits and consequences of both the bidding process for and the hosting of the Olympic Games. We then move to suggest possible solutions to allow more countries to benefit from the tangible and intangible benefits that the global quadrennial games can bring if organized efficiently. By creating a body specifically designed to focus on the economic stability and growth of potential host countries, the IOC can ensure economic equity in the hosting of the games. It could be a struggle to convince the committee initially as it could shed light on potential dishonest dealings. However, this change would also allow them to show full transparency and create stronger trust among global Olympic committees. As a second solution, the IOC has already begun to loosen their host ‘city’ requirements to allow for multiple cities and countries to host collaboratively. This opens numerous doors for developing countries and allows for a slightly smoother path to hosting in the future. While developed countries are already globally well-known and traveled to, they would not experience the same percentage of tourism growth, but for a developing country, the recognition could put it on the map. Both by potential future tourists as well as countries looking to engage in trade.

Due to limitations of age and reach, this study is a mere first step in the direction of shaping the Olympics into a more economically sustainable and responsible state. In the future, researchers could look into these suggestions, study the specific conditions, and determine the parameters to find which countries would be the best collaborative hosts and which events could be held in which locations. As well as future studies to determine how involving private companies in the effort could help pave the way to celebrate the Olympics in a more equitable way.

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