

World Cups and Olympic Games: How to stop three weeks of fete from turning into 30 years of debt

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The 2018 football World Cup has kicked off in Russia, and people around the globe are by now glued to their radios, televisions, and laptops, living each save, each goal, every triumph, every loss. Excitement reigns, but at the same time, some are also turning their thoughts to the future, to 2022 and beyond. Organising and hosting an event on the scale of the World Cup is a massive undertaking, as FIFA, the governing body of world soccer, the OECD, and even the voters of the Swiss canton of Valais, know well.

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On 30 May, the [OECD Council Recommendation on Global Events and Local Development](#) was endorsed by ministers at their [annual meeting](#) in Paris, just a couple of weeks before the World Cup opening ceremony in Moscow, and as the French capital begins its preparations to host the Olympic Games in 2024. The OECD document offers a blueprint for events of limited duration but global reach, which can include exhibitions and cultural festivals as well as major sports competitions. Hosting a major event can be a catalyst for social and economic betterment, and policymakers have a role to play in making sure such events bring value for money and that their impact on local communities and the environment is properly and openly assessed. The OECD Recommendation, which is the first of its kind, can help, the intention, as Secretary-General Angel Gurría said, being to encourage “sensible and efficient investment” that contributes to job creation and transparent management. Organisers need to ensure that the benefits are shared “before, during and after the events”.

The staging of World Cups and, in particular, the Olympics Games, has been problematic over the years. Potential host countries have felt pressure from their own public, who want to be allowed to participate in deciding whether or not to host such events. A lack of public support led Boston to withdraw its bid to host the 2024 Olympics. And in June 2018, [the canton of Valais rejected](#), once again, a proposal to bid to host the Winter Olympics. Switzerland might be the home of the International Olympic Committee, but its citizens—or at least those in Valais—want no part of the games. The slogan of those opposing the bid was “three weeks of fete, 30 years of debt.”

The trend could continue, for as Chak Hee Anh, director of global affairs at the Korean newspaper [JoongAng Ilbo](#), noted during OECD Forum 2018, an international public policy debate which takes place alongside the ministerial meeting, “more and more, we are seeing countries reconsidering the notion of having these big, sometimes, disruptive events.”

Why? Firstly, cost. The Olympics and the World Cup do not come cheap—and their budgets have a tendency to inflate along the way. “It’s quite easy to spend more money than you are supposed to use,” explained Cesar Cunha Campos, director of FGV Projetos, speaking at the OECD Forum. For the 2016 Brazil Paralympics and Olympic Games, for instance, “the bidding process in the Paralympics was US\$400 million and we spent US\$2 billion; for the Olympics US\$17 billion and we spent US\$29 billion. So, you have to be careful.”

The official price tag going into the 2018 World Cup in Russia is US\$11.8 billion, already over budget, though some estimates put the figure as high as US\$14.2 billion, which would make it the most expensive World Cup ever. But these numbers are dwarfed by the costs of the 2014 Winter Olympics in Sochi and the Beijing Summer Games, which both exceeded US\$50 billion. The 2022 Qatar World Cup could smash all records.

Then there's the return on investment. The histories of both competitions are filled with stories of projects gone awry. The 1976 Montreal Olympics checked all the boxes for ill-conceived infrastructure: the unnecessary Mirabel airport, now used only for freight, and an over-ambitious Olympic Stadium, nicknamed the "Big Owe", which is hardly used and [still soaks up public money](#). The 72,000-seat Mané Garrincha stadium in Brasilia, which cost around US\$500 million to renovate for the 2014 World Cup and the 2016 Olympic Games football tournament, is not used by any elite soccer clubs today and its parking lot has become a garage for city buses. For the 2012 London Olympic Games, the city promised to build a new, dedicated athletics stadium, despite the likelihood of limited demand for one afterwards. The legacy committee now rents the London Stadium to West Ham, a Premier League club, which is demanding conversion of the athletic facilities into a more football-friendly arena.

Local government heads worry that they will not be able to afford the upkeep on the shiny new arenas. Russia has spent between \$3.5 billion and \$4.7 billion on stadiums for its 32-team competition. This includes \$500 million to convert the Fisht Stadium in Sochi, built at a cost of US\$770 million for the 2014 Winter Olympics. What will the return be? In his annual televised phone conversation with heads of regional governments at the start of June, President Vladimir Putin said the stadiums should be "self-sufficient", though he explicitly ruled out using them as flea markets, a repurposing that happened after the collapse of the Soviet Union.

Another issue is the increasing size of World Cup-2018 might be the last one with 32 teams participating. FIFA has long planned to expand the competition to 48 teams for 2026, giving more spots in the finals and more money to its member nations. At their pre-World Cup congress in Moscow, FIFA members deferred a decision on whether to expand the 2022 competition to 48-teams. They accepted the recommendation of the inspection team not to go with Morocco's bid to host such a large World Cup in 2026, voting for a joint United States-Mexico-Canada ticket instead.

If the World Cup is now so big that even the US cannot host it alone, where does it go from here?

Nor are cost and size the only problems to address. There is responsible business conduct to uphold too, not least regarding labour standards, which have been seriously questioned in relation to Qatar's world cup preparations.

The OECD recommendation, which calls for labour rights to be respected, is a positive step. The tool can help host countries, regions and cities, as well as international event partners, to better design large-scale events shaped to local needs and with people at the heart, and generate long-term benefits. By improving on the design and implementation of such events, by managing their

legacies thoughtfully, we can focus on what brings us together in sport, what is shared when a match kicks off or a race begins.

As French Paralympian and OECD Forum participant Michaël Jérémiasz reminds us, these events are “much more than just a few weeks of sport”. They are an opportunity to inspire and be inspired, to “share what humanity can be”.

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Visit the OECD Forum www.oecd.org/forum

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