

Investigating the socioeconomic impact and the political implications behind hosting mega sporting events: A cross-cultural review

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ABSTRACT

This study examines the socio-economic, economic, and political implications of hosting a mega-sporting event, specifically the FIFA World Cup and the Summer Olympics, from a cross-cultural perspective. The study provides insights and discusses the potential benefits and drawbacks of hosting mega-sporting events, which can be leveraged in the further preparation of such huge events. The study employs a cross-cultural review of multiple reliable literature sources to analyze the overall scale and magnitude of the phenomenon as discussed in the scholarly domain. The study found that most hosting cities experienced positive socio-economic impacts, such as urban regeneration and increased well-being, while also showing concerns towards environmental sustainability. Additionally, the economic impact of the World Cup or the Olympic Games was often negligible or negative for most hosting cities. Nevertheless, measuring and distinguishing whether the economic growth was due to the mega-sporting event was difficult, and thus, it has been concluded that this is due to methodological limitations in measuring and capturing the actual economic impact. Thus, more rigorous measures and policies have to be developed and employed in order to fully assess the effects.

Keywords: Mega-sporting events, socio-economic impact, political implication, sustainability

1. Introduction

Attention to mega-sporting events has been immense for a long time. There have been numerous mega-sporting events held in the past five years, including the 2021 Tokyo Summer Olympics, the 2022 FIFA Qatar World Cup, and the 2024 Paris Summer Olympics. In 2026, another FIFA World Cup is about to be held on a whole continent-wide level, which will happen in the whole North American continent: Canada, the USA, and Mexico. The societal significance of these

events is enormous, especially for the hosting cities. Hosting cities are accountable for the preparation of the facility, traffic regulations, safety requirements, and pricing for the tickets. In return, hosting cities are hoping for the benefits for the country as a whole. For example, the most recent 2022 FIFA World Cup held in Qatar brought various benefits to Qatar, including boosts in the tourism sector industries and GDP growth. (Bibolov, 2024) Nevertheless, success is not always the case for hosting cities. For instance, Rio De Janeiro, the hosting city of the 2016 Summer Olympic Games, has received bad attention during the event. There were many negative factors, such as frequent rampant crime, crumbling infrastructure, and news reports on sewage on streets, which resulted in people packing up their bags on vacation.

As the 2026 FIFA World Cup approaches 2026, the interest in the impact on the host country has been growing towards our interest. Especially in the US, as the country has been implementing aggressive and bold policies that evoke xenophobic attitudes towards particular communities. There is also a controversy towards the inflated ticket price for the seat and the rising crime rates, which some think hinders the production of the tourism sector. Nevertheless, it is still worthy of an investigation into whether it might benefit the country or not. It is important to acknowledge the impact of such huge sporting events on the society in the host country as a whole. These types of studies show the possible outcome of such an organization and thus motivate the host countries and people, which ultimately contributes to the growth of the country itself. It also conveys the potential danger that can be avoided by suggesting and proposing solutions.

Throughout the study, the research focuses on the socio-economic, economic, and political implications of the mega-sporting events, such as the FIFA World Cup and the summer Olympics, on the hosting cities. The FIFA World Cup and the summer Olympics were chosen based on the wide range of demographic bases and the scale of their significance in the world. Regional events such as the Tour de France, UEFA Champions League, Super Bowl, Wimbledon, and NBA Finals were not qualified due to the limited global impact of these events in the world. The research aims to identify the socio-economic, economic impacts, and political implications behind hosting a mega-sporting event on the hosting city. In order to identify the impact, the paper also aims to investigate relevant literature to compare and synthesize the overall impact suggested by other reliable sources. By doing so, our study can gain certitude and therefore become more trustworthy. Additionally, the research aims to provide a clear result of whether those events bring benefits or harm to each section in the hosting cities. Lastly, by doing so, we aim to contribute to the hosting cities to plan on the hosting preparations and decision-making.

The study aims to contribute to a clearer interpretation of the possible implications behind hosting mega-sporting events for future host cities' financial and political decision-making. By doing so, they can optimize the organization of such events efficiently and maximize their revenue from the events. By reviewing the relevant literature and compiling the results from over

thirty papers published over a period of more than two decades (2000-2024) regarding the hosting of the FIFA World Cup and the summer Olympics worldwide, this paper captures the overall socio-economic and political implications of these events. The conclusion includes the limitations of the present study and discusses avenues for future research on the subject.

2. Mega sports events and their socio-economic impact

In a study by Nikolaou, Konteos, Kalogiannidis, and Syndoukas (2023), the authors assess the socio-economic influence of event infrastructure used in major sport events and investigate how the audience of major sport events affects the socio-economic development of a region, by focusing on the case of Qatar. The study has identified that a high level of organization is required when it comes to major sports events and social-economic well-being for the host country. Using the 2022 FIFA World Cup as a case study, the authors utilised a cross-sectional survey design, which was based on a quantitative research approach. The study adopted a basic formula to compute the sample sizes provided originally by Yamane (1967). A simple random method of sampling was used. Data for this study were gathered using online semi-structured survey questionnaires with open-ended questions in order to obtain in-depth comments from the participants, who were selected from a diverse group of demographics as a sample.

The results of Nikolaou, Konteos, Kalogiannidis, and Syndoukas' (2023) study revealed a strong positive correlation between big athletic event management and socio-economic wellbeing. It was also identified that the social-economic well-being in countries hosting big athletic events is significantly impacted by event infrastructures, audience in major sports events, and the level of organization of these events. Moreover, the findings supported the hypothesis that the audience in major sports events has a positive influence on the social-economic development of the host country. In addition, the organization of major sports events was found to have a significant effect on the social-economic well-being of those organizing major sports events. The positive effects of hosting the 2022 FIFA World Cup Qatar have had a greater influence on locals' perceptions than negative effects, revealing that well-organized events are good for enhancing trade for local businesses and that having a successful sports event requires hiring experts for the major sports events. However, the authors noted that the study has emerged in response to a growing need to acknowledge short, medium, and long-term tangible and intangible impacts on the larger destination ecosystem, including both positive and negative effects. Nevertheless, major sports events may also greatly boost commerce, tourism, and destination branding, as well as more tangential benefits on diplomacy, local pride, and social connectedness. While the specific study sheds light on several factors, the authors only concluded that "organizing major sport events has both negative and positive influences on the social-economic wellbeing of the hosting country." (p.19) while mentioning only the positive effects, such as "Major sport events may also greatly boost commerce, tourism, and destination branding, as well as more tangential

benefits on diplomacy, local pride, and social connectedness.” (p.19) The reason can be interpreted to be biases or lack of findings that are related to the negative effects of such events on the host country. This leads to a limited understanding of the wider aspects related to such events, questioning the validity of the aforementioned study. Lastly, the study suggests that it is important for the organizers of big sports events to always put in place different mechanisms that can help prevent any negative impact of major sports events.

More recently, a study conducted by Yushan (2024) assessed both the positive effects, like economic growth and cultural exchange, and the negative consequences, such as environmental damage and human rights violations, to inform better planning and decision-making for future mega events. The paper focuses on the investigation of the socio-economic impacts of mega sporting events, such as the Olympics and FIFA World Cup, on local communities. The author adopted a mixed research approach by utilising structural equation modeling (SEM), case study investigation technique, bivariate tests, descriptive statistics, and SMS-based surveys. The SEM helped with understanding how different variables, such as community support and event outcomes, interact with each other. The case study investigation technique involved an in-depth exploration of specific instances or events through detailed insights. By focusing on particular mega sporting events, the author analysed unique circumstances and outcomes, providing context-specific findings that contribute to the overall understanding of the topic. SMS-based surveys involve using text messaging to distribute surveys, allowing for efficient data collection from a large number of respondents.

Yushan (2024) found that mega sporting events contribute to economic growth, urban regeneration, and cultural exchange, enhancing the local community’s profile and infrastructure. However, the events can lead to human rights violations, environmental degradation and corporate exploitation, highlighting the complexities and potential downsides of hosting such large-scale events. Moreover, the study found that local residents' opinions vary with some expressing pride and improved quality of life, while others raise concerns about the long-term sustainability and inclusivity of the benefits derived from the event. The author emphasizes that socioeconomic effects of mega sporting events are multifaceted, with both significant benefits and drawbacks that require careful planning and evaluation to optimize outcomes. Potential limitations mentioned by the author include the challenges in accurately capturing community sentiments and the reliance on specific case studies, which may not be generalizable for all contexts. Additionally, the complexity of measuring long-term impacts and the influence of external factors on event outcomes can hinder comprehensive assessments.

Diving deeper into the perceived socio-economic implications of mega sports events, Perić (2018) researched the main socio-economic impacts and social regeneration opportunities for hosting communities associated with the EHF Euro 2018, with particular emphasis on tourism.

The study focused on understanding perceived socio-economic impacts of hosting the event on local residents, particularly comparing perceptions between hosts and non-host cities. A spatial-location method was employed, with trained fieldworkers approaching adult participants in public areas to complete a questionnaire onsite. Also, multiple data collections were conducted, resulting in 504 respondents, with 476 responses eligible for analysis after excluding the incomplete ones. Moreover, descriptive analysis and exploratory factor analysis (EFA) were performed using SPSS to explore socio-economic impacts, with the principal component method and Oblique rotation applied for factor extraction. The results showed that the non-host city residents reported higher mean values for most socio-economic impacts, while host city residents showed greater agreement only on security risks. Also, significant differences were found between the perceptions of host and non-host city residents for eight variables, particularly in community development, pride, economic benefits, and environmental concerns. Ultimately, the study concludes that socio-cultural benefits, such as community pride, are perceived as more influential than economic benefits among local residents. Additionally, non-host city residents view the impacts of the event more positively than host city residents, highlighting the importance of understanding local perceptions for future event planning. However, the study's sampling method may limit generalizability, as results could differ with samples from other host and non-host cities. Furthermore, the reliance on the Social Exchange Theory (SET) may not fully capture the complexities of residents' perceptions when solely relying on one sample, and the author acknowledges that including a broader sample (from other host and non-host cities) could lead to more holistic and conclusive results.

In the study conducted by McCartney et al (2010), the effects of major multi-sport events on health and socioeconomic determinants of health in the population of the city housing the event were assessed. The study analyzed databases such as Applied Social Science Index and Abstracts, British Humanities Index, Cochrane database of systematic review, Econlit database, Embase, Education Resources Information Center database, Health Management Information Consortium database, International Bibliography of the Social Sciences, Medline, PreMedline, PsycINFO, Sociological Abstracts, Sportdiscus, Web of Knowledge, and Worldwide Political Science Abstracts for references. Further, the study included outcomes relating to health, well-being, quality of life, health service use, and physical activity or functioning, and any measures of the socioeconomic determinants of health as described by Dahlgren and Whitehead (1991), including access to services and transport environment, crime, housing, demography, and cultural and economic outcomes. The results indicated that there are multiple impacts on society and the economy from the mega sporting events. In terms of health, several studies showed that during mega-sporting events like the FIFA World Cup and Olympics, a few countries experienced a decline in the number of health care visits due to car restrictions and improved air quality. However, some also showed that there was an increase in hospital use by non-resident

visitors due to increased use of drugs. Also, the public satisfaction with green spaces rose significantly, from 28% to 75%. Higher-quality studies (with longer-term, collected data) showed some negative outcomes, including inflation in Barcelona and Atlanta, and delayed health and education investment in Sydney due to spending on sports infrastructure. The study concluded that hosting major multi-sport events like the Olympics or Commonwealth Games has become increasingly expensive, making it hard to justify costs purely for entertainment or national prestige. Cities are now expected to demonstrate long-term benefits—a lasting legacy—for their populations to justify hosting such events. The study lastly suggests that without robust, long-term impact assessments built into planning and implementation, it is difficult to justify the high costs of hosting in terms of real benefits to the local population. And finally, to note, the study reflects on how less studies have qualified their criteria for reliable sources. Most of the inaccessible studies were not peer-reviewed, so their quality was likely low—but their exclusion still limits completeness.

In the case of Nair's (2021) study, the focus was on a single country and the socioeconomic impact of hosting major international sports. In particular, the study investigates the impact of sponsoring a major event, considering the socioeconomic aspects of Qatar. Following this, Nair (2021) developed three objectives:

1. to identify the dimensions of socioeconomic impact in the context of sponsoring a sports event with a specific reference to Qatar,
2. to determine the impact of sponsoring a sports event on the dimensions of socioeconomic aspects, and
3. to make suggestions to managers and policy makers to draw upon the dimensions that favorably impact the socioeconomic aspects of the country.

The author adopted a questionnaire survey spread among 126 respondents, who were actively involved in several sporting events held in Qatar, such as the 2006 Asian Games, the 2008 Asian Youth Wrestling Championships, the 2009 FIVB Club World Championships, the 2010 IAAF World Indoor Championships, the 2011 Asian Football Cup, the 2012 Asian Shooting Championships and the 2015 IHF Handball World Championships. The perceptions of professionals involved in sponsoring the event and those in the tourism industry have been subjected to descriptive statistics to study the impact of sponsoring sports events on the seven dimensions of socioeconomic aspects of Qatar. The scores were averaged and classified into Bad, Poor, Average, Good, and Very Good for the values ranging from 1 to 5, respectively. The study concluded that the highest positive impact of sponsoring sports events is expected to be on the environmental aspects, while there is less impact on the quality of life in Qatar. The author attributes the limitations of the study to the demographics of the survey, as the respondents were mostly managers of the tourism industry, and therefore better positioned to comment on the

dimensions of the study than the rest of society. Consequently, a limited scope is achieved. Tables 1 and 2 below elaborate on the particulars of the data.

Table 1: Perceptions of the impact of Sports Event Sponsorship across various socio-economic dimensions

Dimension	% rated as “good”	Most positively perceived variable	Mean (SD)	Least Positively Perceived Variable	Mean (SD)
Micro-economic	31.600000 %	Information and communication technologies will improve	N/A	Product efficiency will improve	N/A
Meso-economic	30.300000 %	Performance of services and products will improve	4.0 (1.1)	Creative workforce is the driver of business	3.2 (1.3)
Macro-economic	31.000000 %	Sponsorship will improve total goods produced	3.8 (1.3)	Sponsorship will improve price stability/reduce unemployment/improve service output	3.5 (1.1–1.3)
Employment	31.500000 %	Higher demand for professional services when hosting sports events	3.6 (1.1)	Sports events will create a wide range of employment opportunities.	3.2 (1.3)
Quality of Life	28.400000 %	Sponsorship improves the achievement of individual goals	3.6 (1.2)	Hosting sports events will improve quality of life.	3.0 (1.2)
Social Cohesion	32.600000 %	Citizens become more sociable through sponsorship of sports events	3.6 (1.1)	A sense of belonging to the country will improve through sponsorship	3.2 (1.2)

Environmental	33.700000 %	Environmental protection issues are highlighted during sports event	4.1 (0.9)	Countries that sponsor sports events have been environmentally conscious	3.5 (1.3)
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Table 2: Perceived Overall Impact of Sports Event Sponsorship by Socio-Economic Domain

Rank	Dimension	Mean Score
1	Environmental Aspects	4.1
2	Micro-Meso-and Macro-economic aspects	3.6
3	Social Cohesion and Employment	3.4
4	Quality of Life	3.3

Also, the study reveals that the highest impact of sponsoring the sports event will be observed to be the environmental aspects. The second largest impact was on Micro, Meso, and Macro-economic aspects of the Qatari economy (Mean = 3.6). This was followed by Social Cohesion and Employment Aspects (Mean = 3.4). Finally, the least impact of sponsoring a sports event was on the improvement in Quality of Life (Mean = 3.3). Considering the aforementioned studies and their findings, the socioeconomic impact of a mega-sporting event is both positive and negative in several sectors. Recognizing these, the next section of the paper focuses specifically on the economic impact of mega-sporting events.

3. A closer look at the economic impact of the mega-sporting event

Looking closely at the economic dimension, a study by Baade and Matheson (2007), the authors question the profitability and benefits of hosting a mega-event in the hosting countries. To answer this question, the author centralized the focus on the WC in 1994 hosted by the US and constructed a research question: “whether the estimates of the economic impact of the 1994 WC

hosted by the US. The author selected explanatory variables from existing models, such as regional or metropolitan growth patterns, to predict economic activity in the absence of WC. By doing so, the author can acquire reliable data that can be appropriate to be used to compare. He also compared the projected level of economic activity without the event to the actual levels of economic activity that occurred in cities hosting matches, so he could estimate the economic impact of the WC. He then showed a calculating method to practically calculate the predicted changes in income for host cities, which is one of the variables used to determine economic growth in each different host city between 1970-2000. The predicted income growth is then compared to the actual income growth in 1994. Since the research question focuses on the quantitative facts and data, the author's methodology of selecting explanatory variables from existing models, comparing the projected level of economic activity without the event to the actual levels of economic activity that occurred in cities hosting matchings so he can estimate the economic impact of the WC and calculating using existing formula and data allowed the author to get data that are detrimental to answer to the question.

As a result, the study (Baade and Matheson, (2007)) found that the statistics indicated two things. First, the dollar difference recorded varied substantially, with some cities, such as Chicago, exhibiting income gains well in excess of reasonable booster predictions, and other cities showing a large negative impact. Second, nine of the host MSAs experienced income declines rather than the expected increases relative to model expectations. Also, the WC had an overall negative impact on the host city economies of \$9.26 billion. The retained data, obtained by comparing variables in different countries in the same year, is highly correlated with linear relations. Thus, it can be said that it was executed appropriately. Also, the result mostly encouraged the author to determine to answer the research question. It gained results such as the substantial dollar difference impacted the cities in both positive and negative ways, and 9 out of 10 cities showed a decline in their income after the WC, suggesting the negative impact of the WC. The results suggest a highly negative impact on the host country, which is strongly related to the research question. Consequently, Baade and Matheson (2007) concluded that even though the 1994 WC was an enormous success, leaving organizations with large profits, the economic prosperity of the city is far less clear, as the evidence suggests that the nearly \$4 billion economic impact on the US didn't materialize. Baade and Matheson (2007) lastly suggested that cities would be advised to more thoroughly evaluate booster promises of a financial windfall from hosting a sports mega-event, such as the WC, before committing substantial public resources to such an event, which encourages general debate in the literature. However, Baade and Matheson (2007) concluded with just a recommendation to the general public, which might affect the credibility of this essay since there is no limitation mentioned.

In addition, De Aragao (2015) explores how professional evaluators' epistemic styles—their

beliefs about the nature and acquisition of knowledge—influence their evaluation practices. The central research question- which is not clearly stated in the paragraph- investigates whether distinct epistemic styles correlate with specific approaches to evaluation, aiming to determine if a typology of evaluation practice can be derived from understanding evaluators' epistemic orientations. Employing a quantitative research design, the study utilized the Psycho-Epistemological Profile (PEP), developed by Royce, Mos, and Leerssen (1975), to assess the dominant epistemic styles among professional evaluators. The instrument was administered to members of the Michigan Association of Evaluators. A reliability study of the PEP was conducted to ensure its appropriateness for this specific population. Data analysis focused on identifying patterns and correlations between evaluators' epistemic styles and their reported evaluation practices. It can be said that it was appropriately done since it focused on collecting data of evaluators' epistemic styles and their reported evaluation practices. These methodologies effectively strengthen the reliability of the researcher's thesis, which is rather qualitative than quantitative. However, there was no sampling conducted due to the qualitative focus on the purpose and the question, and there was no need to sample the data. The analysis revealed that evaluators' epistemic styles significantly influence their evaluation methodologies. For instance, those with a more empirical epistemic style tended to favor quantitative methods and objective measurements, while evaluators with a constructivist epistemic orientation preferred qualitative approaches and emphasized contextual understanding. These findings suggest that epistemic style is a meaningful predictor of evaluation practice, supporting the development of a typology linking epistemic beliefs to evaluative approaches, which was detrimental because it can be used to answer the question. It also links to the research question by indirectly implying the effect of epistemic style in society. The study concludes that acknowledging and understanding evaluators' epistemic styles is crucial for comprehending their evaluation practices. Recognizing these underlying epistemic orientations can enhance the effectiveness of evaluations by aligning methodologies with evaluators' cognitive frameworks. The research also provokes the general debate by implying the possible improvements in the methodology. The research advocates for increased awareness of personal epistemic styles among evaluators and illustrates the limitation that such self-awareness can lead to more reflective and appropriate methodological choices in evaluation practice.

Furthermore, a study conducted by the Eastern Economic Journal by Allmers and Maennig (2009) aimed to deviate from the past studies that focus on analyzing highly aggregated data, such as employment and GDP. The authors focused on the microfoundations for the arguments of additional income and employment effects of the WC by directly analyzing the number of tourists' overnight stays, the national income from tourism, and the retail sales, specifically for the 1998 and 2006 WC. The objectives also include offers of comparison and contrast with the plans for the 2010 South Africa WC. German and French tourism and disinflated monetary data

for direct analysis and comparison/contrast were taken from EUROSTAT. After that, all the data series were Augmented Dickey-Fuller (ADF) checked for trend stationarity. Then, those data series were regressed on a constant, a trend, and an endogenous variable lagged by one and two periods. Based on the trend analysis, it indicated that June 2006 exceeded June 2005 by about 1.1 million overnight stays (+31.6%), and by about 479,000 in July 2006 (+11.5%), which is an average yearly increase of the number of overnight stays in Germany by 3.5% from 1996 to 2005. However, fewer than 100,000 hotel tourists visited Germany on behalf of the WC. Instead, some might have been using the public space as an accommodation, for which the expenditure and their economic impact per person might not be as significant as that of the hotel-stayers. An analysis of the travel behavior of residents during the WC did not reveal any significant changes. In 1998, France even experienced a decline in the number of non-resident overnight stays at the time of the WC. Overall, the effects for the tourism sector are small and mostly negligible, unlike most of the anticipations from other studies. Instead, mega-sporting events such as the WC may replace regular tourism from abroad, and or replace the tourism of residents.

This led to a less optimistic estimate in the study conducted by Grant Thornton (2008), which concluded that about 480,000 WC 2010 tourists will visit South Africa, and that they will crowd out normal tourism only by about 20%. The author also found that even if individual firms and sectors profit from WC, these profits would be counterbalanced by less demand in other months and/or in other sectors as long as the national savings rate remains constant. Moreover, neither France nor Germany has shown any significant impact of WC on the deflated monthly retail sales index. Indeed, the raw data highlights that the WC months of June and July 2006 were actually characterized by decreases in turnover when compared to the same months of the previous year. It was also found that new or renovated stadiums boost match attendance by ~2700 people (~10%). Revenue increases not only through attendance but also from higher ticket prices, expanded VIP/business seating, and naming rights. This novelty value can generate significant, though temporary, financial benefits for clubs and stadium operators. Most 2006 WC stadiums were described as functional rather than iconic—iconic buildings can enhance a city's global identity and spark further urban development; only the Allianz Arena approached landmark status, but its location limited its citywide impact. Moreover, hosting the 2006 WC improved Germany's global image, with a notable jump in the Anholt Nation Brands Index. Some studies found significant links between such events and national happiness, economic optimism, and willingness to pay (e.g., €830 million for Germany in 2006). In conclusion, the author states that while direct economic impacts such as tourism, jobs, and income often fall short of expectations, intangible benefits like novelty effects, urban branding, and national morale can be among the most substantial and enduring legacies of hosting World Cups.

A research paper by Lee and Taylor (2004) showcased the following issues: many studies fail to

distinguish between actual event-driven tourists and other groups, which falsely inflates the economic impact attributed to the event. Studies report exaggerated benefits without properly isolating spending that would not have occurred without the event. Numerous studies lack structure in identifying types of tourists and their spending behavior. Studies often neglect the consideration of Aversion and Diversion effects. The authors aim to identify and measure the number of foreign tourists who visited specifically because of the 2002 FIFA World Cup, excluding residents, time-switchers, and casual visitors, and contribute to improved event evaluation frameworks for future mega-event hosts by offering a more accurate and replicable methodology. A survey was distributed among tourists on-site to identify three categories of tourists: 1) football tourists whose main purpose was to attend the WC, 2) the indirect WC tourists who traveled for WC-related purposes, and 3) the ordinary tourists who traveled for purposes other than the WC. It also includes the input-output analysis, developed by Leontief (1936) to estimate the total economic impact attributable to the WC. Further, the survey showed that 34.6% of tourists arrived for WC, 23.1% of tourists were WC-related, and the rest of 42.3% were ordinary tourists. From this, 42.3% of tourists are excluded from the calculation, and the rest of 57.7% are accountable for it. The survey also showcased that per capita expenditure by foreign WC tourists was estimated to be US \$2242, which is 1.8 times as much as that of ordinary foreign tourists (US \$1229). From a simple calculation, the total estimated tourists' expenditure from WC tourists will be US \$522million. Consequently, tourism receipts of US \$522 million that were attributable to the WC were calculated to generate US \$1.35 billion of output as a result of direct, indirect, and induced impacts. Wc tourists' expenditure also produced US \$307 million of income, US \$713 million of value added, and US \$71 million of indirect tax through successive rounds of re-spending. In addition, WC tourists' expenditure generated US \$117 million of import impact.

At last, Lee and Taylor (2004) reflect on the study, stating that the lessons learned from the 2002 WC forecasts and impact assessments should provide useful historical data for policy-makers and practitioners of future host countries. However, the authors recognize that measuring all economic impacts of a mega-event like the WC is impossible due to the event's complexity and wide-reaching effects, and there is a need for better conceptualization of aversion effects and diversion effects that are not fully addressed in current assessment methods. The authors also suggest that standard economic impact models do not fully capture the unique characteristics of mega sporting events and may misrepresent their true effects. Lastly, the authors mentioned that the non-economic legacies, such as national pride, unity, and international recognition, are intangible benefits that cannot be fully measured or translated into monetary terms.

On the wider intersection between economic and political considerations of mega sports events, research conducted by Müller and Gaffney (2018) identified issues in the lack of comparative

research that mostly focus on one city or one event at a time, with limited effort to draw cross-event patterns or global generalizations. They also identified that data across cities and events are often inconsistent, incomplete, or incomparable, and there is a need for better comparative methodologies. While the authors aim to avoid these issues in their research, their other objectives aim to understand how events like the Olympic Games and the FIFA World Cup transform cities-physically, socially, and politically. They also seek to determine which urban impacts are globally consistent and which impacts are context-specific to certain political, economic, or geographical settings. To identify which urban impacts are consistent across diverse contexts and which vary, the authors created a research design based on Robinson (2011)'s "most different cities" framework. They selected six cases between 2010-2016, including the Olympics: Vancouver (2010), London (2012), Sochi (2014), Rio de Janeiro (2016), FIFA World Cups: South Africa (2010), Brazil (2014), to control for time-based influences such as economic shifts or increasing event scale. Also, based on Yin and Heald (1975) and Larsson (1993), they used the "Case survey method," which involves coding qualitative findings from existing case studies into quantitative ordinal data. Lastly, analyzed those data based on Mahoney (2000) and Mill's Method of Concomitant Variation (1843) to conduct an ordinal cross-case comparison in order to detect whether differences in urban impacts are tied to the type of event or the political-economic context of the host country.

Müller and Gaffney's (2018) study found that urban impacts from mega-events show both consistent and varying patterns across different cities. Using a cross-case comparison of six events in highly diverse political and economic contexts, the researchers discovered that some urban impacts were constant, regardless of location or event type- indicating that certain effects are common to mega-events globally. Also, they found that the Olympic Games typically had deeper urban impacts than the FIFA WC, due to their scale, concentration in one city, and higher infrastructure demands. Moreover, the analysis and comparisons revealed that cities in neoliberal democracies (like London and Vancouver) showed different impact patterns than those in authoritarian or mixed systems (like Sochi or Rio), suggesting that governance style significantly influences outcomes. Finally, they found that hosting two different mega-events in the same country led to distinct impacts, showing that event type matters even within the same national context. The study concluded that mega-event impacts vary greatly depending on local political and economic contexts, not the type of event. They suggest that the idea that mega-events create the same urban impacts is too simplistic; instead, cities appropriate and implement these events differently based on their governance systems. Moreover, they suggest that more democratic, market-oriented countries (such as the UK and Canada) are better at minimizing negative impacts and using events as catalysts for positive urban development. In contrast, less democratic, state-led economies (such as Russia, Brazil, and South Africa) tend to experience more severe negative impacts, including corruption, misuse of resources, and poor post-event

infrastructure use. Along with these conclusions, they also reveal that there are some universal risks, especially public financial exposure due to required government guarantees, which are pushed by FIFA/IOC. Lastly, the analytical matrix used in this study helps compare emga-event impacts across different cities and events, but more research is needed, especially on smaller events, older cases, and using primary data.

Lastly, recognizing the controversy between a series of studies stating that new sport stadia do not generate significant income and/or employment effects in their host cities and the “boosters” view of many politicians and sport officials who claim beneficial effects for the local economy, Feddersen, Grötzinger and Maennig (2008)’s paper examines the potential income and employment effects of new stadiums outside of the USA. Using data from 12 different cities that hosted FIFA WC matches, all German cities with any major stadium construction during the study period (including 12 cities above), and other large urban districts without stadium construction and economic indicators which are employment (1996-2005) and household income per capita (1995-2005), the authors utilized difference-in-differences (DD) model to compare pre-and post construction changes in treated vs control cities. They also used ITSI (Interrupted Time Series With Intervention) models for robustness and adjusted for serial correlation using an arbitrary variance-covariance matrix. The results of the analysis showed that no statistically significant impact was found on either employment or household income in the cities with stadium investments. Also, the ITSI models confirmed the DD model results, which still no significant effects were shown. Overall, stadium construction and related infrastructure investment had no measurable positive economic impact on regional development indicators during the period studied. In conclusion, the authors were not able to identify income or employment effects of the construction of the new stadia for the WC 2006 in the urban districts which completed the new stadium was completed in the period leading up to and after the FIFA WC. They are concerned that other effects, such as the feel-good benefit for the population and/or image effects that are difficult to quantify, may be sufficiently important to justify major new stadia and/or subsidies for them via public funds. Also, the treatment group in the selected form of municipality areas might still be too large and too highly aggregated to statistically prove significant effects. Considering these, the next section focuses more on the political considerations involved in the organization and hosting of mega sports events.

4. The political implications of mega sporting events

In the study conducted by Wolfe and Müller (2018), to understand the political implications of mega sporting events, they started the analysis of the case of Russia and how its neopatrimonial political economy adapted to the economic crisis that began in 2010, particularly in the context of preparations for the 2018 FIFA World Cup. Neopatrimonialism is a hybrid system where formal state institutions exist, but real power is exercised through informal personal

relationships, often resembling traditional patron-client systems. The authors introduce the concept of "crisis neopatrimonialism" to describe the adaptations made within this system in response to reduced financial resources. The authors conducted a qualitative analysis of key infrastructure development projects associated with the 2018 World Cup. They examined how the economic crisis influenced the allocation of resources and the relationships between the state and its clients. The study involved analyzing policy documents, financial records, and other relevant materials to understand the shifts in funding and patronage. After careful comparison and analysis, the study identified three major adaptations in Russia's neopatrimonial system during the World Cup preparation. First of all, due to the economic crisis, there was a retreat of private investment in infrastructure projects, leading to increased reliance on public funds. Secondly, the economic downturn led to a reshuffling of elite groups that benefited from state resources, altering the traditional patron-client relationships. Lastly, maintaining political loyalty became more expensive for the state, as the reduced flow of rents required greater incentives to secure allegiance. These adaptations illustrate how the Russian state modified its neopatrimonial practices to maintain control and deliver on international commitments despite financial constraints. The authors conclude that the concept of "crisis neopatrimonialism" effectively captures the Russian state's ability to adapt its patronage system in times of economic hardship. The study suggests that such adaptations are crucial for understanding the resilience of neopatrimonial regimes under financial stress. The findings have broader implications for analyzing how similar systems may respond to economic crises while attempting to uphold large-scale international obligations. The conclusion states the effect of the neopatrimonialism crisis and Russia's ability to adapt its patronage system. By saying so, the study suggests a weakness in generalizations made to other countries, and the study calls for further research into other countries' cases.

Considering this, in Burbank, Andranovich and Heying's (2012) study, the focus is on the US, and particularly in examining the politics involved in bidding for and hosting mega-events, including city branding, image-making, and decision-making processes. The study aimed to compare different host cities' approaches, especially focusing on US cities such as Los Angeles, Atlanta, and Salt Lake City, as well as international examples like Barcelona. Consequently, the methodology used in this study is a comparative analysis of different case studies, which are Los Angeles (1984), Atlanta (1996), and Salt Lake City (2002), to examine different models of Olympic organization and their political implications. The authors used a political economy lens to explore how local and global interests interact in mega-event planning, as well as primary and secondary scholars such as city council records, legislation, and academic research (Burbank et al (2000); Keating and Flores, (2000)) to support their claims. The results showed that hosting the Olympics accelerated a move toward market-driven, business-led urban policy. Local governments increasingly partnered with private actors rather than relying on traditional public

planning, which consequently led to weakened public oversight and reinforced elite control over urban development decisions. They also found that Olympic planning processes often excluded broader democratic participation, and decisions were framed as technical or economic necessities, sidelining debate on equity, displacement, or long-term public benefit. This created an environment where elite coalitions made major decisions with minimal accountability. Moreover, the study highlights that cities used the Olympics to remake physical space in line with political and economic goals, such as attracting investment and tourism. By doing so, governments often displaced low-income residents, restricted neighborhoods, and prioritized symbolic projects over essential services. This reflects how urban planning becomes a form of political messaging- selling a vision of the city aligned with global capital, not local needs. Furthermore, the Olympics exposed and deepened existing inequalities in power and influence. Corporate sponsors, media, and elite institutions gained disproportionate influence, while local communities had little say in the changes affecting their lives. Lastly, cities like Atlanta and Salt Lake City, political tensions after the games, when promised benefits (such as affordable housing or inclusive development) were not delivered, leading to public criticism, grassroots activism, and political pushback in some areas, though often too late to reverse key decisions. In the end, the authors conclude that hosting the Olympics does not automatically benefit local communities. Without intentional, inclusive planning, tangible benefits flow to elites- corporate sponsors, IOC (International Olympic Committee), and the political leaders- while ordinary citizens are left with few or no gains. They also suggest that there are two future paths for host cities: IOC-dominated games and localized games. IOC-dominated games lead to more power to international elites and sponsors, prioritizing consumer-driven, elite-led development and weekend potential for inclusive urban regeneration, while localized games focus on community input and inclusive development, promising real urban transformations, which require early planning, strong political will, and post-event follow-through.

Further, in a paper by Malfas, Theodoraki, and Houlihan (2004), a wider cross-country study was employed by focusing on the Olympics. To discuss whether mega-sporting events do indeed produce positive effects or not, the author selected and analysed relevant literatures such as Sydney 2000 Olympics, Manchester's Olympic bids (1980s ~ 1990s), Toronto's 2008 Olympic bid, Barcelona 1992 Olympics and Athens 2004 Olympics, that supports the idea that such events can primarily produce positive outcomes with considerable focus on the relevant contradictory arguments. Their study states that mega-sporting events can be defined by their impact and organizational delivery. From this, the study reviewed the literature on the features of mega-sporting events to determine the kind and magnitude of their effects on the host nation and community using specific instances of the most recent Olympic Games. However, in this section, the primary focus is on the political impact; thus, the political impacts discussed in this literature are only highlighted here. On this matter, Malfas, Theodoraki, and Houlihan (2004) study

showed that since such mega-sporting events often exceed what private actors can fund, government financial aid and political backing are essential, as is evident to the New South Wales government for Sydney 2000. It also revealed that these mega-events mobilize multiple coalitions of corporate elites and politicians, which often leads to the form of mixed governance models. While efficient, these alliances may prioritize economic returns over public goods. Moreover, evident from the case in the Sydney 2000 Olympics that involved criticism towards New South Wales Parliament Members over their inability to critique Olympic-related environmental issues, organizing bodies involve elected politicians, which creates conflicts of interest between businesses and demographics. Furthermore, they found that hosting cities may conform to global political expectations, such as Athens' intensified anti-terrorism procedures in 2004, which often come with economic trade-offs. However, the positive side of the finding represents that hosting events boosts local institutional capacity, especially in sports management, which can trigger legal and bureaucratic innovations like Greece's faster company incorporation procedures in 2004. Overall, the authors concluded that despite all the widespread criticism, the magnitude of the positive impact of mega-sporting events can justify the hosting city's actions. Specifically for the host cities, the benefits derived from these events can be immense and varied. However, the authors address that further research in the area is necessary to determine the positive impact and potential negative impacts of these events on hosting cities.

Furthermore, a study conducted by Ludvigsen, Rookwood, and Parnell (2022) aims to assess and reflect on the evolving role of mega-sporting events in the global society, from social, political, and economic perspectives. It also aims to frame sport mega-events as analytical tools for understanding broader global patterns, such as neoliberalism, global governance, soft power, and civic protest. Moreover, it aims to call for more transparency, accountability, and community-centered planning in future mega-event bidding and hosting processes. Their study utilizes Comparative Case-Based Analysis, which refers to various scholarly works and historical case studies to illustrate patterns across events, where authors synthesize a wide range of previous studies to build a theoretical framework around mega-event governance, power, and protest, and a sociological and political lens to examine power relations, commercialism, and the influence of global actors. The authors reveal that governments use mega-events for soft power, public diplomacy, and nation branding, as evidenced by the example of hosting an Olympics or World Cup is seen as a way to boost global image and prestige. They also showed that tensions between international bodies and local governments might happen due to local governments often having to comply with strict and sometimes undemocratic demands from event owners, which reduces local autonomy. Moreover, the results illustrate that sport mega-events are often planned and governed by unelected and opaque bodies, leading to bribery and corruption scandals, decisions made in the interest of international elites, not the local population, and authoritarian decision-making processes during planning and bidding phases. Furthermore, they found that

authoritarian regimes use mega-events to legitimize their rule internationally and suppress dissent under the guise of security or national pride, which suggests that mega-events may mask or enable human rights abuses in the name of progress and spectacle. Finally, they found that due to growing awareness of costs and controversies, many democratic countries now face political backlash when bidding for events. The authors conclude that sport mega-events remain globally significant, both symbolically and politically, and will continue to shape global culture and politics in the 2020s. However, governance of mega-events is increasingly problematic, marked by undemocratic practices, lack of transparency, and domination by global elites and corporate interests. Also, there is a growing mismatch between promised benefits and real outcomes, particularly regarding legacy, costs, and local community impacts. They suggest that major reforms are urgently needed in how mega-events are planned, awarded, and governed, especially to ensure transparency, local community involvement, and financial and social sustainability.

Lastly, a study by Maennig (2017) defines and analyzes the intangible benefits of mega-events - particularly the psychological and social sense of communal wellbeing, happiness, and national pride that such events can provoke. The study highlights the differences in socio-political contexts, organizational capacity, and image-building strategies between Germany and South Africa, and aims to understand how these contextual factors influenced the creation and perception of feel-good effects. The study mainly focuses on a qualitative, interdisciplinary analysis, including a Case Study Approach, which analyzes the 2006 FIFA World Cup in Germany and the 2010 FIFA World Cup in South Africa. These serve as case studies to explore how sport mega-events create “feel-good” effects related to national pride, identity, and patriotism. It also utilizes existing literature review, media reports, public opinion surveys, and other secondary sources such as public polls measuring national pride before and after the events and media coverage, and press analysis. Moreover, the study compares the different social, political, and cultural contexts of Germany and South Africa to understand how the feel-good effect across countries with different histories and socio-political challenges. Furthermore, the analysis integrates insights from sociology, political economy, psychology, and event management studies to explain both the subjective emotional experiences and structural factors. Lastly, although it refers to some quantitative indicators, the focus is interpretative, to link the numbers to broader social phenomena and political implications. The study’s results show that mega-events like the 2006 FIFA World Cup Germany generated widespread positive emotional, psychological, and social responses among the host populations. These feelings of pride, unity, and optimism can have short-term and long-term political value, including increased national cohesion and improved international image. Regarding the feel-good effect, it is also shown that while partially unpredictable, the feel-good effect can be planned for and stimulated through strategic actions such as inclusive public events, media narratives, symbolic politics, and national branding efforts. Moreover, Germany’s unexpected strong performance, their style, demeanor,

and media portrayal of the home team in the 2006 magnified national euphoria. Sporting success enabled a renewed sense of German identity and patriotism without the baggage of nationalism. In conclusion, the feel-good effect is one of the most valuable outcomes of sport mega-events, which is evident in Germany (2006), where the feel-good effect was arguably the most significant overt outcome, creating a rare moment of national unity and pride. This psycho-social benefit enhanced Germany's international image and domestic cohesion, showing that intangible effects can outweigh economic or infrastructural gains. Also, the 2006 World Cup fostered a new, confident form of patriotism, free of historical stigma. For South Africa, national pride and cohesion are not just symbolic wins- they are central to political stability in a diverse, unequal society; therefore, the author suggests that maximizing intangible social benefits is critical, especially when long-term fiscal costs may threaten public support after the event. Considering all the aforementioned, a holistic and synthesized discussion is provided in the next section on whether mega sporting events actually foster economic growth or not.

5. Mega sporting events and economic growth

In a paper by Sterken (2006), the author acknowledged the major issue for hosting cities of mega-sporting events, and it is whether significant additional economic growth effects can be derived from efficient organization. Also, by recognizing the concurring, heated debate between ex-ante and ex-post academics, the author contributed to the debate on the economic impact of major sporting events by presenting ex-post evidence, mainly by pursuing the analysis on major sporting events on a national instead of a regional level. National-level events include the Summer Olympics and FIFA World Cup. The study used a panel data model to examine the relationship between hosting major sporting events and GDP per capita growth. The model compared countries that hosted the Olympics and World Cup from 1960 onwards, as well as the robustness check by splitting the timeline into sub-periods. Descriptive statistics were used to assess trends in GDP growth around event years. The findings showed that including event dummies improved the fit of the growth model, and standard economic drivers (investment, trade, inflation) behaved as expected. It also represented a positive and statistically significant growth effect, up to +2.5% points in the event year for the Summer Olympics games. However, there were no significant or slightly negative effects on GDP per capita growth, resulting in sub-sample robustness checks for the FIFA World Cup. In addition, the Olympics likely bring greater economic impact due to higher investment requirements and stronger host selection bias by the IOC, whereas the World Cup involves less new infrastructure and lower economic stimulation. The study depicts that hosting major sporting events can generate short-term economic gains, particularly through investment and consumption boosts. Olympic Games tend to contribute positively to GDP per capita growth, while the World Cup offers no consistent economic benefit at the macroeconomic level. However, the author challenges that model specification may omit

important explanatory variables and possible endogeneity of variables. Also, the countries selected to host events may already be on a growth trajectory, which can inflate the estimated impact of hosting. Whereas the long-term impacts are hard to isolate from regular development trends.

In the same year, Preuss's study (2006) defined legacy and indicated how legacy might be measured and what elements a legacy is formed of in an attempt to contribute to the controversial discussion of the investment of scarce public resources in major sporting events. The research aimed to consider the positive and negative legacy of major sporting events while discussing the opportunity costs of resources spent on an event. In order to avoid scientific error in the reproduction of that legacy, the author considered the following theories: *Same Event in Same City*, which theorizes that the same event creates different legacies if staged twice in one city due to the permanent development of the event. *Different Events in Same City* features that different events create different legacies if staged in the same city. Lastly, *the same Event in Different Cities* reveals that the same event creates different legacies in different cities due to the structure a city offers and the goals pursued.

To measure event legacy, the following methods were adopted:

1. The "Top-Down Approach" included comparing host cities to similar non-host cities over time to estimate what would have happened without the event, also known as the Differences-in-Differences (DD) Method. Despite the method, it's hard to find truly comparable cities due to each city's unique characteristics, making the method prone to errors. Additionally, the trend/ growth path method is adopted to project a city's development based on its past growth trends and compares it to post-event outcomes. Nevertheless, this method can be influenced by unrelated events such as foreign investments or global crises, affecting its accuracy.
2. The "Bottom-Up Approach" focuses on analyzing all lasting structures created for a major sporting event and how they align with the city's long-term development path. This method doesn't compare with a "control case" but rather evaluates how the event structures integrate with or deviate from the city's natural growth, unlike the previous method.

The results showed that all lasting structures from a major sporting event (called event structures) can positively or negatively change a city's location factors, helping cities compete globally by enhancing their appeal for investment, tourism, and other economic activities. The author also identified six key 'event structures'. First, infrastructure, including both sport-specific and general infrastructure, must align with long-term city needs to avoid waste. Secondly, events boost the city's global image and prestige, but risks such as poor weather,

crime, or bad organization can damage it. Thus, media portrayal plays a crucial role. Third, events develop human capital through training in event organization, hospitality, security, and public engagement, which can benefit the city long-term. Fourth, hosting such events creates civic pride, investor enthusiasm, and motivates the public and private sectors; however, forced relocations or gentrification can cause negative feelings. Fifth, events build lasting connections among politicians, sports federations, businesses, and communities, enhancing political and sports development. Lastly, events promote cultural identity and international awareness. Cultural programming can lead to increased tourism and a deeper public understanding of national and minority histories. Moreover, event structures transform various urban sites, each contributing to long-term development. Tourism sites are enhanced by better infrastructure, cultural visibility, and service skills. Congress and fair sites benefit from improved infrastructure, cultural visibility, and service skills. Living sites are boosted through improved urban quality. Business sites gain from better infrastructure, a skilled workforce, and an upgraded image. Finally, sports event sites benefit from improved sports facilities, image, and professional expertise. In conclusion, Preuss's study (2006) suggests that public sources should be better invested in alternative projects. He also implies that not only the demand-driven output of an event has to be considered as the economic impact, but also the changes in the cities' productivity through a change of location factors also have to be considered. However, the author challenges that the long-term economic growth from improved location factors is hard to directly link to the event, and even the bottom-up approach struggles to quantify these indirect and delayed benefits. Still, the changes provide strong arguments that mega events can stimulate productive investment and urban development when strategically planned.

More than a decade later, a study conducted by Maennig (2017) critically assessed the economic impacts of major sports events, evaluated the validity of ex-ante economic impact studies commonly used to justify hosting such events, and examined why positive economic expectations often fail to materialize ex-post. The author adopted a method of literature review and theoretical critiques, including impact studies, economic theory, compensating differential, crowding out, and policy reports. He also utilized a conceptual economic analysis that challenges the assumptions and techniques used in Input-Output (I-O) models and multiplier-based studies. Lastly, he conducted case studies and empirical observations referring to specific examples, such as the 2010 FIFA World Cup in South Africa, to support theoretical points. Based on the analysis, the study found that ex-ante studies are often overly optimistic and based on flawed methodologies, such as inappropriate multipliers and sales instead of income effects. The study also found that real economic benefits are often neutralized by offering factors: crowding-out of alternative public spending, reduced normal tourism due to congestion or inflated prices, and infrastructure that becomes "white elephants," which implies the idea of underused and misaligned facilities. Additionally, compensating differentials and competitive bidding mean that

any net social benefit is likely offset by cost. Moreover, public opposition in referendums reflects rational voter skepticism; the majority often bears the cost while a minority benefits. Ultimately, organizational and governance failure in host selection and bidding procedures reduces effectiveness and trust. Overall, the study concludes the research by suggesting that economic impact studies for mega-events are systematically biased and often fail to justify public investment. The author also suggests that cost-benefit analysis should replace multiplier/I-O models, comparing returns to alternative public spending. It was found that good governance and public participation are essential to improve event legitimacy and actual impact. Consequently, the study proposes that reforms are needed in the bidding and leadership selection processes. However, the particular study is not based on empirical grounds or original data analysis, but it relies on theoretical arguments and secondary resources, which may not capture every local context. The critique of the existing model is thorough, but alternatives like cost-benefit analysis are only proposed conceptually, not operationalized. Finally, the study acknowledges the lack of holistic cost-benefit studies comparing mega-events to other public projects due to high complexity and bounded rationality.

A few years later, Ferris, Koo, Park, and Yi (2022) identified an issue of inconclusive discussion on whether hosting mega sporting events produces a significant positive effect or not. And they noticed that previous studies have typically examined the effects of hosting mega sporting events using a small sample and a short sample period. Therefore, their study investigates the issue by expanding the set of events and the sample period of the host city's economy. Their study also assessed whether hosting a mega sporting event leads to abnormal stock market returns for the host country and differences in GDP growth rates compared to the rest of the world in both the short and long term. For the stock market analysis, they used event study methodology based on market models (Brown & Warner; De Carvalho & Pennacchi; Kim & Park) and assumed that market efficiency: any benefit of hosting is reflected in abnormal returns (AR) around the public announcement date. The models include the following calculation procedures:

1. Estimate expected returns using the market model
2. Calculate abnormal returns (AR)
3. Compute cumulative abnormal returns (CARs) using specific windows.
4. They also utilized the Multivariate (Robustness) Analysis (panel regression model) with fixed effects to control for Country (C_i) and year (Y_t) effects, and event window dummy (W_{it}) to isolate event-related changes.
5. Lastly, they opted for 27 mega sporting events, including the Olympics and FIFA World Cups, from the time range of 1988-2022 to collect financial data, which includes Stock

indices, GDP, event expenses, and 11 industry indices used to analyze sectoral differences.

The results of short-term effects show that hosting mega sporting events has broadly positive effects on the host country's stock performances. It showed that positive abnormal returns are observed in the host country's stock market at the time of the hosting announcement. The Summer Olympics generate the strongest positive effect, particularly for construction and transportation infrastructure-related sectors. The Winter Olympics show similar positive effects, and the FIFA World Cup shows statistically insignificant market reactions. They also found that the construction and materials sectors benefit significantly, and no meaningful abnormal returns are found in other sectors like energy, healthcare, finance, etc. Finally, they found that non-G7 (developing/ emerging) countries experience stronger positive effects on their equity markets compared to G7 countries. This is likely due to the greater relative economic impact of infrastructure investment in developing economies. For long-term effects, it shows that host countries of the Summer Olympics show higher GDP growth than both the rest of the world and competitor countries in the 3 years leading up to the event. However, no sustained GDP growth was observed after the event, and for the Winter Olympics and FIFA World Cup, no significant long-term GDP differences were found. Additionally, results illustrated that after the Summer Olympics, GDP growth rates increase from $t-3$ to $t+1$, but the effect is temporary and disappears after the event (Ferris, Koo, Park, and Yi, 2022). The analysis implies that G7 countries show negative GDP growth effects, while non-G7 countries benefit more from hosting, confirming that the event acts as a short-term economic stimulus, especially for developing countries. Acknowledging the two opposing views on whether mega sporting events generate benefit to the hosting cities or not, the authors conclude that the true economic impact includes long-term changes to a city's productivity, not just short-term spending, but these effects are hard to measure because they unfold slowly and are mixed with normal urban development. They also recognized that there will always be event-related investments that are unnecessary for some groups in the long term (Ferris, Koo, Park, and Yi, 2022). The key is how well the event infrastructure fits into the city's long-term plans.

With the context of the World Cup being held for the 22nd time in Qatar, which is the very first Middle Eastern region, Mustafa (2023) primarily showed some interest in this significant event, on the premise of whether it had a positive impact on the country's economy and thus boosting its gross domestic product (GDP) in the short term. The study is based on data that compares the GDP growth 2 years prior, during, and 2 years after the event. Four countries were examined, South Africa, Brazil, Russia, and Qatar, within the time period 2010-2018. With the data acquired, the author conducted a trend analysis to predict the effects on the economies of the country organizing the FIFA World Cup 2022 (Qatar) and the country that won the 2022 World

Cup (Argentina). The study found that countries like Brazil and Russia had better GDP growth before the actual World Cup, while South Africa's GDP growth shows that the World Cup helped to improve its rate by 0.2%. However, Qatar, as the first Arab country, was able to present the best version of the World Cup in terms of organization and arrangement to host the tournament, and thus placed itself among the major countries organizing sporting activities in the world. Its economy was expected to grow by 8.7% in 2022 and 9% in 2023, which would exceed the economic growth in previous years. The study concluded that there is no consistent pattern or significantly positive impact of the World Cup on the economies of the hosting countries during the studied period (2010-2022). Despite that, a positive impact on GDP growth was found (in varying degrees) for South Africa, Russia, and Qatar. While the author does not explicitly mention the overall limitation in his study, some points he made are reprehensible. First, since the author mentioned this study as a 'preliminary review,' meaning this study is focused on the early stage and not based on long-term post-World Cup data. Also, for Qatar 2023/2024 and Argentina 2023/2024, he does not exploit actual data but rather uses estimated data, which raises doubts about accuracy. Moreover, only three host countries (South Africa, Brazil, and Russia) and three past winners (Spain, Germany, and France) are the subjects of the comparative analysis, which implies that they may not be representative of all World Cup effects. Lastly, the analysis did not consider external economic factors such as global recessions, commodity price changes, and political developments.

And lastly, but more recently, Lang (2024) explored the anticipated and the potential financial and management risks of hosting Mega-events, like the World Cup, FIFA, and Olympics, by examining the correlations between determinants of costs, profitability, and revenues of these events. The author collected data on the determinants of revenue and cost from 1964 to 2018 from publicly available sources such as official reports from the host government and organizing committees. To analyze the collected data comparatively, the author constructed a regression sample that included datasets for ROI, total revenues, and total costs from WC and Olympics. The study found a strong and positive association of GDP with all revenue streams, which also underscores the central role of a host country's economic size in generating revenue across three categories: broadcast, sponsorship, and ticketing revenues. However, the examination of the determinants of different types of costs showed that GDP does not have a statistically significant effect on operational expenses or venue costs, suggesting that a country's economic size does not consistently predict these specific types of event costs. Consequently, wealthier nations are better positioned to capitalize on these revenue sources. While the strong positive correlation between a mega-event host country's GDP per capita and the associated revenue and costs of hosting mega-events increased the capacity for generating revenue in wealthier nations, it did not directly translate to enhanced profitability (ROI). This suggests that the return on this investment from these events is not necessarily proportional to the size of the country's economy. Although after

an exhaustive inclusion of major cost and revenue items, it was not fully considered as thorough enough, as events generate costs, which makes the financial estimations an approximation based on the available data. Also, they noted that the limited available data size restricts the size of sampling, which affects the accuracy and generalizability of the findings. Overall, most researchers found that the World Cup contributed to the economic growth to a relatively small extent, almost negligible. Acknowledging all of the aspects above, the paper will proceed to the concluding phase in the next paragraph.

6. Conclusion

In conclusion, the socio-economic, economic impacts, and political implications of mega-sporting events are not negligible in the hosting countries. The study found that mega-sporting events increase the well-being of the citizens through cultural exchange, urban regeneration, and an enhanced local community profile by improved infrastructure. However, the negative externalities of the organization of events, such as human rights violations, environmental degradation, and corporate exploitation, are also estimated to incur. The economic impact can be explicit, as some studies suggest that it led to income decline and political tension. It is also notable that the results varied widely across countries. However, most studies regarding economic growth indicated that those events have a slight or almost insignificant impact on the economic growth as represented by modeling. While those events might benefit specific industry sectors such as construction and material sectors, there were no meaningful abnormal returns found in other sectors like energy, healthcare, finance, etc. At a glance, it can be said that the positive effects of the mega-sporting events on the hosting country's economic growth are often neutralized by factors such as crowding out of alternative public spending, reduced normal tourism due to congestion or inflated prices, and infrastructure problems. Lastly, the event depicts various political implications.

The study has reviewed a comprehensive yet precise aspect of the impact of mega-sporting events on the hosting countries. However, it faces several constraints. First, the scope of the study is limited, with only six to seven studies considered for each aspect. This narrow range might prevent the study from uncovering additional insights available in other sources. Second, the selection of studies appears to favor those aligning with the paper's conclusions, which raises the risk of bias and potential misinformation. Third, given the fast-moving nature of this field, the findings may quickly become outdated as new research and innovations emerge. These limitations, however, can be addressed in future studies. Expanding the pool of reviewed literature- especially by incorporating diverse perspectives- can strengthen the comprehensiveness and reduce bias. In addition, updating reviews regularly will ensure that the findings remain current and relevant.

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