

FEATURED Q&A

What are the benefits for Brazil and a city like Rio de Janeiro of hosting major world sporting events?

Q After hosting the Pan American and Para Pan American games in July, Brazil is a strong nominee to host the Soccer World Cup in 2014 along with the city of Rio de Janeiro for the 2016 Summer Olympics. What are the benefits for Brazil and a city like Rio de Janeiro of hosting major world sporting events? Is hosting such events a benefit for or a drain on emerging economies like Brazil?

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A **Guest Comment: Ronald Sanders:** "Hosting major sporting events can be a boon to emerging economies by showcasing them to the world and boosting their tourism. But, a careful cost-benefit analysis of such undertakings should be carried out before countries commit themselves. With additional high costs for security, transportation, immigration, and customs facilities, overheads escalate beyond the expense of constructing new sporting venues and accommodation, or expanding existing ones, and can become quite prohibitive with little chance of recuperating costs. There is also the real danger that the new sports facilities and accommodations that are constructed remain underutilized after the hosting of major sports events, but their maintenance either puts an additional burden on government funds or they are left to deteriorate. There is undoubtedly international prestige and local euphoria in hosting popular sports events. This was the experience of small Caribbean economies which hosted the Cricket World Cup this year, but the monies spent by governments are yet to be recouped, and many of the venues now languish underutilized. The Brazilian economy would appear to be capable of coping with the Soccer World Cup in 2014 and the 2016 Summer Olympics, but the authorities would be well advised to ensure that a cost-benefit analysis confirms such an assumption."