Lessons Learned from a Legacy of Losing: A Study of Serial Failed Olympic Bids

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As Olympic Games bid preparation costs continue to climb past an estimated $50 million (Rogers, 2010), several cities have become perennial also-rans. Peter Ueberroth, the chief organizer of the financially-successful 1984 Olympic Games in Los Angeles, has been quoted as forecasting a trend of fewer cities bidding over the next few cycles. He has blamed the cost of the bid process and predicted that the IOC will encounter difficulty maintaining a robust list of candidate cities (Burton & O’Reilly, 2012). Those statements echo concerns raised by Masterman (2008), that escalating costs risk imposing a limit on the number of cities willing to bid, leaving the IOC with few hosting options.

This raises the question of what, if any, benefits are obtained by cities which bid, but fall short of claiming the top spot and being awarded the right to host an Olympic Games. After decades of discussion and research into Olympic legacies, starting with the bid cycle for the 2020 Summer Olympic Games, the IOC now includes the following prompt in the questionnaire distributed to candidate cities:

“What will be the benefits of bidding for the Olympic Games for your city/region, irrespective of the outcome of the bid (infrastructure projects, sport practice, youth programmes, etc.)?” (IOC, 2012, p. 68)

This marked the first official recognition of the importance of an Olympic legacy not only for host cities, but also for those which submit bids that ultimately fail.

Gratton and Preuss (2010) identified six forms of event legacies: infrastructural, knowledge/skill-based, image and symbolic significance, emotional, networks, and cultural. While developed in the context of event hosting after a successful bid, their framework can be useful in evaluation of potential legacy outcomes from the bidding process itself, even in the absence of hosting the Games. Infrastructure incorporates both the physical sport buildings and general infrastructure such as transportation links, telecommunication capacity, and parks. As conceived by Gratton and Preuss, knowledge and skill development is integrally connected to hosting. The bidding process can be used to generate experience for future bidding or development and can provide an impetus to accelerate urban planning of potential use whether or not the event goes ahead. The image legacy of hosting the Games can be used to reposition a city, region, or country and gain worldwide exposure. To a lesser extent, the same is true from bidding. This aspect led to a rise in cities submitting bids without meaningful prospects for winning the right to host and counter-measures by the IOC to increase upfront costs of bid submission and limitations to early-stage promotion of bidding cities (Preuss, 2004). As image focuses on external impression management, emotional legacies impact internal stakeholders, such as residents and local industry. The valence of this legacy depends on the progress of the bid as well as the outcome. Network effects arise from the interactions between stakeholders, both in and around the bidding city and internationally. Bidding triggers a diverse set of such interactions and creates a thick set of interpersonal and interorganizational connections. Finally, cultural legacies are generated through increased awareness of local, regional, or national history. Celebration of this history through high profile elements such as the opening ceremonies provide opportunity to build this type of legacy that are nearly completely lacking in the event of a failed bid.

Diaey et al. (2011) identified four general motivations for cities to bid for mega-events beyond seeking the opportunity to host: (a) Promotion of the city or country; (b) Building relationships in the sport world; (c) Gaining experience and information for a future bid; (d) Urban regeneration and improvement. They additionally offered a typology of bidder types, categorizing them as ordinary bids (those submitted with a primary goal of selection), preparatory bids (in order to assess support, gain exposure, and gain experience with the process), and no-hoper bids (used primarily for promotional purposes). Serial losers such as Istanbul, Madrid, and Paris could fall into either of...
the first two categories or could represent a hybrid of the first and third—certainly more than no-hopers, but with a central goal of reputation building and promotion on the world stage. A willingness to continue bidding in the face of repeated failure raises the possibility that hosting the Games might not be the truly desired outcome. Perhaps a city can win by “losing” and gain a better ROI from a failed bid than from being named host, with the concomitant obligation to fund ever more elaborate sport extravaganzas.

Thus far, research on failed bids has been predominantly limited to case studies of individual bids and cities. The resulting analyses have provided a mixed view of the value to the cities and regions in question. Alberts (2009) looked at Berlin’s failed 2000 bid, the motivation behind bidding in the first place, and the outcomes of planned building projects, both those that were designated as dependent on a successful bid and those that had been represented as bid-independent. Baade and Sanderson (2012) and Bennett et al. (2013) each conducted an analysis of Chicago’s 2016 bid. The former focused on the relationships between the IOC, USOC, and Chicago2016 Committee, while the latter was concerned exclusively with local politics and post-bid assessments of the Chicago elite, contrasting bid process insiders and outsiders. Oliver (2013) reviewed the legacy of five failed bids by Toronto over half a century, most recently in 2008, from the perspective of causes of the failures, positive outcomes in terms of infrastructure development, and lessons for future bidders. Strohmayer (2013) examined Paris’s three failed bids for 1992, 2008, and 2012, focused primarily on the physical infrastructure legacy and the rebuilding of neighborhoods that took place in the aftermath of each failure. Each study has been limited to a specific context, with few, if any, connections made to connect the research into a coherent stream.

A more holistic view, bridging these disparate studies and generalizing the lessons learned, remains lacking. Absent such an approach, development in this nascent research area will largely continue to consist of one-off studies with poor applicability to future understanding of the bidding process or how to optimize the potential return on investment from bid preparation. What is needed is analysis of the commonalities and differences between the experiences of different cities and across bid cycles. The current research will include review of the outcomes of each failed bid in the past five bidding cycles for the summer Olympic Games. The primary focus is on those cities—Istanbul, Madrid, and Paris—that have bid unsuccessfully multiple times during the past two decades. Further connections will be drawn to both single-shot bidders and cities which succeeded after one or more recent failed bids—Beijing, Rio de Janeiro, and Tokyo. This study will primarily rely on content analysis of archival data produced during the bid process and contemporaneous reports. The goal is a structured review of the substance of each bid and consequent outcomes, both beneficial and detrimental, for the bidding city and country. This review will support future understanding and interpretation, while offering succinct analysis of the bidding process and potential long-lasting legacies of “unsuccessful” bids.