

OTDK-dolgozat

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**Sometimes dreams come true
Will Hungary organize Olympic Games once?**

**Az álmok néha valósággá válnak
Vajon Magyarország rendez Olimpiát egyszer?**

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PREFACE

Nowadays, the world is changing and the people face with a globalizing world. The development plays an important role in the countries' life. They would like to be special, different from the others and not member of the 'mass'. For these countries, a good opportunity is to organize Olympic Games. The Olympic Games has a long history, this sport competition has already appeared in the 8th century, BC. During this 2800 years, the Games experienced peak and trough as well like the economies. It changed and renewed in the last decades but the major characteristics remained the same.

Several countries have already got the right to organize the Games which involved the opportunity to be the middle of the world for about 2 weeks. Unfortunately, Hungary is not among these countries, any the less it got the right in the past. Why did the country lose the right? Why can Hungary be a good option? Whether the country able to organize this huge competition? Who will finance these huge costs? Do these costs arise without Olympic Games as well? How it will influence the economy? These questions will be answered in the following parts.

For this opportunity, the country has to take into consideration the society and its opinion. What do they think? Is this dream realistic? How can the Games influence the economy? Should Hungary get more credits for the organizing process? Do the society able and be willing to support this project directly? For these questions, the questionnaires will give the answers. The result of them will define the ability of Hungary to organize the Games.

Probably, there will be more solution for Hungary. Is it possible or not to organize? Are there other options? Can Hungary organize a completely new type of Games? The conclusion will give the final and major answers for these questions.

1. THEORETICAL FRAMEWORK

1.1. DEFINITION AND CONTENT OF TOURISM

Nowadays more and more people like travelling and discovering new places, cultures, countries. They don't like only staying at home and live their everyday lives. The travelling usually means something new, interesting and unknown. Tourism is "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purpose". (WTO, 1995, p.1.)

The tourism and the travelling don't new phenomenon but they developed and changed during the centuries. One stage of the developmental process was the Industrial Revolution in the 18th century. In this time the supply of tourism products were developed and there was an enlargement in the accommodation and board facilities and the traffic equipment were developed also. The industrial revolution encouraged the urbanization and the explosion in the number of citizens of the society. In that time, they were the major consumers of the tourism products and these outcomes were the basic conditions for the tourism improvement.

"Tourism is considered an activity essential to the life of nations because of its direct effects on the social, cultural, educational and economic sectors of national societies and on their international relations".(WTO, 1995, p.1.) So, one of the most determinative sectors of the economics is the tourism sector. It is a multidisciplinary field of science. It involves geography, economics, psychology, transport as well as catering, accommodation services.

1.1.1. Demand of tourism:

As the industry of tourism means market, supply and demand side also appear. Demand always arises to satisfy a specific kind of needs. It proves that the potential tourists want to travel to satisfy their needs and wants. Of course, all of them expect something completely different from travelling. These differences in expectations exist because of the many determining factors. Among people, there are no complete same ones and it provides the really different needs. It makes the sector of tourism complex and difficult. The differences can be satisfied in different ways, so personalized tourism products have to be provided. Tourism demand is the "total number of persons who travel, or wish to travel, to use tourist facilities and services at places away from their places of work and residence" (Page J., S. 2007.) But it is important to note, that 2 types of demand exist. Actual or effective demand includes those

people, who are actually taking part in tourism, so they are travelling. The other type is suppressed demand that encompasses those people, who want to travel (so the motivation emerges) but they defer the travelling because of some reasons. The reasons can be internal and it refers to potential tourism, when the reasons arise in the direct environment of the 'future tourists'. E. g. people would like to travel but their financial situations do not allow it to them. In case of external reasons, the problems occur in the receiving country or region. One of these reasons can be the political environment or some restrictions or any serious events like wars or attack or environmental issues like tsunami. A third group, which is not part of demand, but important to mention is the 'no demand'. It means, the population or a group of people do not have the motivation to travel.

The different types of demand facilitate to measure the willingness of the population to travel. The so – called travel propensity has two types: gross and net propensity. The net travel propensity shows the percentage of the population who took part in tourism so they had at least one trip (and stayed at least one night in an accommodation) in the given time period. The gross type divides the number of total trips by the number of population so it "gives the total number of tourism trips taken as a percentage of the population" (Boniface. 2005. p. 18). A third type of measuring the willingness to travel is to calculate the average number of trips. The travel frequency can be calculated as a division of gross travel propensity by net travel propensity.

As it was mentioned, there are several factors which influence the ascending demand and propensity of travel. These factors are the structure of the population, growth of it, financial positions, the number of paid-holidays, stage of life (already married, retired, families, youth people etc.) political environment and regime, technology, level of development, culture, number of attractions, monuments or the type of the climate or topography of the given country /region. The travellers have the opportunity to travel but they have to have three major factors to satisfy their needs. These factors are motivation and the want of travelling, and discretionary income ("Discretionary income is the income left over when tax, housing and the basics of life have been accounted for.")(Boniface 2005 p. 25).

1.1.2. Supply of tourism:

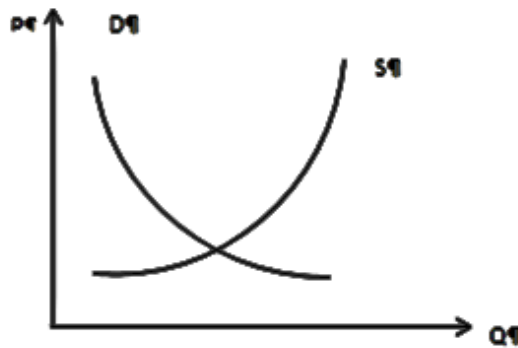
Tourism is mentioned as part of invisible trade. The produced and provided goods are tourism products and they are invisible because they encompass several services. Tourism product is a typical example of a package of intangible services which includes several parts like accommodation, catering, transport but the attractions and monuments and infrastructure, entertainment and sport facilities and tourism reception services of the given region is also part of the tourism product with other word, they are the resources of tourism.

These resources can be classified as natural resources (like mountains, seas, oceans, lakes, islands, rivers, plains as well as the nature and all parts of it), man-made elements (it includes the basic elements and attractions as well like accommodations, museums, galleries, architectural buildings, bridges etc.) and special events (events that attract tourists directly like festivals and sport competition when the purpose of travel is the visiting of given event).

Of course, as the technology develops, new gates will open and it refers to more and more things can be achieved. As a result of this development, in Dubai, in the United Arab Emirates, two ‘new’ islands were built artificially, which is completely contradictory with the previous classification because traditionally, islands are made by the nature and not by people.

As the tourism product has several parts, it is really complex. Tourism products are organized by tour operators who usually arrange the different services into a package which are always sold by travel agencies to the tourists. Of course, the tourists have the opportunity to assemble their own package from choosing the given opportunities or to organize everything by themselves and excluding tour operators and agencies as well.

As a general ‘behaviour’ of supply side, in higher prices, higher number of products are provided for selling and the demand side behaves reversely, because customers – in this case tourists – usually want to buy more goods in lower prices than in higher prices. As both sides can be drawn up as function, they reflect the Marshall- curve.



1. Figure: Marshall – curve

Source: edited by the author

The point of intersection of them will result the fulfilment of travel. In this point, the travel agencies try to satisfy the needs and the travellers have the willingness to pay the given amounts for these appeasement.

1.1.3. Classification of tourism:

Tourism is seen as a really complex and comprehensive industry so there is several ways to classify it. From the receiving country's point of view, two types of tourism can be distinguished. These are international or foreign tourism and domestic or national tourism. International tourism can be realized if the tourists come from another country, so they have to pass the border to reach the target place. The foreign tourism is mentioned as active tourism and the other name of domestic tourism is passive tourism. In conformity with the flow of tourists, inbound and outbound tourism are grouped. Inbound tourism means the inflow of foreign travellers who passed the border of their permanent residences. Outbound tourism signifies the outflow of citizens of a given country. According to the type of the trips, organized (package or individual tours) and non-organized tours can be demarcated. The basis of classification can be the type of transportation which is uses during travelling. Road and rail and air and water tourism are also part of it. The type of accommodation is also a classifying factor and within this group hotel, guest-house, campsite, tourist hotel, second-home, timeshare and private-home tourism are also encompassed. The time of travel is also a ranking factor and it contains continuous and seasonal tourism. Tourists in different ages, always have different needs and wants. A categorization of tourism is based on the age of visitors,

like youth, middle-aged and senior tourism. Pursuant to the quality of travel, luxury or exclusive and ordinary and mass tourism can be contradistinguished.

1.1.4. Types of tourism

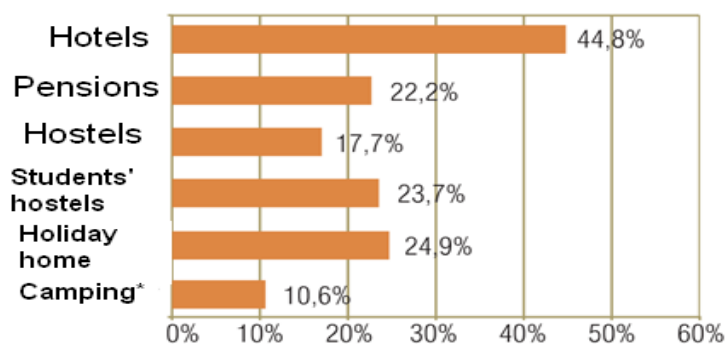
As the size and importance of the tourism is increasing quickly, newer and newer branches and types appear on the market, but they are categorized under two big branches which are business- and leisure tourism. In this industry, the index-number is the number of spent night. Because of it, the members of the tourism are those people, who spent at least 1 night somewhere, far from their home. Those, who travel for a one-day-trip, they are the excursionist and in this means, they are not part of the tourism (because of the lack of spent nights). Some people travel to another city or country to spend money there, and do shopping. Instead of the spent money, they are also not member of the tourism industry because they do not stay in accommodation for at least one night. In the case of business tourism, the aim of the travelling usually the negotiations and the connection of business, that's why tourists have resort to accommodation services. We can categorize the business conferences here, if the business partners travel to another city (or country) and stay there for more than one day. The second huge branch is the leisure tourism. When we talk about leisure tourism, the tourists travel with different aims. This category has a lot of subcategories like wine-, health care-, gastronomy-, event-, cultural-, disaster, space- and sport-tourism, but this group also includes the visiting of relatives or friends.

The purpose of travel defines not only the subcategory of tourism in which tourists take part but also the types of tourists. The difficulties of classification derive from that not all of the travellers are tourists and migration also causes problems.

1.1.5. Hungarian travel habits

The travelling and relaxing are usually one of the most important parts of the year. Most of the cases the holidays are hold in summer. Hungary has excellent geographical endowment, because of this reason Hungary is beloved among the Hungarian and Foreign travellers as well. The capital of the country, Budapest which is part of the United Nations Educational, Scientific and Cultural Organization (UNESCO) as well as the National Park in Hortobágy etc. Hungary has the 2nd most medicinal water in the surface and there are several Spas in the

country. In spite of the small size of the country, Hungary has mountains, the biggest lake in the Central Europe, the Balaton and caves, Great and Little Plain, several rivers. In spite of the good geographical facilities Hungary does not make out the best from it. The country has free capacities in accommodations and it is showed in the next table:

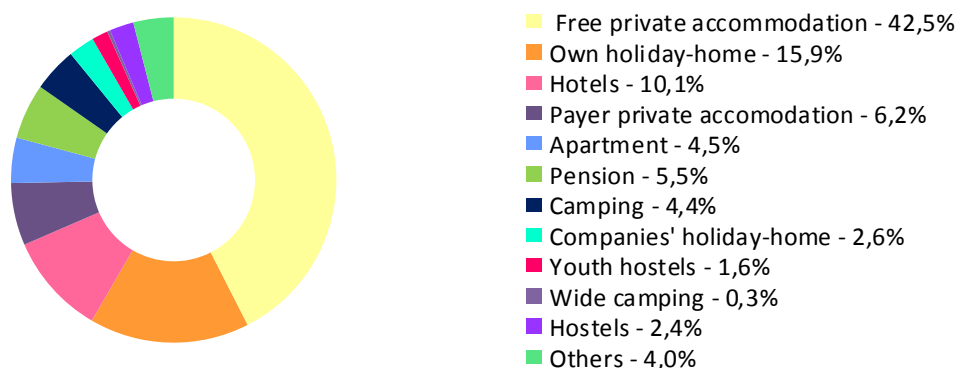


2. Figure: The exploitation of the different types of accommodation

Source:

http://itthon.hu/site/upload/mtrt/kiadvanyok/pager/hun_turizmus_magyarorszagon_2010/ accessed on: 25/8/2011, p.10.

In 2006 61% of the Hungarian population took part in more-day trips. This ratio decreased in 2008 for 58% and increased to 61% in 2010. In spite of the increasing, the number of the payer guests decreased so the travellers were in free private accommodations.



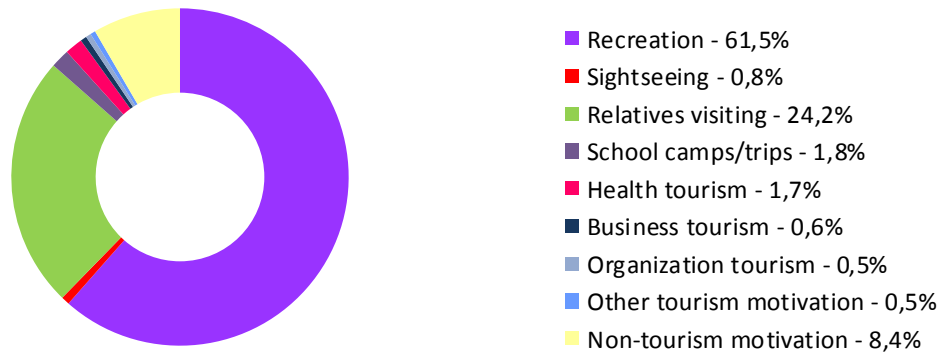
3. Figure: The ratio of the chosen accommodation during the domestic holidays

Source:

http://itthon.hu/site/upload/mtrt/kiadvanyok/pager/hun_turizmus_magyarorszagon_2010/, accessed on: 25/8/2011 p.15.

One of the factors which help to categorize the travelling is the motivation. The journeys have different aims. The goals can be the visiting of the relatives, relaxation, different

camps (especially for students) and there are non-tourism reasons as well. We can talk about festival tourism, health tourism, business trips as well. For the Hungarians the primary aim was the recreation in 2010 among the longer trips (more than 4 nights).



4. Figure: The motivations of the native travellers

Source:

http://itthon.hu/site/upload/mtrt/kiadvanyok/pager/hun_turizmus_magyarorszag_2010/, accessed on: 25/8/2011 p.6.

Recreation includes the passive and active relaxation as well. In the active relaxation, people do something actively and during these activities they relax. The passive recreation is the contrast of active recreation. The sport can take part in both sides. It will be detailed in the following

1.2. SPORT TOURISM

Leisure tourism has a lot of special types like wine tourism, disaster tourism, space tourism, medical tourism and sport tourism. Sport tourism is the combination of 2 increasingly important part of the life. Nowadays most of the people try to live healthy life and in their life the sport has a huge role. And tourism is also important because people can relax and they can forget the everyday problems during the journeys. Sports tourism is one of the fastest growing industries nowadays.

“All forms of active and passive involvement in sporting activity, participated in casually or in an organized way for non-commercial or business/commercial reasons, that necessitate travel away from home and work locality.” (Standeven – De Knop, 1998, p. 12.) Like tourism, sport tourism has different forms as well. The 2 main categories are active and passive sport tourism.



5. Figure: Types of sport tourism

Source: Standeven, De Knop (1998) p.13

The active sport tourism means that the aim of the trip is the sport, doing sport actively. The sports play a role in the passive sport tourism as well but the participants of it are involved passively and they do not do sports, only observe them. Participants are for example the spectators or the coaches of different sport events.

There are 2 types of the tourism which are related to sport. These are the non-holiday or business and holiday trips. The non-holiday trips have 2 other types, passive and active. The holiday trips also have passive and active parts, it depends on the travellers' sport activities. The passive sport side of the holiday includes the casual observer (people, who only enjoy watching sport events, but these events do not the primary purpose of their trip) and the connoisseurs (this group has two branch, events and sport museums) include those, who are extensively involved. They are known as spectators or observers.

The active sport of the holiday includes two categories, the holiday sport activities and sport activity holidays. In the case of holiday sport activities the travellers do sports actively but it is incidental. This category has two additional categories the organized (usually the team sports, e.g. beach volleyball) and independent sports (e.g. climbing mountains individually). The sport activity holidays mean that the primary and major intention is the sport. It has

two subcategories: multiple and single sport activity holiday. The multiple sport activity holiday means that several sports are done during the holiday. These kinds of trips are the sport camps, clubs, cure, hotels, and adventure sports. In sport active holiday, there is one specific sport which is the determinative through the trip. This group includes sport, adventure sports, sporting tours (training camps) and sport festivals.

In the tourism system, the Olympic Games play a role in the sport tourism. The different participants of the Games are involved differently, their role are different, so some of them take part in the competition actively and others passively. The athletes do sports during their 'holiday' in the Olympic Games. They are participants of the active sport tourism because they have active role in the sport competition and they travel to another country (or city) just because of the sport. The coaches and spectators only watch the events so they take part in the passive sport tourism. The last few decades, the importance of the Games have increased and it involved the increment of the size of this sport competition which results higher and higher number of tourists during the Olympic Games.

2. STAGING OLYMPIC GAMES

2.1. HISTORY OF THE OLYMPIC GAMES

“The first Olympic games were established in 776 BC at Olympia, Greece. In honor of Zeus, Greek city states gathered to one place, wars were halted, and the battle for the best athletes in all of Greece, favored by the Gods, would begin. Thus the Olympic games became the cornerstone of honor and unity.”

Anonym

The sport competitions and racing do not new phenomenon. They have already existed in the 8th century BC, the first Olympic Games was organized in 776 BC in the Ancient Greece. In the beginning there were only a few running competition but later they expanded the sport programme and there were running, wrestling, discus throwing, boxing, long-jumping, javelin throw. These happenings were religious and sport events at the same time. They demonstrated their respect for Zeus and Pelops with the competitions. The participants were only men from different Greek city-states because women mustn't have attended as competitors or visitors. The winners gained reputation and recognition but also a wreath of the branches of the olive tree which is the symbol of the peace and hope. This became a habit and it is given to the winners of the Olympic Games nowadays as well. The competitions were organized every 4th year and it also became a habit. The peak of the ancient Olympic Games was in the 6th and 5th century BC. The sport events were successful for 1000 years, until the beginning of the expansion of the Roman Empire toward Greece. The Olympic Games were de-emphasized and lost its importance and were banned by emperor Theodosius I in 393.

In the modern time, there were several trying to revive the Olympic Games but what is called Olympic Games nowadays it is revived by Pierre de Coubertin. This French man was the founder of the International Olympic Committee. He worked with Brookes (he was the founder of the Wenlock Olympian Society which is an annual sport festival in England from 1860) and Zappas (he organized the Greek Olympic Games in 1859, and he wanted to organize every Olympic Games in the Panathenaic Stadium). With the Committee they wanted to organize international Olympic Games and the result was the first Olympic Games in the modern times in Athens, in 1896. This attracted 14 nations and there were 9 different sports with more than 200 athletes. Because of the success of the event the IOC planned the next

Olympic Games and the host city was Paris. Greece wanted to acquire the right to be the only organizer but the IOC refused this claim.

2.2. TYPES OF OLYMPIC GAMES

“Citius, Altius, Fortius“
(Faster, Higher, Stronger)
Olympic motto

The Olympic Games is a common name which includes 4 different types. The best known of them is the Summer Olympic Games. 26 Summer Olympic Games has been organized since 1896 and 3 were cancelled in 1916, 1940, 1944 (because of the World War I, II.).

The second type is the winter Olympic Games. The aim of the Winter Olympic Games was to provide a framework for the winter sports like ice hockey or skiing or other winter sports. The first ice hockey and figure skating Olympic Competitions were organized within the Summer Games. Later, the list of winter games was extended and it necessitated the separated Winter Olympics. The first of it was organized in 1924 in Paris. There were 19 winter games and two were cancelled (because of the World War I, II.). Until 1992, the winter and Summer Olympic Games were organized in the same year but since 1994 they are in different year. The Winter Games is usually held 2 years after the Summer Games (e.g. the last summer games was in 2008 and the winter games were 2 years later in 2010).

The third type is the Paralympic Games. “In 1948, Sir Ludwig Guttman, a neurologist who was working with World War II veterans with spinal injuries at Stoke Mandeville Hospital in Aylesbury, began using sport as part of the rehabilitation programmes of his patients. He set up a competition with other hospitals to coincide with the London Olympics in that year. Over the next decade Guttman's care plan was adopted by other spinal injury units in Britain and competition grew. In 1960, the Olympics were held in Rome, and Guttman brought 400 wheelchair athletes to the Olympic city to compete. The modern Paralympics (or "Paralympics") were born.” (BBC sport, 2008) In 1988, the Paralympic Games was held in Seoul and since that year the Summer Olympic and Paralympic Games are organized in the same host city. This means that the candidates compete to organize two sport events in the same city and same year.

A really special type of the Games is the GSSE or Games of Small States Europe, which is organized with 12 different sports. Only those countries can participate, whose population is less than one million and stays in Europe. There are only 9 countries, which match to the conditions: Andorra, Cyprus, Iceland, Liechtenstein, Luxembourg, Malta, Monaco, Montenegro, San Marino. It was launched in 1985 as a biennial, multi-sport series of competition.

Jacques Rogge, the president of IOC, made a huge step to emphasize the importance of the after-growth competitors and he set up a new type of the Games for the younger generation. First, it was organized in 1991, in Brussels, Belgium and two years later, the winter type of it was hosted in Aosta, Italy. The name of these two types is the European Youth Olympic Festival or EYOF which is the first multi-sport event in the continent of Europe. These events are organized every four years by the European Olympic Committees (EOC), usually one year after the 'original' Olympic Games, in order to avoid interruption. The 48 members of the EOC can take part in these events with their young athletes from the age of 14 to 17. On the ground of EYOF and effect of Olympic Games of Sydney (2000.), in 2001, the Sydney Youth Olympic Festival was launched for the younger generation (13-19 years old athletes) with 23 participating nations and 10 different kinds of summer sports. In 2003, the name was changed to Australian Youth Olympic Festival (AYOF). The AYOF is organized in every second year and encompasses only summer Olympic sports. As a result of EYOF and AYOF, the only Asian Youth Games was organized in 2009, in Singapore, and the next will be in 2013. All of the nations, who are members of Olympic Council of Asia, are expected and have the opportunity to take part in the AYG.

Probably, the newest type is the Youth Olympic Games. The only one was organized in 2010 and the next will be in 2012. The Youth Games has 2 types: summer and winter games and they are held oppositely to the original Olympic Games. When Summer Olympic Games is organized for 'adults', in that year there is a Winter Youth Olympic Games and conversely. All of the IOC member countries have the chance to participate in the YOG.

2.3. SYMBOLS OF THE OLYMPIC GAMES

“The six colours, including the white background, represent the colours of all the world's flags... this is a true international emblem.”

Pierre de Coubertin

The Olympic Games changed during the past decades but there are habits and symbols which have been used from the beginning of the Modern Olympic Games. One of them is the Olympic rings which includes 5 intertwined circles. The circles refer to the unity and equity of the 5 continents of the world as well as the sport's principles like passion, belief, triumph, work morality, sportsmanship. The blue circle is the symbol of Europe, the yellow is Asia, black is Africa, green is Oceania and the red is America. In the closing ceremony the mayor of the present host city gives the flag to the next staging city and displays the following state of the Olympic Games.

The Olympic flame is a determinative symbol of the Olympic Games as well. It has been used for the ancient time but the running with the flame has been used since 1936. Every fourth year (when the Summer Olympic Games is organized) priests light the Olympic flame and defined people run with it from Greece to the host city of the Games. The running usually finishes in the beginning of the competition at the opening ceremony. The last person brings the flame to the station and it will light till the end of the closing ceremony.

Every Olympic Games has an own symbol, mascot which appears in the games and popularize the sports. They become the icons of the sport competition.

2.4. THE MAIN ASSOCIATIONS OF THE OLYMPIC MOVEMENT

There are several organizations and participants which are involved in the Olympic Movement because of its complexity. The main institutions are the International Olympic Committee (IOC), the International Sport Federations (IFs) and the National Olympic Committees (NOCs). There are other, secondary associations, participants like the Organization Committee for the Olympic Games (OCOGs), athletes, national sport clubs, sponsors. And of course the government and the nation can be as important as the others because they provide financial and other helps as well.

The Olympic Movement includes the Olympic Games, the process of organizing the Games, the Olympiad. The Movement covers all of the continents and the aim of it is to make

a better and peaceful world. This association brings the athletes and sport fans together and help to forget the violence, problems for a few days during the Games.

“The Olympic Movement is defined also by the numerous activities in which it engages, such as:

-  Promoting sport and competitions through the intermediary of national and international sports institutions worldwide.
-  Cooperation with public and private organizations to place sport at the service of mankind.
-  Assistance to develop ‘Sport for All’.
-  Advancement of women in sport at all levels and in all structures, with a view to achieving equality between men and women. Help in the development of sport for all.
-  Opposition to all forms of commercial exploitation of sport and athletes.
-  The fight against doping.
-  Promoting sports ethics and fair play.
-  Raising awareness of environmental problems.
-  Financial and educational support for developing countries through the IOC institution Olympic Solidarity.” (IOC, n.d.)

The International Olympic Committee (IOC) is the leader and the supreme of the Movement. It is responsible for the promotion and leading. The Committee is international with 110 members (the representative of Hungary is Pál Schmitt) and 28 honour members. The IOC is independent from every government and its primary aim is not the profit. This non-governmental, not-for-profit association was established in 1894 by the Greek Demetrius Vikelas and the French Pierre de Coubertin. The IOC is usually the final decision-maker and this association defines the host cities with election. The president of it is chosen by the Session for 8 years and one time the 8 years is extendable with 4 years.

All of the nations – which take part in the Olympic Games – have National Olympic Committees. In the world there 205 NOCs and all of them is categorized to a big association according to the locations. The ANOCA includes the African NOCs, the EOC consists of the Europeans, and the Oca groups the Asian NOCs. The Americans National Olympic Committees are aggregated to the PASO and ONOC includes Oceania’s NOCs. The task of the NOCs is to develop, promote and protect the Olympic Movement. Every year, the NOCs have to or-

ganize Olympic Day or Week on 23th June throw which they can popularize the Games. The Hungarian NOB was founded in 1895 and in Hungary it is known as the Magyar Olimpiai Bizottság or MOB (Hungarian Olympic Committee).

The Organization Committee for the Olympic Games (OCOGs) is always founded in the host country or city. It is uncharged by the IOC and NOC to organize the Games. It is responsible for every part of the Competition. In the beginning it may include only a few people but in the end there will be thousands of members like employees, employers, volunteers etc.

2.5. ADVANTAGES AND DISADVANTAGES OF BEING A HOST CITY

“The Olympics are the most significant generator of investment and private equity in the world today”

Andrew Young

The cities which want to host Olympic Games have different aims and it makes difficulties to compare them because they have different financial, economic, political, social or technological background. But all of them require developments in different fields. For some cities the primary aim was the boom in the tourism, the change in the image of the city, change in the infrastructure and so on.

Different performers of the organization have different aims. The actual government would like to strength its power, the athletes want to show their best and reach the best results. For the habitants the development of the city and the infrastructure are the primary aims. It is more and more difficult to reach success in the organizing process because an increasing number of the residents are involved and they have different requirements but all of them would like to get direct or indirect profit.

It is difficult to define the advantages and disadvantages of staging the Games because every case we have to define for whom are these effects positive and negative. For example the building of a new sport hall can be negative for a resident (because he has to sell his property for the state to build the sport hall there) and positive for the city because in the future other competitions can be organized there.

The number of advantages of staging Olympic Games is much more than the disadvantages which are more significant.

Advantages:

-  Prestige
-  Boom in tourism (if the visitors are satisfied with the facilities they will recommend the country for the others as a tourism target)
-  Boom in trade (export, import), economy
-  New economic relationships
-  Higher security
-  Developing infrastructure
-  Stronger economy, stronger national currency
-  More (foreign) investment
-  New sport facilities
-  New accommodations
-  Increasing sport activity, success
-  National pride
-  Fulfilment of brought forward investments, rapid and significant development

Disadvantages:

-  Overcrowded city because of the huge number of visitors
-  Pollution, traffic jams because of the huge number of visitors
-  Higher taxes, higher debts (new credits for the country)
-  Unexploited sport facilities, hotels in the future
-  Danger of hooliganism, terrorism.

Cases which have positive and negative sides as well:

-  New city image (better or crowded or the disappearance of the historical image)
-  Huge media attention (positive, if the Olympic Games is organized well but it can be negative if the organizers do defaults or have problems)
-  Profit (it is unpredictable to know that it is worse for the city or not. Huge profit can be made from this competition in short and long-term as well, but the city can fall if it will be under-priced)
-  'Free marketing' (everybody will talk about the host country. If there is no problem than visitors will recommend to others but if they have problems than they will chide the country)



Employment (There are direct and indirect jobs but most of them are short-term jobs because of it, after the Games the unemployment will increase so it is only a partial solution).

2.6. THE TWO SIDE OF THE COIN – HEAD AND TAIL

The staging of the Olympic Games works as a company; because of this we can say that human activity is used to satisfy the needs. The aims of the ‘company’ are the satisfaction, profit, development in long-term. For the different participants the profit means different. The athletes would like to be as success as they have never been, the country / city / society would like to reach financial profit directly or indirectly from the Games. The financial profit of the Olympic Games usually depends on two converse sides, tale and head which are the income and expenditure. The difference between them defines the profit or the loss of the balance sheet.

If there is profit then it is not owned by the Organizing Committee for the Olympic Games but it is divided according to this:

- „20% to the NOC of the host country
- 60% is a general benefit of sport in the host country
- 20% to the IOC” (Preuss 2004, p.194.)

2.6.1. Costs of the Olympic Games for the OCOG

During the history the cost of staging Olympic Games increased constantly. The host cities would like to make unforgettable ceremonies, circumstances to ensure the increasing size of the tourism sector for the further years. For the organizers the spectacle can be more important than the sport competitions themselves because a well-decorated and organized ceremony will be more attractive for visitors and investors in the future.

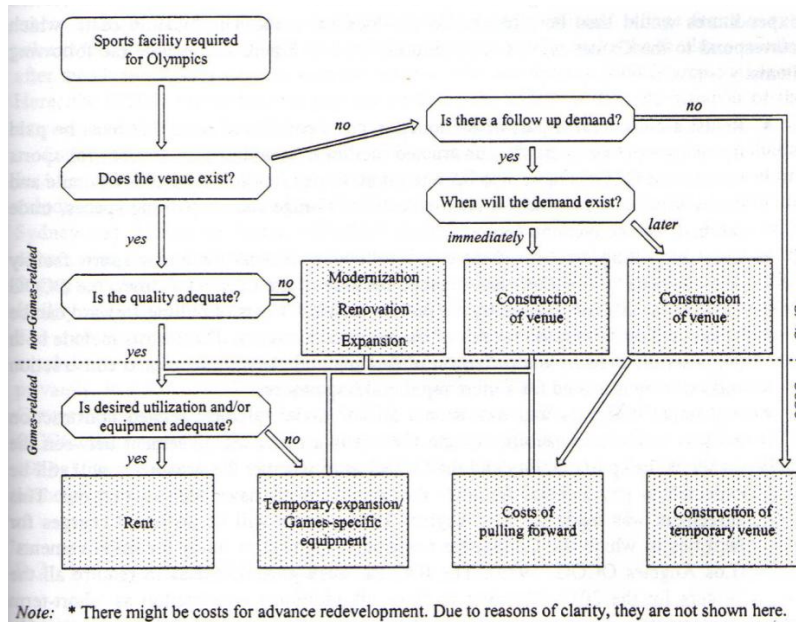
2.6.1.1. Differences between operational costs and investment

When the host cities define finally the balance sheet of the Games it is very important to be separated the operational costs and the cost of investments. The development of the infrastructure or the renovation or building of new sports halls are indispensable but they are not operation costs. These are investment which will used in the future. „Investment is an economic activity that forgoes consumption today with an eye to increasing output in the future.

It includes tangible capital (structures, equipment, and inventories) and intangible investments (education or ‘human capital’, research and development, and health). Net investment is the value of total investment after an allowance has been made for depreciation. Gross investment is investment without allowance for depreciation” (Nordhaus – Samuelson 1989. p. 472) The operational costs are costs which are paid once and related to the competition directly. An operational cost can be the total sum of the electricity.

2.6.1.2. Differences between Games-related and non-Games-related cost

Like in every project the Olympic Games have direct and indirect costs (and revenues) as well. „All sports venues, which are built because there is a general need for them, even without the Games, are classified as ‘non-Games-related’” (Preuss 2004. p. 197).



6. Figure: Flow chart to distinguish between Games-related and non-Games-related sports venues

Source: Preuss (2004) p.197

The other name of the Games-related costs is the location costs: there are 4 types of the location costs like: rents, costs of pulling forward, additional buildings and extensions, construction and removal of temporary facilities and overlays.

- The cost of rent includes costs that have to pay for using different buildings / facilities or others.

- Costs of pulling forward: These costs incurred by the provision of funding and possibly increased construction costs if there is a need for a more rapid building process”(Preuss, H. 2004. p. 198.).
- Additional buildings and extensions
- Cost of construction and removal of temporary facilities arise if there is a lack of a sport hall and there is no demand for this building than this sport hall should be built as a temporary building rather than permanent because after the Games this building can be destroy, and because of this, it is a Games-related costs.

2.6.1.3. Event expenditures

The direct cost of the event is the centre part of the final expenditures. The event cost is influenced by 3 main factors. There are ascendant numbers of sport events, also increasing number of athletes (until 2000 and since this year the number of athletes is maximized to 10,000) and the third factor is the technology. These costs express the cost of hosting the Games and cannot be reduce because the components of it are strict and indelible. These components can be categorized into 4 groups like competitions, sport equipment, victory ceremonies and test events.

The competition part is „the sector includes all organizational and personnel costs necessary to stage the competitions as well as the expenditures for equipment and technical installations, such as those needed for timing and displaying results”(Preuss, H. 2004. p. 197). This part can change country by country because of the dependence of the wages. Host cities usually ‘employ’ volunteers and they mean a huge reduction in the costs.

This part of the event expenditures is influenced by the number of the organized competitions. In the ancient time there were only a few sports but nowadays there are 53 different ones. Because of this, the costs are increasing because different sports require different halls with workers. The more and more sport makes the Olympic programmes and the Olympic Games more complex.

Sport equipment is the „sector includes sport-specific installations, such as pole vault facilities or volleyball net installations, as well as sport equipment” (Preuss, H. 2004. p. 200).

The victory ceremonies are the most important part of the Games for the athletes and nations as well. These ceremonies are held always after the finals. These moments are always

telecasted by the Medias, all over the world people can see and be pride for their athletes. Because of its importance it is a really expensive part of the expenditures because none of the host cities can let any default. The victory ceremonies' cost includes the price of the formal costumes of the medal and gift deliverers, the price of the gift and bouquet, flags, anthems. A significant part of it is the price of the medals because they are unique and designed only for the given Games.

The complexity of the Olympic programme emphasizes the importance of the test event and they became significant in the past (and nowadays as well). In this Competition, thousands of participants are involved and the organizers would like to give their best performances and they try to get ready for every possibility. Instead of the aim of the Games - athletes can compete with each other and forget the every day's problem and make a better and more peaceful world – fighting and terroristic attacks can happen (as it was in 1976 in Munich where 11 athletes of the team of Israel were took hostage). With the test ceremonies the organizers try to reduce the risk of the violence and the bloomers. During these ceremonies the sport facilities, security system, press service and the accreditation system are also tested.

2.6.1.4. Expenditures for ceremonies and cultural events

“Their chief purpose is to make the Olympics something special and different from a simple series of World Championships”

Pierre de Coubertin

Ceremonies of Olympic Games include the opening and closing ceremonies (victory ceremonies are exemptions because they are influenced by the number of sports but the opening and closing ceremonies are independent from it). These ceremonies are the most prestigious part of the Games and watched by millions of spectators. These ceremonies have significant importance from the future economic point of view of the host city because these give the first impressions of the country and introduce the culture and inhabitants that's why the organizers do not skimp on these costs. The Opening Ceremony is the time when the Olympic Fire arrives to the station and the athletes 'introduce' themselves and all of them align under their national flags. This ceremony has 2 parts: protocol and cultural-artistic part.

The cultural-artistic part is the part, which introduce the country and culture through performances. With it, the country tries to show the national values, differences, specialities for the audience. The quality of this show can seal the future of the country's economic status and fate. The audience's opinions are influenced by the sounding and aspect.

Expenditure factor	Birch	Goldberg	
	in thousand US\$	in %	in %
Costumes	4000	15.0	
Rehearsals	3500	13.2	
Lighting	2500–3000	9.4–11.3	58
Stage, flags, design	2500	9.4	
Acoustics	1500	5.6	
Staff and artists*	7000	26.3	11
Music	600-700	2.3-2.6	
General costs (transportation, accommodation, fees, etc.)	1000	3.8	
Research and creative meetings (choreography)	1000	3.8	
General costs (production)	1000	3.8	31
Electricity	800	3.0	
Transportation of actors to the rehearsals	300	1.1	
Catering	300	1.1	

7. Figure: Expenditures for Olympic Ceremonies 1992-2000

Source: Preuss (2004) pp.206

The Olympic Art Festival and Cultural Olympiad have the same importance like the sport competitions and the organizers (especially in the beginning of the modern years) wanted to give the same importance for the artistic festivals like the sport part has. In the ancient time the Games consisted of sport and art parts as well but in the modern years the artistic and intellectual (like chess) part was deleted.

Most of the people like sports or arts and this fact strength the importance of the Olympic Games because with this two converse side the organizers can involve more participants and satisfy their kind of needs. But for the success the organizers should make more marketing efforts because most of the people do not know about these kinds of events because the name, Olympic Games and sports became one in the past decades. Unfortunately for the organizers it is not worth to make efforts and strength this part because the revenues are usually lower than the expenditures

2.6.1.5. Cost of technology

The success of the Olympic Games mainly depends on the technology. The complexity and gigantism necessitate the use of the up-to-date technology. It is not only used in communication but also in the field of timing, security, media, accreditation, lighting, acoustics, telephone system, result systems, computer network, display screen, data processing, information system, administration, internet, television technology.

2.6.1.6. Costs of security

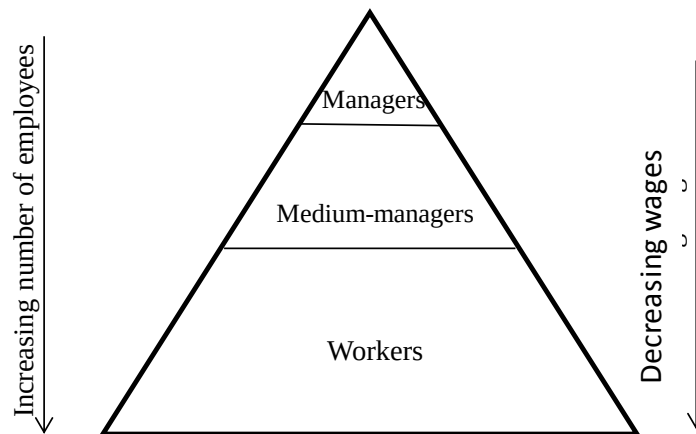
The Olympic Games is eminent competition in size compared with the other championships. During the Games, thousands of people take part in the competitions as athletes, fans, coaches, workers or others. The large number requires security.

During the history disappointed and infuriated fans have already did mass fighting and faced with soldiers and policemen. With the security guard the organizers would like to avoid and reduce the risk of mass hysteria (as it was in the Love Parade in Germany in 2010 where there was much more festival-goers than the maximum reciptence of the place and it was the beginning of a mass hysteria which resulted hundreds of injuries and numerous death.) and violence. The importance of the security appears not only in fighting but also to hold the calm if there is special weather (like storm). Host-cities would like to avoid these negatives that mean immediate fail in the hosting.

2.6.1.7. Cost of administration

The main and only cost of this part is wages. The administration cost includes the different level of salaries. This cost can be very different in countries because the lower-level employees – most of the time - are employed in minimum wages (in countries there are large number of unemployment and most of them have the willingness to work and they accept the minimum for their work because they need money for their life. Because of the willingness, the companies will not pay more because there are people who accept the lower wages). The OCOG always offer only short-term jobs during the process which is maximum (about) 8 years because 7 years before the Games the host city get to know the final-decision of the IOC and after the Games there are always one important year which is related directly to

Olympic Games (the demolition of the temporary buildings, the creation of reports and so on). Like in every workplace there is different level of jobs with the related wages.



8. Figure: Pyramid of employees

Source: edited by the author

The decisions are made by the managers and they are the directors during the work. They have the biggest influence and responsibility during the 7-8 years process and because of these causes they are compensated with huge wages.

The importance is reducing as the number of employees increasing. So the middle-managers are less important and it means lower wages as well. Some cases they do not give up their job because they are not as paid as to be employed only by the OCOG. For them it is only a part-time job.

The lowest level of the pyramid is the general workers who do what the directors and managers instruct. The wages of them are the lowest but for most of them it is worth to work because without the Games they are unemployed.

In the 7-8 years process as the date of the Olympic Games is coming, more and more workers are employed because of the close deadlines. The maximum in the employment of the Olympic Games is reached in the year of the event. For the country, the opportunity to organize this giant sport complexity always means a decline in the unemployment rate (percentage of the total labour force who are looking for job actively) but only for the time of the organizing process (but the Games can have positive affect for years because the Games can revive the economy (new investors appear in the market) and tourism industry and these phenomenon expect new workers.

It can occur that the Games influence the labour market negatively because it can cause shortage in different fields. E.g. the organizers would like to employ 10,000 skilled security guards but only 8,000 of the unemployed people have this qualification. Then the organizers can strict to their requirement and they will attract 2,000 people from their workplaces. The OCOG can reach it with higher salary offers than the security guards get from their present employers. If they leave their jobs, the left companies will have lack in this field which can affect their functioning negatively and make losses. So the employment directly or indirectly by the OCOG can be positive and negative effect as well.

2.6.1.8. Cost of marketing activity

The public relation and marketing costs has already appeared in the beginning of the 9 years process when the city decides to present itself as a candidate. This is very important since that time because the city has to convince primarily the International Olympic Committee. After the decision the role of the public relation workers is ascending because they have to convince the whole world to come and visit and take part in the Games. They try to use all of the marketing devices and there are ads in radios, TVs, newspapers and posters are also used everywhere.

For the host city the marketing is one of the major factors which is used to attract thousands of visitors to the country. Fortunately the gigantism and huge interest to the Games found 'free ads' because thousands of TV channels, newspapers, radios will talk about the country and broadcast from the host city.

2.6.1.9. Cost of International Broadcasting Centre

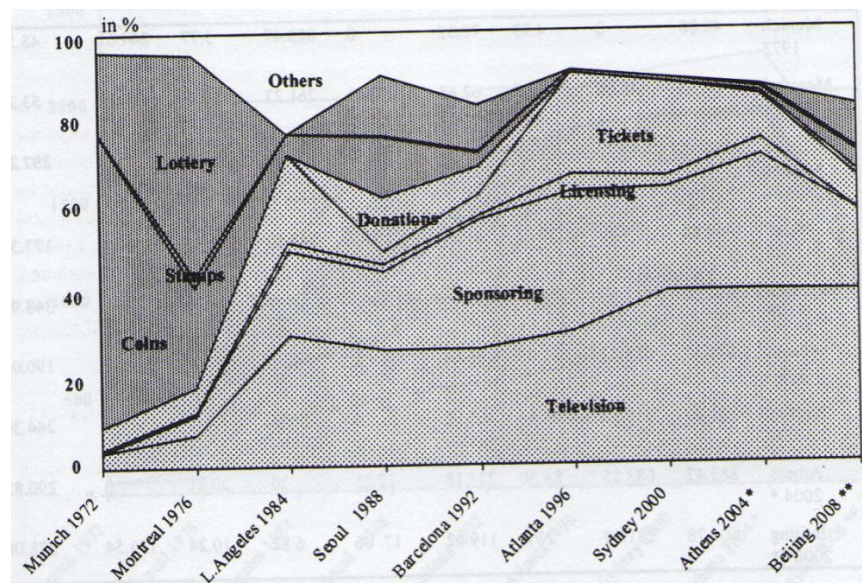
Games by Games more and more people are sat in front of the TVs to watch the Olympic Games. The media is the key factor which can increase the popularity and reputation of the Olympic Movement. The IOC and OCOG know this, that's why the international broadcasting centre was established and have been built for years. With it, the organizers facilitate the work for the members of the media.

2.6.1.10. Cost of the Olympic Family

One major task of the OCOG is to establish the Olympic Village for the Olympic Family. The members of this huge family are the athletes, coaches, and other members of the national groups. The OCOG and host nation have to provide accommodation freely for the Family (number of the members are limited) and have to pay their transportation cost within the city and their dining costs for a defined time period. (The athletes can choose other accommodation if they are not satisfied with the Olympic Village but it is paid by their nation).

2.6.2. The revenue side of the balance sheet

As the size of the Olympic Games is increasing, the importance of the revenues is increasing with the same proportion as well. The revenue of the Games is more predictable than the costs because the most significant part of it is known and it does not depend on the number of visitors or the government or the gained money from different applications. The 4 components of the revenue is the income from selling TV rights, revenues from special marketing measures, from ticket sales and others resources like donation. In the past few decades the structure of the revenue changed dramatically. In the beginnings of 1970s, the most important parts were the lottery and coins, nowadays the income of these are inconspicuous.



9. Figure Revenues of OCOGs

Source: Preuss (200) p.98

2.6.2.1. Revenues from TV rights

The revolution of the TVs and the role in the media sector established the importance of the TV rights. The TV channels realized the big opportunities in this investment. The biggest TV channels are willing to pay millions for this opportunity. For them it's worth because it is known that millions of TV viewers are attracted in front of the TVs during the Olympic Games. The channels can measure the number of viewers and as the number of it is increasing, the willingness of companies to advertise there is increasing as well. And it is generally known that most of the TV channels operate themselves from these resources.

2.6.2.2. Revenues from special marketing measures

The marketing and advertising is one of the most important parts of the popularity. Willy-nilly, the Olympic Games get huge media attention which is valid for the negative and positive part as well. From the beginning hundreds of TV channels will talk about the host city and its environment and introduce the places for the audience.

The boom in the marketing activity results an increase in the cost which is expended for the advertisement. But this cost can be reduced because the host city gets indirect advertising as well. In some way the marketing activity and its efficiency can be measured and it means huge income to the OCOG.

2.6.2.3. Revenues from ticket sales

Olympiad by Olympiad the size of the Games is increasing constantly, and collaterally the importance of the revenue from the tickets is decreasing. In 1896 and in the beginning of the Modern Olympic Games, the tickets and their revenues covered the whole costs of the Games. As the size and popularity of the OG increased rapidly, the costs increased like the price of tickets but the significance of the tickets remained in the background. Nowadays the income of tickets means the 3rd most income after the TV rights and marketing measures. The revenue of it is not only owned by the OCOG because a defined proportion is given to the IOC.

This kind of revenue is influenced by the host city and its visitors as well. The maximum number of the tickets that can be sold refers to the maximum capacity of the different sport facilities of the host city. If the facilities have been already built than the capacity cannot be influenced but if there are new-built sport halls (temporary or permanent) than the OCOG

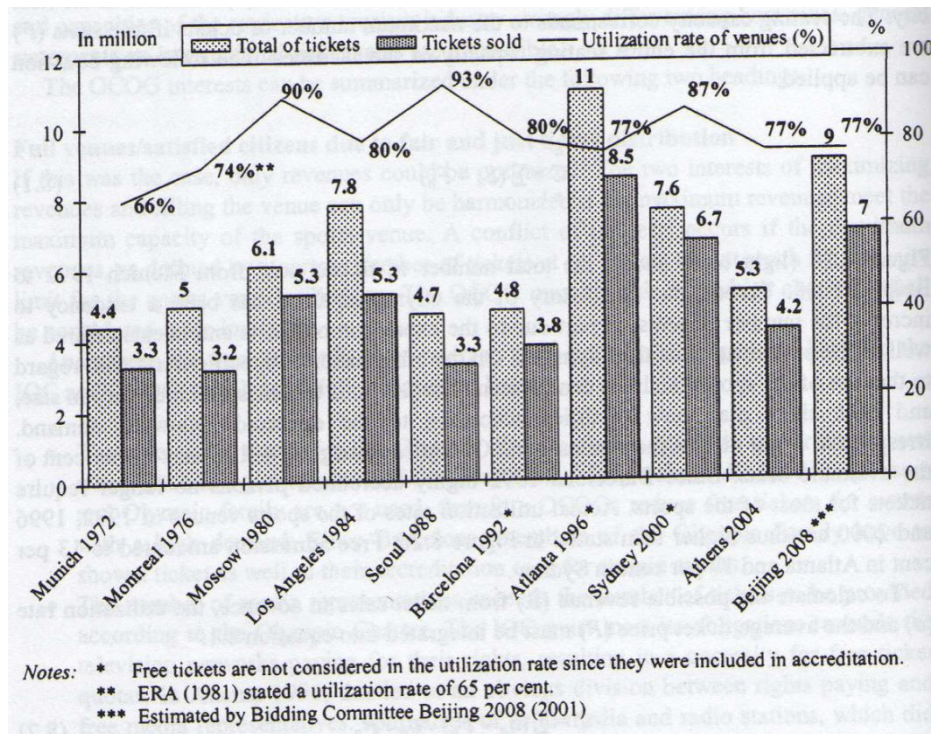
can decide the size of them and collaterally influences the maximum seats. The athletes, journalists, radio and TV commentators, photographers, members of the Olympic Family have free entrances and a defined number of tickets are given to the sponsors. This total sum of free tickets means a drop-out in the budget for the OCOG.

The task to define the price of the tickets is complex because the experts have to foresee the occurring demand. The price will be in the intersection of the demand and supply curves. In lower prices, the rational customers always would like to buy more and conversely in the case of higher prices. The suppliers think conversely and in high-price they would like to sell much more than in low prices.

The prices of the tickets are not only influence by the demand and supply, but also by other factors. Sport fans can buy the tickets about 1-1.5 years before the Games. In the beginning the price of them is relatively cheap but as the date of the Games is coming, the prices always increase theoretically, but in the reality it cannot happen because sport-fans buy the tickets immediately. The prices of the tickets mainly depend on the popularity of the defined sport and the kind of the competition (like qualifying heat, semi-final, and final). In sports events there are different categories (like A, B, C, D...) and these categories defined the seats. The A or first category is always the most expensive but these seats are the nearest ones.

Price elasticity (if we change the price with 1%, how the demand will change) is also an important factor and it has uncertainty characteristic because nobody can know it because it is unpredictable. The willingness of people is also necessary to buy the tickets. Their values can be different among national and international sport fans influenced by the success of the national team. E.g. the Hungarian kayak-canoe results and their reputations will increase the value and the price of the tickets as well. It can happen that the willingness of the national sport fans will be much higher than the international visitors'.

But the organizers cannot concentrate only these factors. For them the aim is the full audience so they may give some reduction. In the past (according to the figures) it is visible that the utilization rate was not maximum that means much more tickets were than it was sold. Because of the remained tickets there was lack in case of the ticket revenues.



10. Figure: The total and sold tickets and utilization rate of venues

Source: Preuss (2008) p.174

2.6.2.4. Other revenues

The least part of the revenues is the other revenues which consist of smaller parts. The most significant among this group is the donation. In the last Games, the proportion of public and private part of financing was changed. In the last decades the public share is decreasing constantly and it results the growth of the significance of the donations. 3 kind of donation can be distinguished:

- “Patronage has a long tradition and can be traced back to the Roman Maecenas. Patrons promote and support organizations or causes based on truly altruistic motives.
- A donor’s motivation is rather to ‘do something good and talk about it,’ and at the very least they expect a donation receipt for the tax office.
- A sponsor expects a service in return for his or her payment, which is fixed by a contract” (Preuss, H. 2004, p. 181.).

Significant revenue comes from the Olympic lotteries. The tradition of it is as old as the Modern Olympic Games. In the beginning the lotteries had the importance not only in revenues but also in promotion because they were used to popularize the Games. Extra reve-

nue can be made in the preparatory period if the revenue is higher than the expenditures. In that case the OCOG can get interest for this amount (if it invests it). The tests events are another source of expenditures. These tests event can be other international competitions. For example the host country organizes International sport Competitions 2 years before the Olympic Games and tests the space and sport hall to escape the default in the Olympic Games.

There are other subsidies from the government and the OCOG can gain money through applications. Good example for it the European Union through which the host country can make an applicant and gains huge resources.

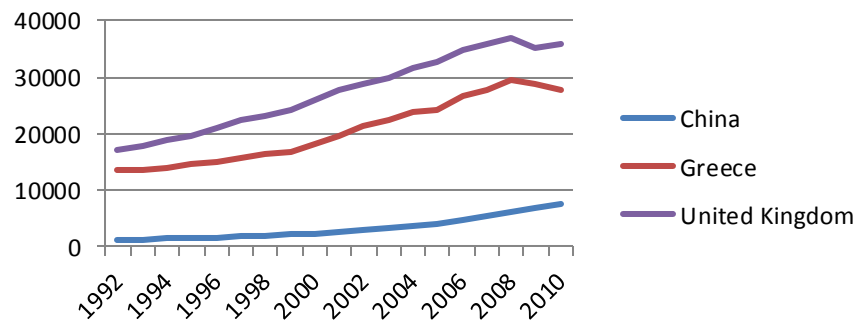
2.7. THE EFFECT OF THE OLYMPIC GAMES TO THE ECONOMY:

"The Olympics remain the most compelling search for excellence that exists in sport, and maybe in life itself."

Dawn Fraser

As it is known, the Olympic Games affect the economy of the host country in a significant way. There are negative and positive impacts as well. With different indices, SNA indicators, balance of payments can measure the changes. Of course, not all of them can be expressed and the results can be really different among the host countries.

For all of the countries, the most important indicator is the GDP. It reflects not only the total value of goods for final consumption which are produced within a country border but also the basis of debt. The total governmental debt is calculated from the GDP and defined in percentage. GDP is also a basis of comparison between countries but it can really distort the results, as the population of countries is really different. The GDP/capita reflects the real results and expresses the general living standard of residents.



11. Figure: GDP/capita in China, Greece, Hungary, United Kingdom from 1992 to 2010

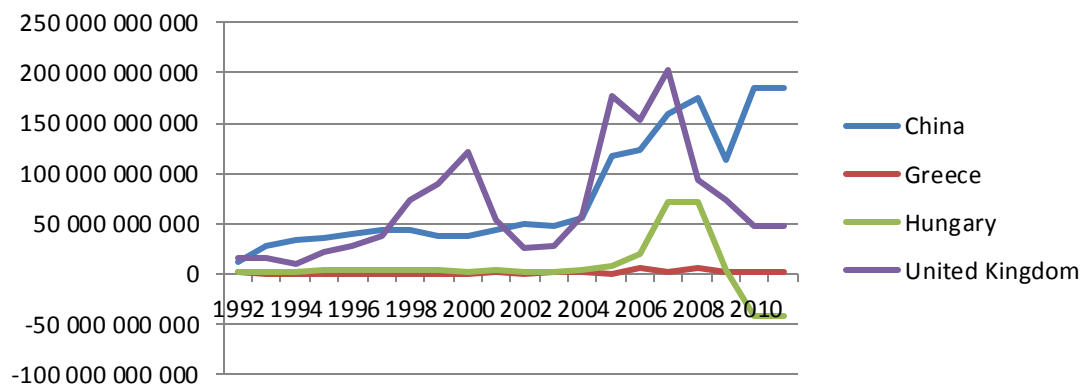
Source: edited by the author, data:

<http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD> accessed on: 18/10/2011

In Greece, the GDP/capita shows growth from 1992 to 2008. The organizing process was started in 1997 and since this time, the increasing was speeded up and the growth rate was more significant. In China, the rate is much lower, and since the organizing, the advancement does not seem as determinative like in Greece. According to the data, in Greece the GDP in the Olympic year was 1,6 times higher than in the beginning, but in China this number was 2,5 and it means that in spite of the figure which shows a not so significant growth, in China, the Olympic Games resulted a much higher increase in the GDP/capita. In the United Kingdom, this ratio cannot be defined exactly, as the Games will be in next year. Till the result of 2010, the growth was 1,22. Probably, as the GDP/capita is higher and higher the part of the ratio which is due to the OG is less and less.

As the host country plays the central role of the world and everybody pays attention to the given city, the foreign direct investment is also influenced positively. The foreign direct investment or FDI means an inflow of capital to the host country. It has several positive and negative effects as well. As it provides new opportunities and new work places for the residents it also can mean the concurrence or increased competition for the local companies. It can happen that the country becomes dependent on the FDI and the FDI is simply crowd out the residential enterprises from the market. There are several factors which attracts and results higher FDI like qualification of employees, minimum wages, legislation or taxation. Of course, there are several repulsive indicators like political system, economic circumstances,

concurrence, export and import barriers or restrictions as well as the high tariff rates or the disadvantageous law.



12. Figure: FDI in China, Greece, Hungary and United Kingdom, from 1992 to 2010

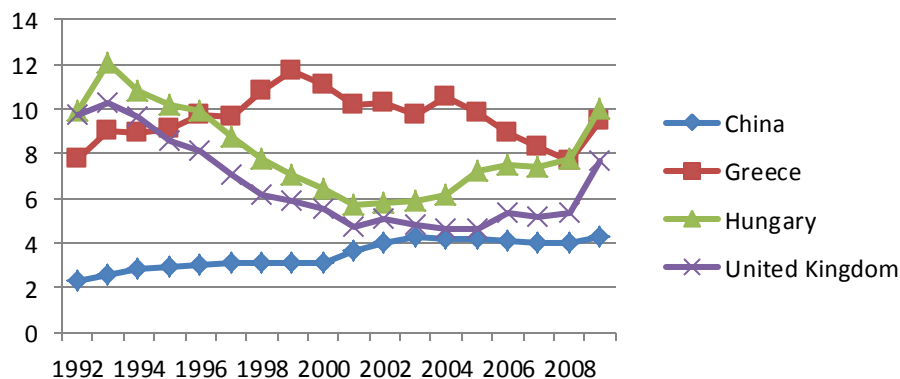
Source: edited by the author, data:

<http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD/countries> accessed on:
18/10/2011

In Greece, the inflow of foreign direct investment is really stable without any high peaks. In spite of the Olympic Games and it's always mentioned positive effect, the total of FDI in 2003 – one year before hosting – decreased radically by 93% compared to the previous year. In China, the growth was started in 2003 and ended in the year of the crisis, but two years after it, the same total of FDI was realized. The analysis of China from this point of view is really difficult as it is a more and more competitive country in the total GDP and it's growing continuously. It went through in several changes during the last years and started to become more receptive for foreign capital. It has several attracting factors why other countries' enterprises decide to invest there like the really cheap laborforce and parallel the mass production. United Kingdom and its result are more instable as it fluctuates significantly. From 2007, it experienced a slump and the total sank any further as a result of the crises. Based on the result of 2010, United Kingdom is not over the way of trough. Hopefully, the Games of 2012 will rise up this rate for the country.

An always mentioned and a general phenomenon of the market economy system is the unemployment. The society can be divided into two parts like people who are able to work according to their age and those who are not. The second includes the retired people and children who are simple not able to work. The other and important part from an economic point

of view is those who are able to work. This part consists of passive and active parts. Within the passive part, there are the students who cannot work because they study. The active part includes the employed and unemployed people. The employed people are those people who actually work. Within the unemployed part there are different types of unemployment like voluntary, structural, frictional or seasonal. Based on it, different reasons stand behind the wordlessness. The unemployment rate can be calculated as the total number of people who don't work but they search workplaces actively divided by the total number of labour force and multiplied by 100. The inoccupation results a triple negative influence on the central budget as these people do not pay taxes after their income and they get an lay-off aid from the government which increases the cost side of the budget. The 3rd problem of unemployment is the drop-out of these people's work and the decline in the GDP because of it. In all countries, there is a natural percentage of layoff as there are some people and they are part of the autonomous inoccupation.



13. Figure: Unemployment rate of China, Greece, United Kingdom, Hungary (in %)

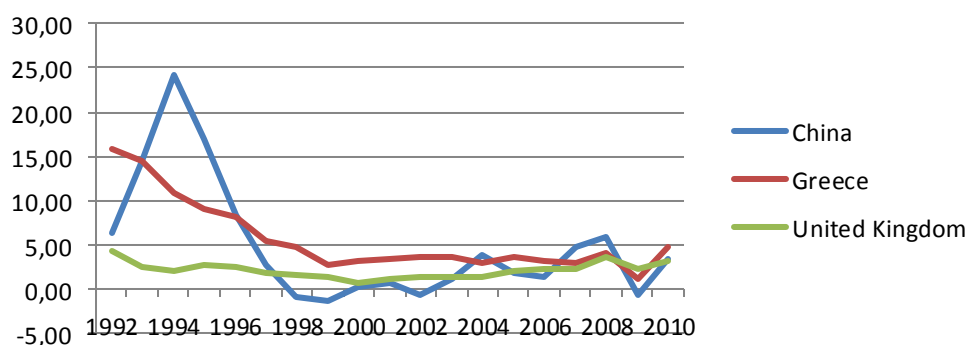
Source edited by the author, data:

<http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS> accessed on: 18/10/2011

The uncertainty effect and influence of this historical sport event is bolstered with the 13. Figure. A direct effect of the organizing process is the increased demand for the workers is supposed. In Greece, as the year of the multisport competition was coming, the inoccupation rate increased coherently. This trend was finished in 1999, 5 years before the Olympic Games. Since this year, almost a continual decline was generated in the unemployment rate till 2008 and after it a newer increase was realized. In case of China, the situation was completely different. As the country got the organizing right (in 2001) the unemployment rate

started to grow. Of course, the analysis of China should be more complex as the society of the country is increasing constantly and it is an opposite fact with the European countries' trends in Europe; the total population is declining because of the smaller rate of birth than the rate of death. So in China, probably other reasons stand in the background which resulted increase of the rate. The next host country is the United Kingdom, which also faced with a special situation during the organizing process. It got the right 7 years before, in 2005. Since this year, a growth was realized in the unemployment rate, but it was not so serious, during the first 4 years, the increase was 0,7% but it became serious. The rate was 7,7% in 2009. which shows more than 2% rise in the ratio. This table bolster up that the effect of the Games can be completely different in the different host countries, so they can perceive every impression differently.

During the Olympic Games, probably there is a growth in the number of arrivals and it automatically infers the inflation as the prices increase because of the growth in consumption. But the inflation can cause problem for the residents after the Olympic Games as they will be able to buy less from products because of the higher prices. It will cause a decline in the revenue for the companies and they will try to reduce their costs and probably it will result lay off for the workers. The increased inoccupation in that case will result a further decline in the consumption as the people will have less wages and further increase in the unemployment rate. So a dramatic inflation could generate a significant economic problem for the host countries and it is a demonical circuit.

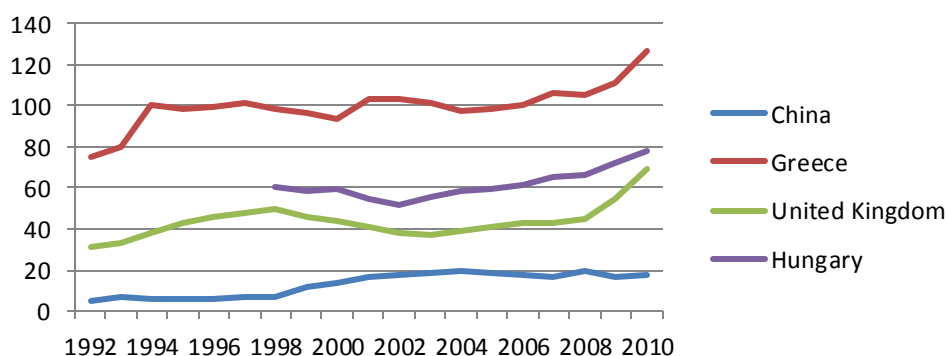


14. Figure: Inflation rate in China, Greece, United Kingdom (in %)

Source: <http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?page=3> accessed on: 18/10/2011

According to my hypotheses that the Olympic Games causes inflation in the after-years, only two countries can be analysed, China and Greece. As the United Kingdom is in its pre-years, the result of the inflation is questionable. In Greece, the inflation from the Olympic-year is really constant and stable (till 2008) without huge peaks or troughs. In China, in the Olympic-year, there was a growth compared to the previous year, 2007. Surprising result, that in 2009 this Asian country faced with a deflation – a general decline in the price level – as the inflation rate is minus 0,7%. The lack of the information and passed years after the Games also results that an exact conclusion cannot be determined in case of China.

Based on the total budget of the competition, the total cost can be really different and loss and gain results are also shown up in the past. If a country does not have to have new credit to sponsor the organization than the governmental debt is not increased just because of the Games. As the debt is defined in percentage of the annual GDP than the increase of the GDP causes an indirect ‘decline’ in the debt. Of course, the amount of debt is not decreased but it will change based on the changes of GDP.



15. Figure: Governmental debt of China, Greece, United Kingdom and Hungary (in %, compared to the GDP)

Source: <http://www.tradingeconomics.com/china/government-debt-to-gdp>,
<http://www.tradingeconomics.com/greece/government-debt-to-gdp>,
<http://www.tradingeconomics.com/united-kingdom/government-debt-to-gdp>,
 accessed on: 15/10/2011

Greece was mentioned in my thesis, as a surprising country. In the governmental debt, the situation is surprising again. In the beginning of the organizing process, the government could reduce the debt of the country. In the first four year, this decline was almost 7% but this reduction was ‘destroyed’ in 2001, when the increment of debt was more than 9%. The

Greeks are always mentioned as a sloppy society, probably they started the organizing later, and the sudden growth was due to this behaviour. In 2004, there were several buildings which were not finished and people had to work all nights to be ready to welcome the world in Athens. The metro line's construction was the most serious problem, and the workers had to race with the deadline to finish for the first day of the Games. Nowadays, people all over the world know that Greece is in a really bad financial situation. Some of them say the origin of the crises of the country was the Olympic Games. Unfortunately, the Games probably plays a significant role in this situation as the total final budget was double than the planned. as it was about US\$ 11-12 billion. As a general effect of the Games, Greece has several unutilized stadiums which mean not only the leeway of revenue but also huge expenditures as these buildings have to be secured. According to the data of 2010, the debt was 127% which hopefully will decline because it can cause problem for the whole Eurozone as well. In China, there was also a peak of growth in debt in 2004 and in 2008 but between the two years they could reduce this ratio and after the Games, the situation was the same. The results of United Kingdom also can be scary because the ratio during the 6 organizing years almost doubled itself. With the knowledge of the effect to Greek economy, the situation can be really distressing. During this 6 year, the increase was 30,6%, out of which 15,2% was realized in the year of 2010.

Based on this analysis, the only conclusion can be the unpredictability of hosting, which was mentioned several times. The results prove that expectations (decline in the unemployment rate, increase in FDI and so on) are just stereotypes. None of the countries reflected completely the expectations and there were really singular results, negatively and positively as well.

2.8. THE EFFECT OF THE OLYMPIC GAMES TO THE TOURISM SECTOR

The tourism sector is the sector which gets the most visible impacts from the Games. For the residents - especially for the feasters - the first and most important effect is the increased number of tourists. During the Games, thousands of foreigners are attracted to the country because of the Games. And conversely thousands of potential tourists can change their viatorial targets because of the Games as well.

Nowadays the sport competitions, cultural events, exhibitions and festivals attract tourists to the cities. In these cases for the visitors (most of the times) the host city is not so important because the primary aim is the visiting of an event and not the sightseeing. Of course, they visit not only the events but also the cities. The event tourism is one of the most rapidly increasing sectors because the experts know that a well-chosen or organized programme can influence the tourism of the host city in a big proportion. In the other side, a default in the organizing process, problems and complains for the events can cause big problems in tourism as well. For the organizers the satisfaction of the audience is really determining, since they will tell their experiences to their friends and relatives. Another and more significant reason is that the audience is seen by millions of TVs' lookers-on and they form opinions according to that they see. If the audience is satisfied that it will be seen through TVs. Sport fans in front of the TVs can enjoy the competitions and can be equivalent with the audience and feel with them the atmosphere of the Competitions than they may will get cheer to visit the country or take part in the next Olympic Games and feel the spirit of it personally. The audience influences the revenues from special marketing measures because the OCOG gets money from it. Most part of the visitors comes from abroad and the satisfaction of them is incredibly worth much. They bring fresh money to the economy and after the Games they tell their stories and experiences to others and give negative or positive reputation for others. So the foreigners popularize the country after the competitions. This is the way of indirect advertising through the visitors. With it the 'whole world' will form an opinion from the host country.

The Olympic Games will change not only the economy but also the image of the city. The new, modern sports halls will affect the tourism as well because they may will itinerary targets and tourists may be attracted because of these buildings. The new image will be introduced through sports reports so it is worth for the city to invest in new buildings. With the media millions of sports fans will get to know the city and country. The country can exploit these opportunities to increase the tourism, economy and investment sector as well.

During the Games, the inhabitants will be influenced negatively and positively too. They can be categorized into 4 groups. There will be some people who do not want to take part in this sport circus and they will spend their money in another place and organize their holidays directly to this date rather than to have holiday in some other date. The second group

includes residents who will have holiday during the Olympic Games but this date is chosen random and not influenced by the Games. The third group consists of the inhabitants who chose to stay at home and spend their money there. The fourth and last group includes those, who are involved into the Game sin different ways like as spectators, coaches, volunteers, workers and so on.

The tourists of the host country can be categorized as well. There are tourists (like residents) who would like to avoid the mass and organize their holidays to another time and they are known as ‘avoiders’. Bigger groups are the ‘Olympians’ or Olympic tourists who are attracted because of the Games. The third category includes the ‘casuals’, who do not deal with the Competitions, they visit the country or city because of the relaxation and for them it is not important that the city is the host city. A general group is that which consists of time-switters, who want to visit the city another time so they do not avoid the host city because of some reasons, they simply organize holiday to another time. And a combined category is the ‘extensioners’ who visit the city as ‘general’ tourists but they will prolong the detention time by reason of the interest of the Games.

From the national economic point of view, it is not important where the residents spend their money (stay at home and spend money there or travel to another city and spend money there). The foreigners are more significant because they pump fresh money to the circulation of the economy. The extensioners have definitely positive affect because they stay more time in the city than in general. A defined number of the casual tourists’ travel every year so they do not mean surplus for the Olympic Games and to their agglomeration. The ‘Olympians’ form the biggest group which means big income to the OCOG and to the city. Their expenditures for accommodation, meals, tickets, travelling and so on mean a boom in the business cycle (at least for a short-time). And they may be those who tell experiences to the home-stayers and popularize the host city all over the world. Compared with the ‘extensioners’ and ‘Olympians’, the ‘avoiders’ has the opposite effect and they make income drop-out because they avoid the city. They would come another time so this ‘shortage’ is valid only during the Games.

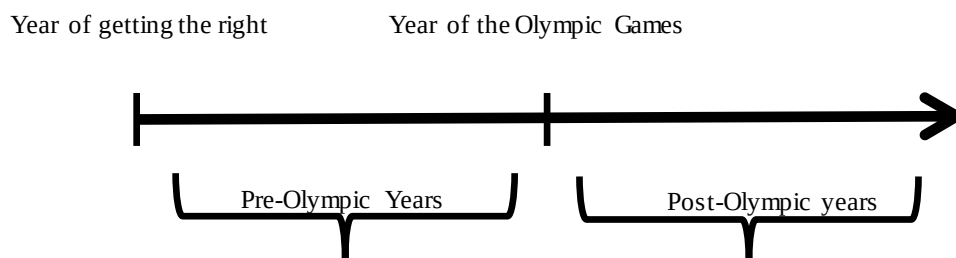
Tourists	
home stayers Olympians extentioners	changers runaways

16. Figure: Balance-sheet of the tourists

Source: edited by the author

The organizers have to concentrate to this context and attract more and more people to the Games and exceed the number of changers, runaways (who avoid the competitions). The competition will be (probably) financially profitable if the left side is higher than the right side because there will be more tourists in the country and they will spend their money there.

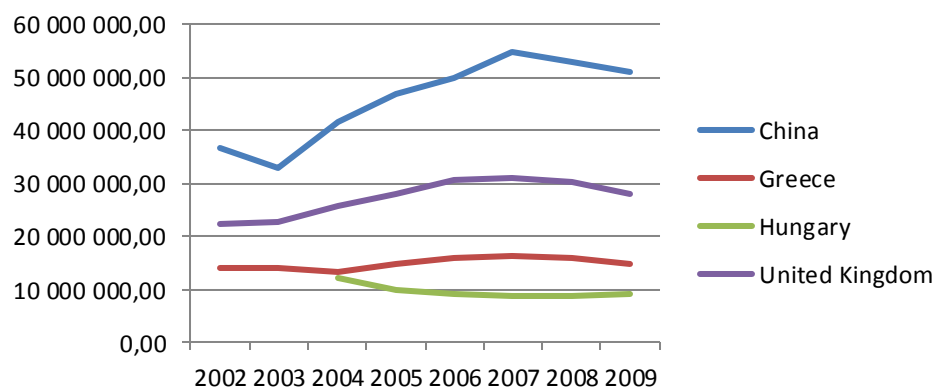
The tourists can be categorized in another way according to the time and the kind of their journeys. In the time categories the tourists can be distinguished as pre-Olympic, Olympic and post-Olympic tourist. The pre-Olympic years include those years which connect directly to the organizing process and it starts usually 7-9 years before the Games. The host cities have to present themselves 9 years before the defined date of the Games. 2 years later (7 years before the Games) the IOC defines the final winner of the organizing competition and the city can start the organizing. From this time, the city has to face with an increased media attention and it infers the growth of the tourism sector. During the competition series there are attracted not only Olympian tourists who interested in sport competitions but there are people who take part in the Cultural Olympiad or athletes come to the place earlier to have training camp there. Before the Games a series of meetings are organized for the managers and sponsor partners and negotiations for the media members as well. And hundreds of visitors or participants are attracted to the test events too.



17. Figure: The chronology of Olympic Games

Source: edited by the author

With the tourism industry, the first expression which comes into everybody's mind is the number of tourists or inbounds. During the Olympic Games it always changes because of the previously detailed types of tourists. In China, there was a decline from 2007 but it is not surprising if we pay attention the changes in circumstances like prices of accommodations and flights which were several times higher just because of the Games. In Greece, there was a decline compared to the previous (2003) year, but in the first post-Olympic year, a growth started and remains stable with small decline from 2008. The United Kingdom also faces with a decline till 2009 but probably the data from 2010 and 2011 will result growth as the date of Olympic Games is coming.

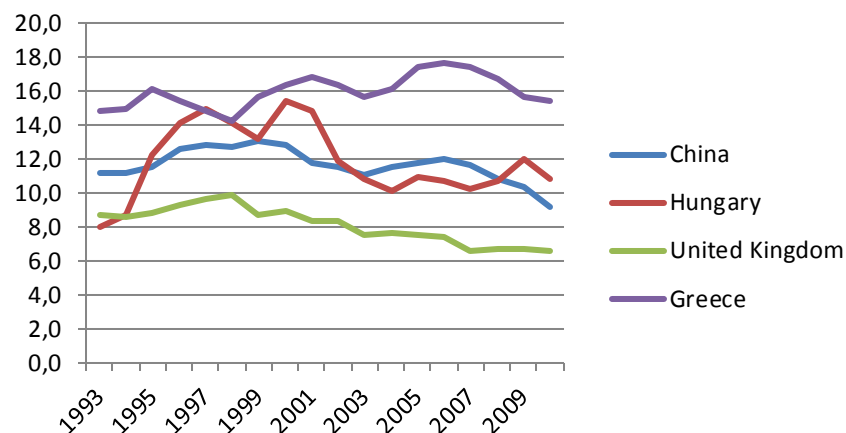


18. Figure: Number of inbounds in China, Greece, Hungary and United Kingdom from 2002 to 2010

Source:

http://search.worldbank.org/quickview?name=International+%3Cem%3Etourism%3C%2Fem%3E%2C+number+of+arrivals&id=ST.INT.ARVL&type=Indicators&cube_no=2&qterm=tourism accessed on: 25/10/2011

As in the economy the most important indicator is the GDP, it is also the most significant in tourism. Tourism has a contribution to the total GDP of the country and these contributions changed for the host countries from the pre-Olympic years till a long time. Whether it is a direct effect of hosting the Games or just a general increase, it cannot be measured.

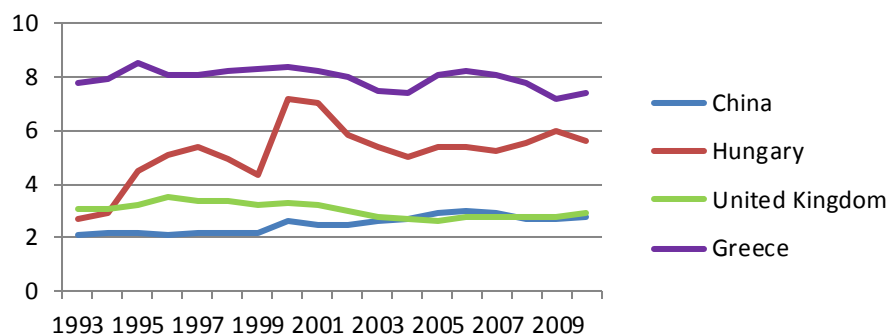


19. Figure: Travel & Tourism total contribution to the GDP in % in the previous host countries from 1993 to 2010

Source:: <http://www.wttc.org/research/economic-data-search-tool/> accessed on:
18/10/2011

The results of Greece are unbalanced. As the hosting right and chance are always mentioned as a big opportunity for the country to develop, the numbers of Greece do not show the same. Before and after the Games, there were also peaks but 2004 was a trough for the country. Since 2006, the decline of the share is the general. China was the centre of the world for a few years in 2008. In spite of this fact, this country does not realized growth in the share of tourism to the total GDP. During the Games, there were several articles about the low occupancy rate of accommodation facilities, fall in the number of tourists. The result of these decreases probably was the dramatic growth in the prices. China may be wanted to gain more profit from this situation than the tourists and Olympic fans could let for themselves. According to an article of The Telegraph (2008), the prices in February, 2008 were 10 times higher in some hotels than less than 1 year before. The ticket prices of planes were also increased dramatically, just because of the Games. Later, of course, as the Opening Ceremony was closer and closer, the prices were decreased, as the companies realized the lack of arrivals and provided last minute tours and accommodations for them.

Based on the contribution changes, we can suppose, that the share of employment in the labour force also changes negatively or positively. As the four examined countries population is really different in the total number, the share of employment in this field is more valuable.



20. Figure: Share of employment in the travel & tourism industry

Source: <http://www.wttc.org/research/economic-data-search-tool/> accessed on: 18/10/2011

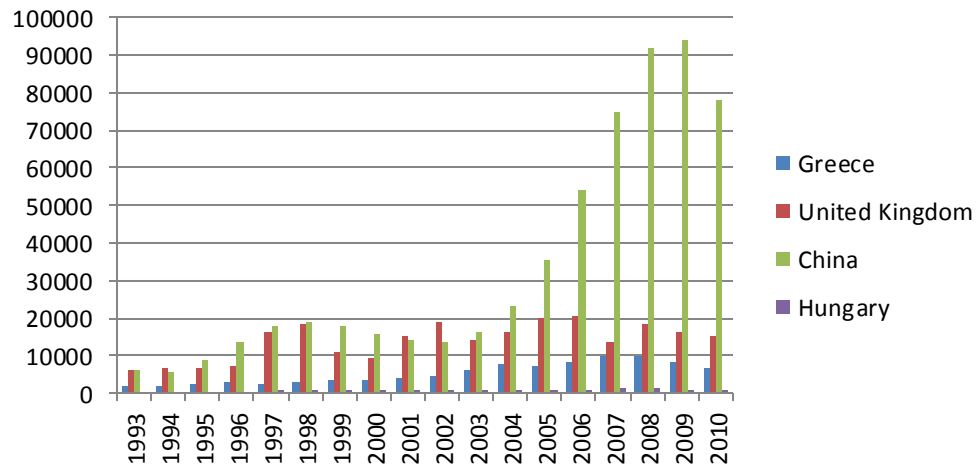
In Greece, the proportion is really fluctuating. From 2001 till 2004 (the year of the OG), a declining period appeared in the employment in the tourism sector and it was finished only in 2005 when the employment increased by 0,7% compare to the previous year. Since that year, a constant increase or decline did not present in Greece, but the fluctuation became general. In spite of the organizing right, the situation in the ‘original’ host country the situation was completely different. Compare to the other countries, the proportion of workers is much higher than in other countries, as the percentage fluctuates around 8. These higher rates resulted higher share to the GDP, because Greece had the highest contribution based on the *Figure 13*.

In China, this rate is much lower, and it moves between 2 and 3. A constant growth started in 1997 till 2006 and in 2007, a 0,1% decline appeared. In the year of the Olympic Games, in 2008, this rate was 2,7% which is lower than the peak in 2006. Since 2008, there was a small, not so significant fall. This host country is not really far from the hosting year, so direct effects and conclusions cannot be deducted from the data. The number of employees in this sector is the lowest among the four countries, but in spite of this, the country had a significant contribution to the GDP. As Greece employment fluctuates between 7 and 9%, the contribution is about the double, between 14 and 18%. In China, the GDP’s share is much more than the double of the employment percentage. It could mean the higher productivity of the employees in the Asian country.

The next host city is London, in United Kingdom, in the next year, 2012. There is no high peak or trough, in the last 5 years, the rate was about stable. In 2010, only a 0,1% increase is showed compared to the previous year, but it is much lower than this rate in 1996.

London and the United Kingdom is one the most famous destination in the world, and because of it, the stability of this ratio is really interesting and surprising as in spite of the increasing interest toward the country, this industry has not changed.

In this huge multi-sport competition, the most common effect is the increased number of tourists in the host country. Of course, the growth in different countries can be really different, as the culture, political system and others also influence the number of arrivals.



21. Figure: Capital investment in the Travel & Tourism Industry (in million US\$)

Source: <http://www.wttc.org/research/economic-data-search-tool/> accessed on:

18/10/2011

The higher number of inbounds always requires more accommodation facilities. Probably, the occupancy rate of different kind of accommodations will increase, but it will not be able to accommodate all of the arrivals as they arrive into the country in the same time, and in the high season, as July and August are usually the busiest months almost in every countries.

In Greece, the growth is reflected and this raise was not finished in 2004, but in 2008, may be as a negative result of the World Economic Crises 2008. Nowadays, Greece is always mentioned in news as a country which is really near to the insolvency because of the huge governmental debt and as a consequence of this negative reputation, probably, the capital investment decreased till 2010 and probably, the result of 2011, will not show the growth of capital investment as the investors have a higher risks if they choose this country for the place of investment.

In China, the elevation started in 2002 till 2009. From the starting period till the year of the historical sport competition, the capital investment in the tourism industry was 6,6

times higher. This enormous growth was not perceptible in the other countries, as in the first post-Olympic year, this amount was increased again compare to 2008. This host country was really unique among the others as it is situated in Asia and a really developing country and has stronger and stronger economy and became a significant supplier of many products for the European Union. Based on this, probably they expected a higher number of arrivals, as in the time of the Games; the occupancy rate of hotels was not as big as they wanted. So in this case, the capital investment was not so effective, as many of the accommodation faced with lack of guests. In the United Kingdom, in spite of the stable employment in this industry, the capital investment was important and higher and higher, year by year from 2003. The maximum was in 2006, and since it, a fluctuation became common.

From all of the tables and figures, the most important conclusion is the differences. In spite of the same competition which is organized, the results are really different. It does not really matter, whether the host country is in Europe or Asia or in Oceania. All of the countries had or will have unique situation and the analysis of them will not lead to predictable and sure results for the future candidates.

3. THE HUNGARIAN DREAM: ORGANIZATION OF OLYMPIC GAMES

“The important thing in life is not to triumph but to compete”

Pierre De Coubertin

Hungary's desire to stage Olympic Games is not a new idea. During the last century, the country presented itself numerous times but it did not win the right to host the Games. Unfortunately, this quote reflects well the Hungarian desire to be the host country of this ancient sport event which could not become reality.

Hungary has already taken part in the first Modern Olympic Games in Greece in 1896. Already the first time, Budapest came up as a possible hosting city. Greece got the right to organize the Games but the country had financial and internal affairs problems and the realization of the sport event came to a crisis. Ferenc Kemény (the resident of the National Olympic Committee) corresponded with Pierre de Coubertin who gave the right to Budapest but, due to the Greek nation's donation, Greece could finance the event and Budapest lost the right.

In 1910 the International Olympic Committee had a meeting in Hungary and with this step Budapest wanted to get the right to organize the Games in 1916. But this trial was unsuccessful and finally the Olympic Games were cancelled because of the World War I.

In the year of the outbreak of the World War I the International Olympic Committee gave the right to Budapest to organize the Olympic Games in 1920. The election of the host city was really convincing because Budapest received 21 votes from the 28 (75%). Unfortunately the country finished the war in the defeated side and Hungary was one of the countries who were responsible for the explosion of the war. These facts sealed the country's fate and the IOC took the right back and gave it to Antwerp (Belgium). Finally the member states of the Central Power were not invited to the Games.

In 1931 there were 4 candidates for the XI. Summer Olympic Games. These were Berlin, Barcelona, Rome and Budapest. Firstly, Rome receded from the options for the benefit of Berlin. Budapest did the same like Rome with the hope of getting the right in the future. These steps were definitely political decisions. So the only opponent for Berlin was Barcelona. In that time Berlin started to be stronger and stronger politically and in armament as well. Maybe because of these reasons Berlin received 43 votes from the 59 and the city was chosen as the host in 1936. This competition was really successful for Hungary because the national

sportsmen won 16 medals and the country had the 3rd most medals behind America and Germany.

The success in the previous Games encouraged the country to present itself again. Budapest was in a good position and it was possible for Hungary to become the host country but in the end London won but the Games was cancelled because of the World War II.

In spite of the size of the country, Hungary had huge sport achievement and it stimulated the country to put in for staging the Olympic Games in 1960. So the new chance for Hungary was in 1955. Budapest was a candidate again and the city was among the best four host cities. Hungary competed but did not triumph because Rome was chosen

After a long time the idea came up after the Millennium newly. The idea was not followed by action because of the change of the government in 2002. In 2005 the BOM (Budapesti Olimpiáért Mozgalom – Movement for the Budapest Olympic Games) was established which is a social joining of forces for organizing the Games in Budapest. Thanks to the BOM, Hungary may be try again and apply for the XXXII. Olympic Games.

“24 June, 2011, the local-government of Győr decided to present itself as a potential candidate for the European Youth Olympic Festival.”(homepage of Győr city, n.d.). If the city got the right of organization than Hungary, will give place to the EYOF in 2017.

3.1. THE WAY TO THE OLYMPIC GAMES

“Today, the Olympic tradition has spread worldwide to include over 200 countries, proving that the Olympic flame will continue burning bigger and brighter than ever.”

Anonym

The realization of staging the Olympic Games is a long and rugged way. The host city must give and show something new firstly for the IOC and after to the audience. One and an important reason which stands next to Hungary is the international championships that were organized by the country. In the last 22 years (from 1989 – the year of the changing of the regime) Hungary organized 32 world and European championships (among the Summer Olympic Sports) (see Annex 1.)

The Hungarian most successful sports are those in which Hungary has already organized or will organize international competitions. For example the fencing, kayak-canoe and

swimming are always the fruitful sports. It is symbolized by the following table which include only the sports which are parts of the Summer Olympic Games (see Annex 2.).

And another important argument that Hungary is one of the most successful nation. In spite of the nation lost the right to organize the Olympic Games in different ways, but the sportsmen achieved prominently.

In the last 115 years, Hungary won 159 gold medals (plus one from the art competitions because in the beginning the Olympic Games consisted of sport and art competitions as well). In the table of the total sum of the medals Hungary is in the eighth place. (*Annex 3.*)

Those countries - that stand in front of Hungary – have already organized Olympic Games. The United States in 1904, 1932, 1984 and in 1996. Soviet Union had already dissolved and new countries were established but the Soviet Union organized the Games as well, in 1980. Great Britain and London has won the right 3 times, in 1908, in 1944 (it was cancelled because of the World War II and was held in 1948), and the third will be held in next year, in 2012. The 2nd Modern Olympic Games was organized by France (Paris) and the next was in 1924 and the city presented itself for the 2012 Olympic Games but the IOC did not choose it. The Games in 1960 was organized by Italy, Rome which has the 5th most medals according to the table. Germany's situation is similar to Hungary's because the country got the right to stage the VI. Olympic Games. Because of the outbreak of the World War II., the ceremony was cancelled in 1916 so Germany lost the opportunity like Hungary in 1920. In 1931 Berlin applied again and won it, so Germany hosted the sport event (In 1972. West Germany gave place but in that time Germany consisted of 2 parts and it is not the same that is called Germany nowadays, that's why it is not calculated). And the last country in front of Hungary is China which organized the last Games in 2008 and also won the right for hosting the Youth Summer Olympic Games in 2014. All of the nations in the top 10 have staged the ancient sport event except Hungary. This reason could absolutely strengthen Hungary as a candidate but it cannot substitute the other arguments and cannot influence economic background, the huge costs of the organization and it will not influence the decision-makers. So Hungary can argue with this fact but it cannot be the most important and only cause why Budapest should be chosen.

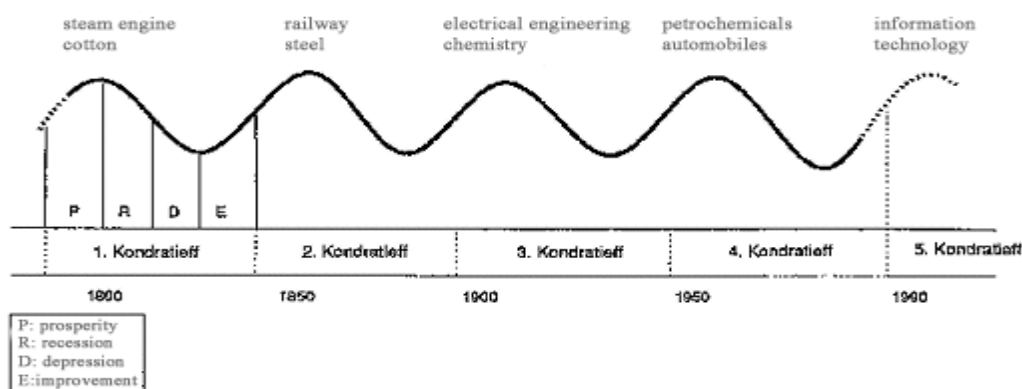
3.2. THE OPPORTUNITY FOR HUNGARY AND ITS RESOURCES

“The Olympics are always a special competition. It is very difficult to predict what will happen.”

Sergei Bubka

For the host city it is very important to know that it can get the right easily if it can show up something new, different and well-planned application but keep the previous habits as well. For Hungary, the most important argument is that the country is one of the most efficient countries in spite of its size. In 2008, the BOM really wanted to make an application for the right of 2020. The deadline to apply for it is 1st September, 2011. But the Economic Crisis of 2008-2009 bowled over this aim of Hungary. From this time, the experts have tried to solve this worldwide problem. This crisis floated the country far from this dream. One and major problem was the reduction and fall-back of the consumption and production which resulted bankruptcy of thousands of enterprises. A general result was the increased unemployment as well. According to the Kondratyev cycle, Hungary will get out of the difficulties soon or the economic situation will be much worse.

According to Kondratyev's investigation (he examined the economy of England) there are 4 part of the economic cycle like the expansion, peak, recession and trough. He diagnosed that the antecedent of the growth is always an investment and the finish and breathlessness of the investment will result recession. After it the economy repeats itself but the time of these repetitions are really different and the waves of the cycle can be different in size as well.



22. Figure: Kondratyev-cycle

Source: http://fokusz.info/Image/89._szam/valsag2.gif accessed on: 13/11/2011

Now, Hungary stands somewhere next to the deepest point, everybody hopes that the nation is after the deep point and not in front of the increasing period. For Hungary the key is

to solve and close finally this crisis can be the staging of the Olympic Games. This is a huge investment which will be held at least for 7 years and it definitely has pre- and post-Olympic impacts as well. The Olympic Games will increase mainly the tourism sector but the development and growth of one sector will not solve the problems because only one sector cannot get the country's economy out of the hole. So according to Kondratyev, a complex and an expansive investment is required for the country to be at the top of the business wave again.

So Hungary can try this way as a solution but in long-term it will not result the growth of all of the economic sectors. In short-term the 'fresh money' of the new tourists and potential investors can invigorate the economic life of Hungary but we cannot predict the future so it is impossible to know how the foreign investments will change. The development of the economy has to be at least as big as the country invests into the organizing process.

Unfortunately the World Economic Crisis shocked the Hungarian economy as well. The hundreds of bankrupt enterprises, growth of the unemployment rate, reduction in the consumption and growth of the debts are also consequence of the crisis. So in this situation it is difficult to find big sponsors, supporter enterprises or households.

According to the BOM's planned budget (which includes the costs and their resources and they are indirect costs), there are 3 big parts and they are categorized according to the payers. So the government, private resources and the European Union's applications will finance the costs. Because of the financial crisis, most of the residents are unable to donate this project directly because they live month by month and have not got the chance to accumulate from their incomes.

1. Table: Planned budget of the Hungarian Olympic Games (in billion HUF)

Cost category	State	Private	European Union	Σ (billion HUF)
<i>infrastructure development</i>	2309	423	1352	4084
<i>previous infrastructure development</i>	366	10	185	561
<i>Olympic establishment</i>	192	294	26	512
<i>Olympic applications</i>	3	2	0	5
Σ	2870	729	1563	5162

Source: http://issuu.com/budapesti_olimpia_brosura/docs/budapesti_olimpia_brossura, accessed on: 29/8/2011

The previous table was published in November, 2009. Since it, Hungary faced with the 'general' inflation (continuous growth of prices which results a decrease in the purchasing

power) and of course, this inflation will result a continuous increase in the budget till the organizing. The average inflation rate in 2010 was 4,966%¹. Till July, 2011, the annual rate was 4,2%. ²According to these two ratios, the new budget will be the following:

2. Table: Planned budget of the Olympic Games (weighted with inflation, in billion HUF)

Cost category	State	Private	European Union	Σ (billion HUF)
Infrastructure development	2525	463	1479	4467
Previous infrastructure development	400	11	202	614
Olympic establishment	210	322	28	560
Olympic application	3	2	0	5
Σ	3139	797	1710	5646

Source: calculated by the author, data based on http://issuu.com/budapesti_olimpia_brosura/docs/budapesti_olimpia_brossura, downloaded: 29/8/2011

According to *Table 3*, the budget will 5646 billion HUF but it contains only the indirect costs or investments like the building of sports facilities, costs of application and development of infrastructure. The other costs like the organizing costs of sport events, ceremonies, security, hygiene, eating, and maintenance of the Olympic and media village and so on are the costs of the Organizing Committee for Olympic Games.

The previous table contains those occurring costs which are paid for the defects of the country. One part of them is required (infrastructure) and appears without the Games as well. So the development of the infrastructure is required but it may be achieved earlier with the Games but it will be utilized after the Games as well. The sports facilities are necessary for the Games but it does not mean that the country cannot live without them. It results that sometimes these establishment are only temporary buildings and destroyed after the end of the OG. About 55% of the total budget should be paid by the government. It means 3139 billion HUF. The GDP in 2010 was „26 748 billion HUF”(Német-Magyar Ipari és Kereskedelmi Kamara, 2011). It means that about 11,5% of the GDP is used up for the government's expenditures. The total cost is 21% of the total GDP (GDP of 2010, but the expenditures are weighted up with inflation till July, 2011). In the last year the debt of the country was 80% of

¹ Calculation is based on the data from <http://www.tradingeconomics.com/hungary/inflation-cpi> 15/10/2011

² Calculation is based on the data from <http://www.tradingeconomics.com/hungary/inflation-cpi> 15/10/2011

the GDP, 21 400 billion HUF. The total state expenditures of Hungary in 2011 was estimated to 13 079 153,4 million HUF (Magyar Országgház, 2011) so the organizing cost is about 24% of the total budget.

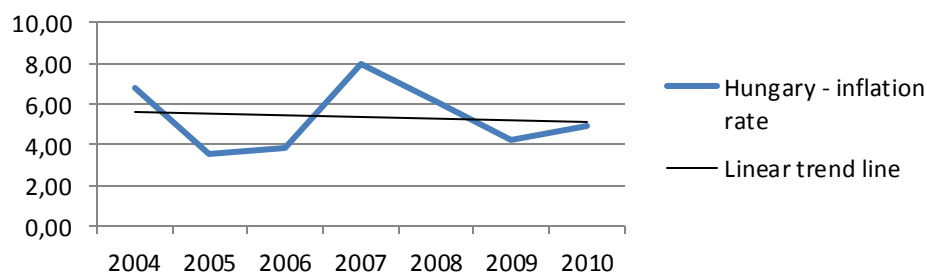
The second biggest part is paid by the European Union through applicants but this part is really uncertain so the country cannot establish its budget for this part. In the best situation, the country gets the maximum amount but the opposite situation can happen as well. Within the European Union, the Structural Fund and Cohesion Fund provide capital. Within the structural fund, different regions can get sources for general development and restructuring for defined regions. There is a notion of regions, which divide cities, regions to different regions. Budapest (which is planned to be the hosting city of the Olympic Games) is categorized to the NUTS2 region which have a population of 800.000-3.000.000. Budapest has the opportunity to apply only if the GDP/capita is less than 75% of the average of the European Community. This fund also provides capital for economic and social conversions and development of human resources. This fund provides high amount of money but requires co-financing from the nation, partnership and comprehensive programming. The Cohesion fund finances countries and not regions in order to the catching up of member states and to help to fulfil the criteria for the introduction of Euro. The cohesion fund helps to develop the infra-structural network of the country and to protect the environment. Those countries can be eligible, which have less than 90% of the European Community average in the GDP/capita. So mainly the poor countries can opt for the money and it provides opportunity to put as much money as it is necessary to different projects.

The 3rd part is the public share. In the previous organizing process, the proportion of public and private shares changed a lot. The public share was nipped into the background and most part of the costs paid by private resources. According to the BOM'S budget plan, only 14% will be paid by companies or residents. The government has 4 ways to acquire and after it, gives resources to this project. The first one is the reallocation and reorganization of the state's budget. With this step, huge amounts will be detracted from other sectors/ projects. But this way is not negotiable because the lack of money in other sectors is an already existing problem and the aim cannot be to deepen this lack. The 2nd group can be the getting of credit. Hungary has already had huge debts and the aim of the government is the reduction of this debt because for the launch of the euro, the country has to fulfil the Maastricht criteria. Ac-

According to the conditions the maximum debt of the country must be under 60% of the GDP and the annual debt cannot exceed the 3% of the GDP. If we suppose, that Hungary will pay the whole state onerous title will be paid from credit and in every year, the country gets the same amount as credit, then the annual debt growth will be 448 billion HUF.

Another reason for the rejection of the credit, it may not worth to organize the Games and pays the credit for years with the related interests. The 3rd opportunity is to collect money from the society, directly or indirectly. With the increase of different kind of taxes (e.g. personal tax or value added tax), the government can get money indirectly. Another opportunity is to establish a new tax which is compulsory to pay for everybody. In this case, the government collects money directly, but probably the society will not accept the situation and they will organize demonstration against the new tax. The government has a 4th possibility. The Budapesti Olimpiaiért Mozgalom runs as an association and they collect the 1% of the personal taxes. So the members of the work force can denote the BOM and the organizing process through a tax number. Probably, it is not so high amount, but every small donation can bring the country closer to this dream.

As Hungary did not apply for the hosting of the Olympic Games in 2020, the next opportunity is the Games in 2024 to which, the application deadline will be in 2015. Till this year, the country has about 4 years to prepare. As a general result of the economy, probably, the prices will increase, so the inflation will play a huge role. It means, the cost of the Games (which is calculated in the *Table 3*) will increase, but the percentage of inflation cannot be defined. With the trend line, estimation can be appointed.



23. Figure: Inflation rate of Hungary from 2004 to 2010 (in %)

Source: <http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG> accessed on: 28/9/2011

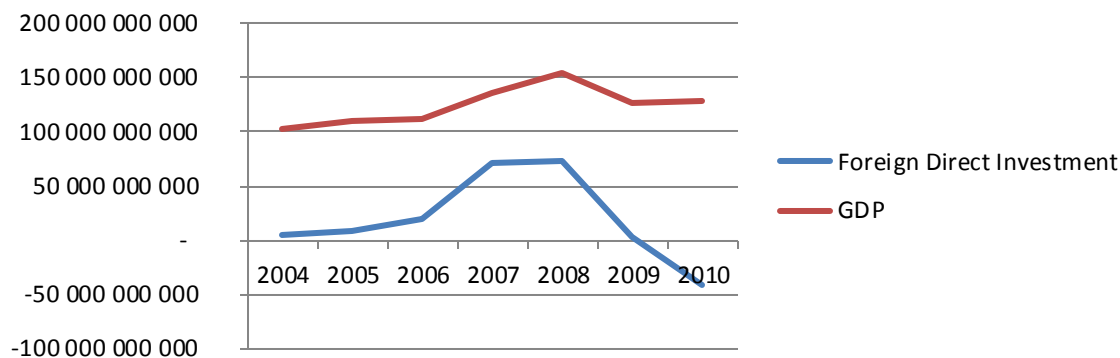
From the 17.figure, it is clear, that the high fluctuations cause insecurity. The inflation is always calculated with the help of Consumer Price Index, which defines a basket of general

goods and services and their prices. From which, the changes can be calculated easily. As the inflation is based on a defined basket of goods, those products or services that are used during the organization process may be affected with a lower or much higher rate, that the annual inflation rate. It also increases the uncertainty. Based on the linear trend line, the inflation in Hungary, in 2017 (when the preparation for the Games of 2024 will be started) will be 3,6722% ($Y_t = 5,88 + (-0,1577) * t$). With the determination of the annual inflation till 2017, the changes in the costs also can be calculated. If the inflation rate will change according to the defined estimation, the new total cost will around 7920 billion HUF.

3.3 ANALYSIS OF THE HUNGARIAN ECONOMY BASED ON THE ECONOMIC RESULT OF GREECE AND UNITED KINGDOM:

Based on the result of the previous host countries, the most significant are the Greek and English data. As the United Kingdom will be the host only just in the next year, it cannot be involved as Greece. For Hungary, the basis of analysis could be Greece and the United Kingdom as these countries are in Europe, members of the European countries. But on the other hands, United Kingdom is a typical 'western' country, so it is much richer and has much better economic results than Hungary. Greece is another situation, as it is a really serious crises because of the governmental debt and this situation makes difficulties not only to the country but also to the Eurozone. In the Central –East– Europe, there is no country which already got the right and could be the basic comparison point for the predicted Hungarian economic changes. The analysis is based on comparison to the other two European countries.

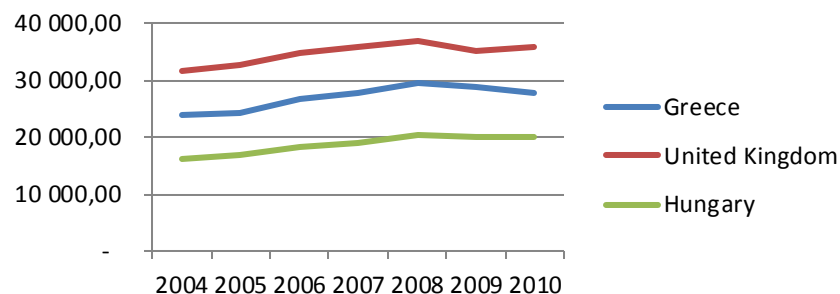
In Hungary, the most common problem is the slowdown of the growth of GDP. With the accession to the European Union, the calculation of GDP includes a wider range of elements. The activity of prostitution and the commerce of drugs are also part of the GDP according to the European Union. Based on it, the analyses take into consideration only the data from 2004.



24. Figure GDP and FDI in Hungary from 2004 to 2010

Source: <http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD/countries>,
<http://data.worldbank.org/indicator/NY.GDP.MKTP.CD> accessed on: 10/10/2011

Based on the previous figure, it is clearly seen that the FDI increased constantly compare to the GDP. In the year of accession, it was only about 5% of the GDP, but 3 years later, in 2007, it was 52%. The growth of it is incredibly during one year, the rise was 34% compare to the annual GDP. Parallel to the FDI, the GDP also grew from 2006, the growth was more significant and the country booked 37% accession during two years. Unfortunately, this positive result was broken by the economic crises and the results of the following years show that the country suffered from the crises as the GDP fell by 17% in the years of crises. The FDI was also influenced and probably it was more determinative than the GDP, in 2009, the foreign direct investment was 95% less than in 2008. Unfortunately, the decline continued in 2010, and a further decline was registered. According to the *Figure 12*, the inflow of FDI to our country was really significant just compare to the other countries (and of course, we pay attention to the strength of economy and the size of countries). In Greece, the FDI was much lower than in Hungary but unfortunately the positive trend was not continued in 2009. In spite of the huge positive changes till 2008, the total GDP was really far from the two other countries – Greece and United Kingdom – results in the same years. As the peak for Hungary was in 2008, this data is only 45% of the Greek and only 6% of the English GDP. Of course, the population of the countries are really different, so the GDP/capita can be most determinative,



25. Figure: GDP/capita in Greece, the United Kingdom and Hungary from 2004 to 2010

Source: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD/countries> accessed on: 10/10/2011

To the Greek results, the Hungarian ones stand closer, and a continuous rise is observable. In 2010, the Hungarian GDP/capita was already 72% of the Greek one, which shows a positive but really slow change. As Greece is in a really serious financial problem, these calculations are distorted but the economic situation in Hungary is also serious. Comparing to the United Kingdom, the results are worse but not hopeless. In 2004, this ratio was 51% and 6 years later it was already 56% which shows a growth but a really slow one. As a presumption, I can say that the economic force of the candidate countries are really influencing for the electing board. According to this hypothesis, if Hungary would reach the same GDP as United Kingdom, probably they have chosen Hungary for hosting. The GDP/ capita would be much higher in this case, as the total GDP would be 17 times higher than now. The GDP/capita in this case will be around 350 000/ capita, which is total absurd compared to the data of present. But if we suppose, that due to the Olympic Games, the unemployment rate will be 0%, so in Hungary there will be full employment than it will mean, that the employment will increase by about 450 000 people and the production of them hopefully will increase the GDP too.

Behind GDP and FDI, the governmental debt and its changes are also impressive for the analysis. The *Figure 15* reflects that Hungary has a really significant amount of debt. As it is calculated from the annual GDP, the increase of the GDP could 'decrease' this amount. Based on the previous assumption that the Hungarian GDP could reach the same like the United Kingdom to be closer to the obtainment of organizing right, the debt can be decreased easily. According to the 'new' GDP (and with the presumption, that the debt will not increase

compared to the data of 2010), the debt would be only 4%. Of course, these calculations are really far from the reality and almost sure that the way of Hungary will not be the same and the results will not be equal with my calculations.

3.4. ANALYSIS OF THE HUNGARIAN TOURISM SECTOR:

“Only the traveling is good which reveals to me the value of home and enables me to enjoy it better”

Henry David Thoreau

Hungary develops and the economic changes, the Tourism sector is also changing. In these days the travelling and visiting new cities or countries become really trendy. Unfortunately, the increasing in the tourism sector was disturbed by the World Economic Crisis 2008. This financial problem influenced the Hungarian economic life and tourism sector. It resulted several changes like the length of the vacations and habits and expenditures as well.

According to the *Table 4*, the number of tourists in Hungary increased constantly till 2008. In the next year, the effect of the Economic Crisis was felt among people and it resulted a significant decrease in the Tourism sector. In 2008, the number of guests in different accommodations were 7 651 000, and one year later this number decreased by 500 000. Fortunately, this decline influenced only one year and in 2010 this number has started to grow again.

3. Table: The circulation of guests of public accommodations from 2001 till 2010

Year	Public accommodation			
	guests		spent nights	
	Total (thousand)	Foreigners (thousand)	Total (thousand)	Foreigners (thousand)
2001	6 073	3 070	18 648	10 894
2002	6 176	3 013	18 450	10 361
2003	6 315	2 948	18 611	10 040
2004	6 616	3 270	18 899	10 508
2005	7 064	3 446	19 737	10 779
2006	7 183	3 310	19 652	10 046
2007	7 474	3 451	20 128	10 171
2008	7 651	3 516	19 974	10 010
2009	7 151	3 228	18 710	9 220
2010	7 304	3 386	19 031	9 358

Source of data: http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/i_oga002.html accessed on: 15/10/2011

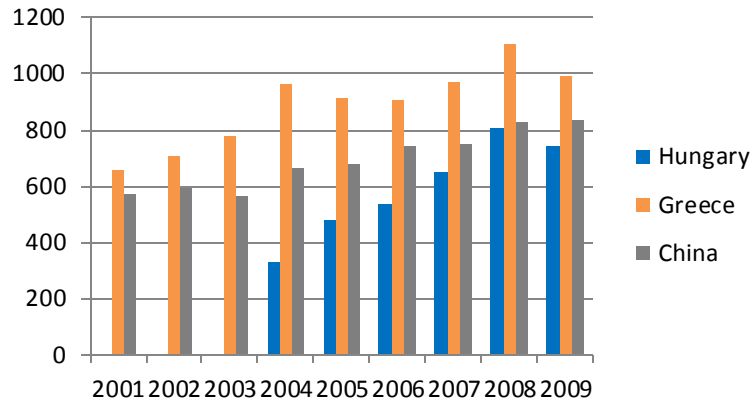
In Hungary, the tourism sector and its' revenue is totally different in different months. If we analyse the months as a business cycle, it is purely visible that the deepest part of the year is always January. After this trough there is always a boom till the peak time which is always in August. After this month it can be expected to have a decline and this, drive the Tourism sector into the deepest point. And this process always repeats itself in every year. This fact is proved by the *Annex 3*.

To predict the future of Hungary, the only solution is to analyse the previous organizers. The last one was China. This country is really different from Hungary so it is difficult to compare them. 4 years before the Beijing Olympic Games, Greece was the host country. The Greek data are more significant for Hungary, because the two places are in the same continent and they are not so far from each other. But during the last years from 2004 to 2011 there were changes. Into the analysis, the United Kingdom also has be involved, like in the case of economic analysis.

Of course, the number of visitors and the number of tourists is really different within a country. The number of arrivals or visitors includes the through passengers, trippers and tourists (who spend at least 1 night in an accommodation). According to this, the number of arrivals in Hungary is really various and shows a decline from 2004 to 2007 but hopefully the started slow growth in 2008 will speed up Compared to the other countries, Hungary stands really far with a really low quantity of tourists (*Figure 18*).

The most obvious and always mentioned impact of the Olympic Games is the effect to the Tourism sector. It is impossible to tell these effects exactly before the Games. But with the help of the statistics of the previous years, we can try to predict the changes in the number of arrivals or their expenditures etc. Unconventionally, for these calculations, we have to consider every influencing factor, but it is unreal so it proves that the prediction and reality can be really different.

For every economic sector, not only the buyers or consumers are important but also theirs' expenditures. In the 3 countries, the expenditures per inbounds in the last 10 years were the following:



26. Figure: Expenditures per inbounds in Hungary, Greece, and China (in current US \$)

Source of data: <http://search.worldbank.org/data?qterm=tourism&language=EN> accessed on: 31/10/2011

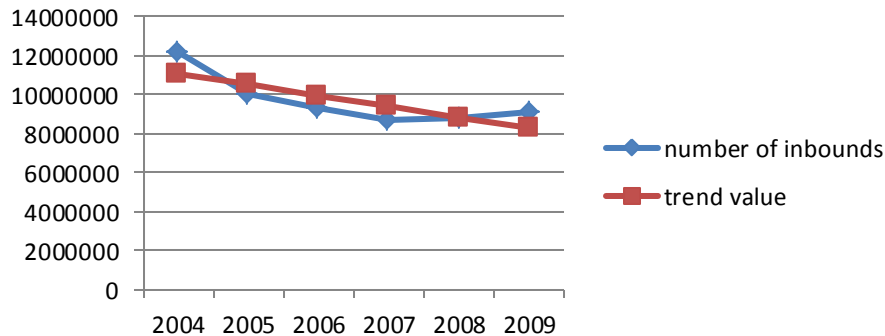
The decrease in the number of visitants does not mean the drop-out of the income in the tourism sector. It can happen that there are less foreign guests in a year, but their expenditures are higher than it was in the previous year. And it can result higher benefit within this sector with less inbounds. From this table, it is absolutely visible, that the inbounds spend the most in Greece. In 2004, this ratio was almost 200 \$ higher than in 2003 in Greece. In China, this difference was only 80\$ in 2008 (compared to 2007). In Hungary, from 2004 to 2008, the expenditure per inbound doubled itself. In 2008, it was almost equal in Hungary and in China.

To calculate the expected changes in Hungary, we have to pay attention for the Greek and Chinese changes as well. The next Olympic Games which can be organized by Hungary will be in 2024. Next year, London will be the host city and Rio de Janeiro has already got the right for 2016. Hungary wanted to be a candidate for the Olympic Games in 2020. but the country did not nominated itself and the deadline expired (it was 1st September, 2011). So if we want to predict the changes in tourism sector (which are due to the Olympic Games), first we have to foresee the number of tourists in the future.

In the last years, the number of visitants increased and decreased as well. It is impossible to determine, that the negative changes were due to the Economic Crisis because the decline was in 2007 and the Crisis appeared in the USA in 2008.

To predict the number of inbounds, the best method is the analytical trend calculation. In this method, with the use of the given data and with calculations, a new function can be

made which defines the tendency. The differences between the corresponding original data' and joint function's points' sum of squares are minimal. According to this method the tendency in the number of arrivals is the following:

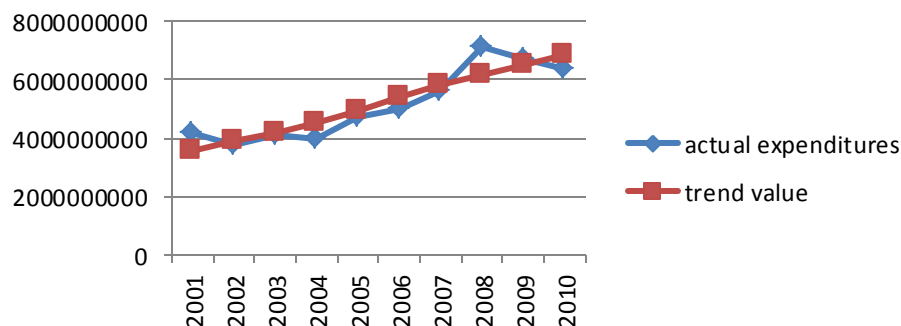


27. Figure: Tendency of inbounds in Hungary from 2004 to 2009

Source: <http://search.worldbank.org/data?qterm=tourism&language=EN> accessed on: 26/10/2011

According to this tendency, from 2004 to 2009, the number of arrivals decreased continuously. Fortunately, it is not true because in 2007 there was a trough from which an increment was appreciable. If I try to calculate the number of inbounds in 2023 and 2024 (the potential pre- and Olympic year for Hungary) the number will be really low, which probably will stand far from the reality. This figure and the applied method prove that the future is unforeseeable and cannot be calculated with some statistical calculation.

In the case of expenditures of the inbounds, the situation is different. The tendency line is increasing and it seems to be more realistic than the previous figure- Since the number does not approach to zero.



28. Figure: Tendency of expenditures of inbounds in Hungary from 2001 to 2010

Source: <http://search.worldbank.org/data?qterm=tourism&language=EN> accessed on: 26/10/2011

If this tendency will remain, then the expenditures in 2024 can be calculated easily (the trend line formula is $Y=5168000000+319100000*t$). So the expected expenditures in 2024 will be: 11,230,900,000 USD. As a matter of course, this is a prediction and it can happen that the reality will stand really far from this calculation.

As it was mentioned, the most important influences appear in the Tourism sector. The changes of this sector is always mentioned. During the Olympic Games, thousands of visitors come to the city and county as well. The accommodation facilities of the country but mainly the facilities of the hosting city have to be able to situate the huge mass.

According to the *Figure 17*, the number of Olympic visitors was really different during the last Games. In Beijing, the expected visitors were 600 000 but 12 years before, in Atlanta, the number of visitors was between 736 100 and 2 000 000.

Table 6.2 *Number of Olympic visitors with autonomous consumption expenditures*

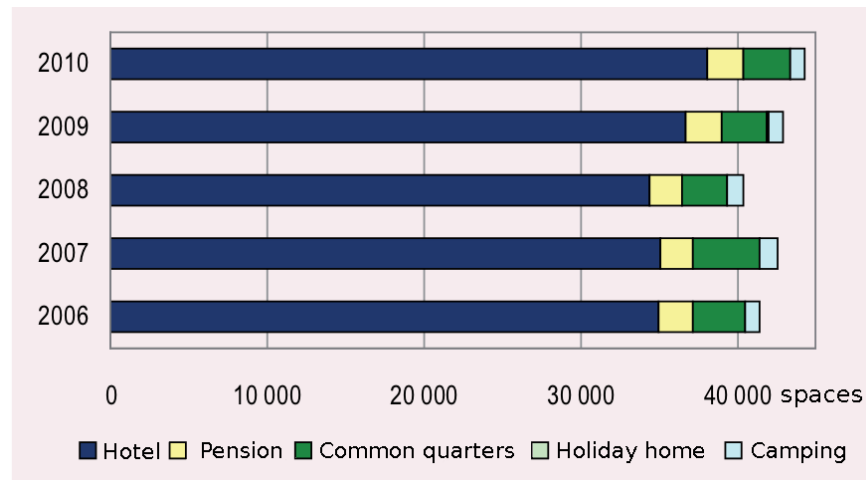
	Out of city visitors	Olympic family	Out of city visitors (total)*
Los Angeles 1984	400 000 – 608 760	28 460	770 000
Seoul 1988	less than 240 000	39 332	240 000
Barcelona 1992	250 000 – 422 666	55 000	450 000
Atlanta 1996	736 100 – 2000 000	72 543	968 000
Sydney 2000	110 000	57 000	475 000
Athens 2004	150 000**	60 000	660 000
Beijing 2008	600 000***	60 000	660 000

Notes: * Figures estimated on foregoing columns and on additional information.
 ** Only international visitors, Olympic Family estimated
 *** According the hotel capacity (Bidding Committee Beijing 2008, 2001). Olympic Family estimated.

29. Figure: Number of Olympic visitors

Source: Preuss (2004) p.52.

Because of the future's unpredictable characteristic, it is impossible to know, how many visitors will come the Olympic Games. But according to this table, it is unequivocal, that the Games attract more hundred thousand people. In Budapest, the accommodation facilities in 2010 were the following:



30. Figure: The proportion of spaces according to different types of accommodation

Source: Magyar Turizmus Zrt. (n.d.)

It is visible from this figure, that in Budapest the maximum space is almost 45 000. If all of the visitors would like to have accommodation here, Budapest has to develop the facilities dramatically. The spaces in the whole country are more encouraging. In August, 2011, this number was 296 598 (KSH, 2011). Compared this data with *Figure 17*, it is ascertainable that the number of facilities is much less than it is required.

Hungary does not have enough hotels to be able to accommodate the huge number of visitors, huge amount of capital investments should be done to be able to. In the *Figure 21*, it is clearly seen that the investments in this industry are much lower than in the other analysed countries, in spite of the growth till 2008. Compare to Greece and the declining trend in the country, the results were 7 times higher than in Hungary, in 2010. Compare to the United Kingdom, the result is more shocking as It is 17 times bigger. So in this field, the country should make mega projects to be able to keep what is expected from the host countries. For sure, the biggest changes and rises would be in this field for Hungary.

For the ‘planned’ or expected new hotels, a huge amount of staff is required. In the *Figure 20*, it can be seen that around 6% of the workers work in Tourism industry. Compare to the other countries, it is really high because for example in the United Kingdom it is just 3%. For this, I should consider the total number of workers to get an absolute reliable result. In this case, huge number of people should be hire in Tourism sector to ensure the operation of the planned hotels. It would mean the attraction of workers from other sectors or the

decrease of the unemployment with the employment of them in this sector. In Hungary, these great number of hotels probably be unoccupied after and before the Games so the employment would mean just a really transitive solution and may be it will cause higher unemployment than it is realized nowadays.

According to the analysis of the previous hosts, it is clearly seen, that the Tourism industry of Hungary is not able to welcome the world within the Olympic Games in its present status. The most important defect is the number of accommodations but there are other lacks as well. Hungary is really rich in the number of touristic sights but unfortunately, it does not exploit them. May be a change in it can lead to a positive change in this industry and significant advancement will be made.

4. ANALYSIS OF THE OPINION OF THE SOCIETY:

“Never underestimate the power of dreams and the influence of the human spirit. We are all the same in this notion: The potential for greatness lives within each of us.”

Wilma Rudolph

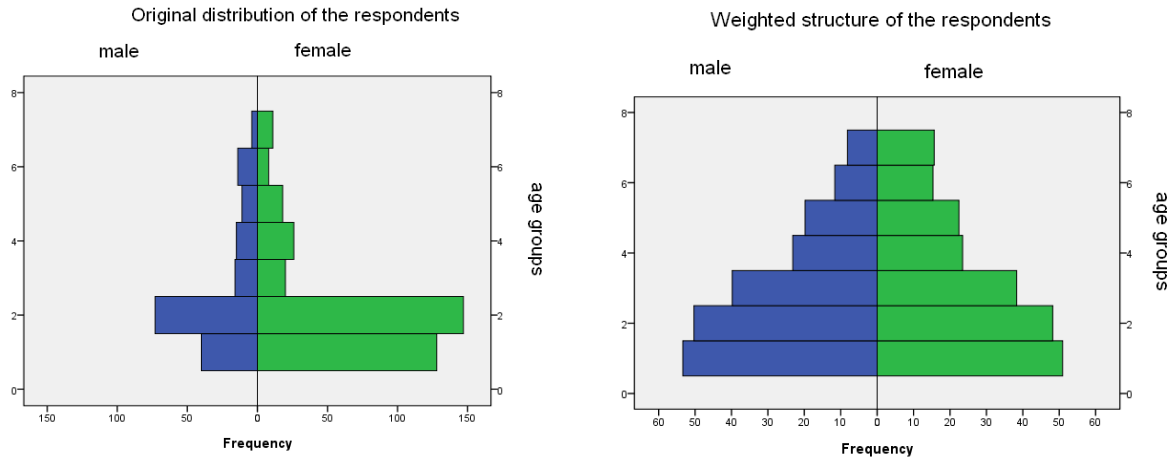
The Olympic Games is definitely a huge and important project for every country. It was organized by Greece, China, United Kingdom, France, Japan, Mexico or South-Korea etc. For all countries, this event was really significant regardless of their sizes. Among these countries, in size and in economics as well, Hungary is a small country. This fact confirms that Hungary will need a huge part of the society to organize this enormous sport competition. The Hungarian government and Hungarian Olympic Committee have to consider the opinion of the society because they will be involved in the organization process and the success of the event appreciably depends on the workers/ employees approaches. The opinion of the residents is also important because the political system of Hungary is democracy and probably, into the financing, the inhabitants will be involved directly or indirectly.

Because of these reasons, for my primary research I chose the analysis of the society's opinion. For this, I used an own-made questionnaire (*Annex 5*). Of course, it is impossible to ask everybody in Hungary. In my surveying, there were 531 participants. Unfortunately, the distribution of them did not reflect the Hungarian society, that's why I had to use weighted data. To get a more realistic opinion, I weighted according to genders and ages as well. For this, I used up the interactive 'age tree' of the Hungarian Central Statistical Office.³ With the use up of weighted data, I can assume or predict the opinion of the whole society (of course, it is only a prediction and the opinion of the whole society (if we ask everybody) can be really different). The tables and diagrams are calculated with the help of SPSS.

4.1. GENERAL STATISTICAL RESULTS OF THE QUESTIONNAIRE:

As it was mentioned, to avoid the distortion of the opinion, I had to use weighted data. According to the original data, the distribution of males and females could cause skewness but it was avoided- In Figure 18, the difference can be seen of the original and the weighted data.

³ Interactive age tree available: <http://www.ksh.hu/interaktiv/korfa/terulet.html> 6/11/2011



31. Figure: Original and weighted distribution of the respondents

Source: edited by the author

From it, the difference is absolutely visible. The use of the weight resulted the equation of the respondents and the Hungarian society and with it, the answers structure is the same like the structure of the society.

For the ages, I used age groups. Only the 14 years and elder people were taken into consideration, because I do not think-so, members of the society under 14, have the knowledge to make opinion about these kind of questions (which were asked in the questionnaire). So the age groups include the following ages:

4. Table: Age distribution

Age group	Age interval
1	14-19
2	20-29
3	30-39
4	40-49
5	50-59
6	60-69
7	70 -

Source: edited by the author

4.2. OLYMPIC GAMES –RELATED STATISTICAL RESULTS OF THE QUESTIONNAIRE:

““There can be distractions, but if you're isolated from the heart of the Games, the Olympics become just another competition.”

/Mary Lou Retton/

For this topic, probably one of the most important questions is whether Hungarian people like the Games or not. I know, the country is always success in the sport events but it does not mean that the residents like the Games. For this graph, I suppose, that the number of women who like the Olympic Games will be much lower than this number of men. So my hypothesis is: men like Olympic Games more than women.

5. Table: Distribution of the lovers and non-lovers of the Games according to genders

Do you follow the Olympic Games?				
		yes	no	Total
Gender	men	39,00%	10,00%	49%
	women	37,60%	13,30%	51%
	Total	76,70%	23,30%	100%

Source: edited by the author

From the *Table 7*, it is absolutely visible, that my hypnosis failed, I have to reject it because the difference between male and female Olympic Games-fans is infinitesimal. The total, which follow the OG. is about three-fourth of the society. If I reflect this 76,7% to the whole Hungarian society, about 7 670 000 people always watch the Games (calculated with 10 000 000 million residents).

It can happen, that those, who do not watch this sports competition may answer they think, Hungary should organize Olympic Games. As a prediction to the result, I suppose the major part of the Olympic-fans will answer to organize the Games. My hypothesis is that about 60% of the respondents (and the society) would like Hungary to be an organizer.

6. Table: Distribution of the opinions about the organizing process

		Do you think that Hungary should organize Olympic Games?		
		yes	no	total
Do you follow the Olympic Games?	yes	48,20%	28,30%	76,50%
	no	9,50%	14,00%	23,00%
	total	57,70%	42,30%	100,00%

Source: edited by the author

My prediction is almost exact, 57,7% of the society would like Hungary to organize the Games. An interesting data, that among those, who follow the Games, about two-third want to have Games in their home country. So from this, it is sure, that 10% of the non-Olympic-Games-fans would like to have Olympic Games. According to the *Table 8*, 57,7% of the society support to be a candidate and combat for the right, so they can be the background who support the organizing process and make a stand for this project.

The Hungarian society is – as everybody knows – a pessimist society. Unfortunately, the World Economic Crisis also increased this pessimism. One of the question was whether the respondents look upon realistic the Olympic Games dream of Hungary. For this question, in my opinion, most of the people wrote ‘no’ because of the pessimism and the financial situation of the country and of the households as well.

7. Table: Are the Olympic Games a real or unreal dream?

		Do you think that Hungary should organize an Olympic Games?		
		yes	no	total
Do you think it is realistic to Hungary organize the Olympic Games?	yes	29,60%	0,50%	30,10%
	no	28,00%	41,90%	69,90%
	total	57,60%	42,40%	100,00%

Source: edited by the author

Comparing the 57,7% (who support the Games) to the 30,10% from the previous table, we can see, that only almost the half of the supporter think that it is a realistic dream. According to the previous table, the number of the supporters is decreasing as I compare the data with another question. In the last case, the number was halved because the other supporters do not think that this dream is realistic for Hungary.

Probably, this number will decrease in the next table as well, where I will examine whether the society able and has the willingness to support financially (directly) the organization.

8. Table: Whether the society would like to support the Games financially?

				Do you think that Hungary should organize Olympic Games?		
Do you have willingness to pay about 2200 Forint (in every month for 7 years) to support the project of Olympic Games?				yes	no	total
	yes	Do you think it is realistic to Hungary to organize Olympic Games?	yes	17	1	18
			no	13	5	18
	no		yes	41	0	41
			no	48	98	146
				total	119	104

Source: edited by the author

For this table, it is important to explain this question: '*Do you have willingness to pay about 2200 Forint (in every month for 7 years) to support the project of Olympic Games?*' I took into consideration only those answers who answered (to a previous question) that they have income and pay taxes after it. I supposed, according to the Table 2, the private part of the planned budget will be paid by the society (directly or indirectly). In this case, the government can obligate those, who have income and pay taxes after it. In Hungary, the number of personal-tax-payers

The mentioned private part of the budget is 729 billion Forints. In Hungary, the number of employed people is about 3 900 000. If I suppose, that these people will pay the 729

billion Forints, it can be calculated that for 7 years (there are 7 years during which the country has to organize the Games) which means 84 months, for about 3 900 000 people, the monthly-amount that should be paid is about 2200 Ft.

According to the *Table 10*, the number of those who are able and have the willingness to finance directly the organizing process is only 36 people. The half of these 36 people do not think that it is a realistic plan for Hungary and 6 of them do not want to have Games in our home country. So it is absolutely visible, that the significant part of the society does not want or simply cannot finance this project directly. Of course, if the government defines this financial obligation or tax, the society cannot do anything. They have to pay it or strike against the Games and the government.

The other opportunity for the country is to get credits again, and finance the occurring expenditures from it. If the country chooses it, the debt of it will increase with a huge proportion and in the future it will create interests and the country has to redeem it.

9. Table: The relationship between credits necessity and qualification

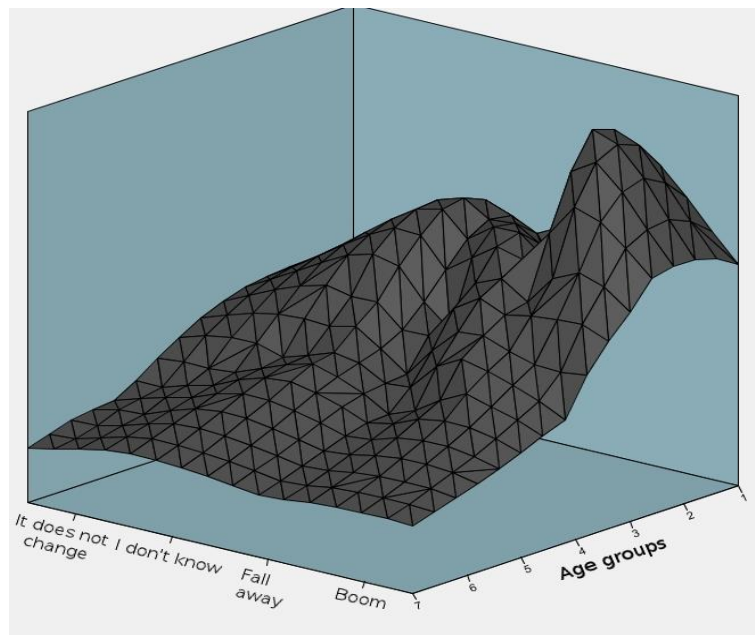
		Do you think it is necessary for Hungary to get credit for the organization (or it can be achieved with expenditure rearrangement)?			
		not necessary	necessary	I don't know	total
The highest qualification of the respondent	primary school	1,19%	3,80%	4,75%	9,74%
	higher-school certificate / vocational certificate	6,65%	12,59%	38,24%	57,48%
	superlative certificate	0,03%	3,56%	26,37%	32,80%
	total	10,70%	20,00%	69,40%	100,0%

Source: edited by the author

In the previous table, the opinion of the people about the credit is detailed according to the qualifications. The biggest proportion of the respondents is those who have higher-education certificate. Almost three—fourth of the people cannot adjudicate the necessity of the credit. The proportion of those, who think the country cannot organize the Games without

credits- are about 3,5 times higher than those who have a more optimist point of view and they think the credits are not necessary because the rearrangement of the budget can solve this credit problem.

The advantages and disadvantages and the impacts of this event were detailed in the previous parts. It is generally known, that the Olympic Games influences the economic and political relations in a good way. These few days can subvert the life of the host country completely and influence the whole life of it for long terms. There are visible and invisible effects as well.



32. Figure: Opinions about the impact of the Olympic Games to the economic and political relationships according to ages

Source: edited by the author

The younger generations have a more optimist opinion and they said, the Olympic Games have influenced the economics in a good way and it will result the boom of the economic life of the organizer. The elder and elder people look more pessimists in this situation because as the number of ages is increasing, the number of those who chose the boom is decreasing. In the younger generation, there are huge differences among the different answers, in the elder generation the distribution of the answers is more similar.

As it was mentioned, the Olympic Games have definitely a positive and long-term impact. The respondents of the questionnaires also think this, because almost 60% of them said

the positive affect and the opposite of it, the negative affect is influenced only by a few people and the proportion of it is only 4,51%

10. Table: The effect of the Olympic Games, according to the qualifications

		The highest qualification of the respondent			
		primary school	higher school certificate /vocational certificate	superlative certificate	total
How does this event influence the economic and political relationships?	<i>negative</i>	0,71%	2,85%	0,95%	4,51%
	<i>I do not know</i>	3,33%	9,03%	3,56%	15,91%
	<i>positive</i>	4,28%	33,73%	21,85%	59,86%
	<i>It does not influence</i>	1,66%	11,88%	6,18%	19,71%
	<i>total</i>	9,98%	57,48%	32,54%	100,00%

Source: edited by the author

The number of those, who cannot answer this question is also significant. One-fifth of the population cannot decide whether the Games have positive or negative or no affect the political and economic relationships.

According to the previous results, I see, Hungarian society would like to organize the Olympic Games, but they do not think that it is a realistic dream. They suppose it has positive effect to the life of the country and a significant part of the population think, without new governmental credits the realization cannot happen. With my last table, I would like to examine the willingness and ability of people to support financially the project if they suppose it has positive effect.

11. Table: Comparison of the willingness to support the project and the effects of Olympic Games

		Do you have willingness to pay about 2200 Forint (in every month for 7 years) to support the project of Olympic Games?		
		yes	no	total
How do the economic and political relationships change if Hungary would organize the Olympic Games?	<i>boom</i>	12,79%	33,79%	46,58%
	<i>fall away</i>	0,91%	13,24%	14,16%
	<i>I do not know</i>	0,00%	15,07%	15,07%
	<i>It does not change</i>	2,74%	21,46%	24,20%
	<i>total</i>	16,44%	83,56%	100,00%

Source: edited by the author

From this table (like in the previous one) it is visible that half of the employed people think, the Games would influence the country and its relationships in a positive way. They are awake of this fact but the willingness to pay and support for 7 years is really low. Only 12,79% of the employed people (calculating with the 3 900 000 employed people in Hungary, this number is 498 810). Compare this number to the whole society (with 10 000 000), only about 5% has the ability and willingness to support the Games voluntarily. So instead of the potential positive effects, people do not want to pay plus amounts because of the organization.

5. CONCLUSION

As a conclusion, I can tell that the Hungarian society has the will to organize the Games, but now they think, it is an unrealistic dream for the country. Instead of this will, they do not really want to support financially it, so the country has to affirm its financial position and the budget to be able to organize this huge event. A huge part of the society think, without credits it is impossible to organize the Games. Now, the country prepares itself to be member of the euro zone, for which the amount of the government debt cannot exceed the 60% of the GDP. So if the country asks for new and newer credits (because of the Olympic Games), the aim and the realization to have euro in Hungary as the official currency will be a really far dream. So now, because of the financial position the country is not able to organize the Games. The next chance for Hungary will be in 2015 when it can report itself as a candidate for the Olympic Games in 2024. During the following 4 years, a lot of things can change but the World Economic Crisis in 2008 and the effects are sensible and it will not change in the following years. According to economic analysts, the getting out of the Crisis will be a long-term procedure and probably it can even take 10 years. Hungary is also influenced by the European Union, in which the euro is in crisis as well.

As it cleared from the questionnaires, the Hungarians would like to be a host country of the Games. Regard to this willingness, there are other solutions with which the realization can be easier. The first solution is that Hungary should organize the Olympic Games not only in Budapest but also in the whole country. In different cities there are different sport facilities which were built to international competitions. Of course, they have to be renovated but probably, the cost of renovation is much lower than the cost of building new sport facilities. With this step, the country can save a lot of money, and the financial budget for the Games can be lower. In this case, the size of the country is an advantage because these big cities are not so far from each other and from Budapest as well.

To achieve these kinds of aims, first we should change in plans of Budapest Olimpiáért Mozgalom which popularizes the Budapest Olympic Games. With the already existing facilities, a Hungarian Olympic Games seem much more realistic than the Budapest one. In our country, there are no really long distances which could obstruct this idea. The following map of Hungary symbolizes the potential places for different stadiums (all of these are already used for international competitions).



33. Figure: Map of Hungary)with cities which already organized international competitions from 1989)

Source: edited by the author

In 2011, Hungary, especially Szeged was the middle of the kayak-canoe world during the Sprint World Championship which was the biggest opportunity for the sportsmen to collect their quotas for the Olympic Games of 2012. Szeged got the opportunity just one year before the Competition because Vichy, France stood off. After it, for the International Kayak Committee, it was obvious to give the chance for Szeged again. The city was able to prepare to it, and with the most modern techniques, one of the best World Championship was organized. Maty-ér – the place of competition – has about 11.000 free spaces for the kayak-canoe fans with an internationally acknowledged environment.

In 2014, the fans of sports will pay attention to Hungary again within the Waterpolo European Championship in Budapest. This competition will be in the National Swimming and Waterpolo Olympic Center, which will be renovated till the end of 2013. In these buildings, the Swimming European Championship was organized in 2010 and 2006, but in 2007. another Swimming European Championship was hosted in Debrecen. So not only Budapest but also Debrecen is able to welcome the world.

Debrecen was important for the Gymnastic World in 2002 as well. The Főnix coliseum gave place to the World Championship of Gymnastics. This stadium has about 4500 places but other mobile stands can be built. In 2003, Budapest and the Papp László Sport Coliseum welcomed the rhythmic gymnastics' fans and sportsmen with 12 500 free places.

In 2014, the handball European Championship will be organized with Croatia, in 4 Hungarian cities: Győr, Debrecen, Veszprém and Budapest. Behind these sport venues, there are many other cities which already hosted international competitions like Szekszárd (1992. – European Championship, weightlifting), Budakalász (2006 – European Championship, modern pentathlon). So Budapest was the most important city for hosting in the past, but Hungary has other chances with already existing stadiums and coliseums which are perfectly able to receive the sport fans and sportsmen.

The second and more favorable (than the previous one) solution is to have a revolutionary new Olympic Games with the copy of the football competitions in which countries can be candidates together. With this idea, Hungary, especially Budapest would organize the Games with the neighboring countries. These potential organizing-partners can be Slovakia with Bratislava, Czech Republic with Prague, Austria with Vienna or with Slovenia with Ljubljana. But this idea could be a huge opportunity for Croatia, Serbia or Romania as well.

As a final conclusion I have to determine that the dream of Hungary now is far from the realization of the Olympic Games but the country has the ability and has several already existing buildings which are able to receive the world, but of course, they have to be expanded and renovated. But Hungary has to combat for it and in the future this dream will come true.

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ANNEXES

ANNEX 1: ORGANIZED INTERNATIONAL SPORTEVENTS IN HUNGARY

Sport	World Championship	European Championship
<i>Diving</i>	-	2006.
<i>Swimming</i>		2007.
<i>Synchronized swimming</i>		2010.
<i>Water polo</i>	-	2001. 2014.
<i>Kayak – canoe (sprint)</i>	1998. 2006. 2011.	2002.
<i>Kayak – canoe (slalom)</i>	-	-
<i>BMX</i>	-	-
<i>Mountain Bike</i>	-	-
<i>Road cycling</i>	-	-
<i>Track cycling</i>	-	-
<i>Artistic gymnastic</i>	2002.	
<i>Rhythmic gymnastic</i>	2003.	
<i>Trampoline gymnastic</i>		
<i>Volleyball (beach)</i>	-	-
<i>Volleyball (indoor)</i>	-	-
<i>Dressage</i>	-	-
<i>Eventing</i>	-	-
<i>Jumping</i>	-	-
<i>Wrestling – freestyle</i>	1994. 2005.	2000.
<i>Wrestling- Greco Roman</i>		
<i>Archery</i>	-	-
<i>Athletics</i>	1989. 2004.	1998.
<i>Badminton</i>	-	-
<i>Basketball</i>	-	1997. (women)
<i>Boxing</i>	1997.	-
<i>Fencing</i>	1991.	1995. 2001.
<i>Field hockey</i>	-	-

<i>Football</i>	-	-
<i>Handball</i>	1995 (women – with Austria)	2004. (women) 2014. (women – with Croatia)
<i>Judo</i>	-	-
<i>Modern pentathlon</i>	1989. 1999. 2008.	2006. 2010.
<i>Rowing</i>	-	-
<i>Sailing</i>	-	1991.
<i>Shooting</i>	-	-
<i>Table tennis</i>	-	-
<i>Taekwondo</i>	-	-
<i>Tennis</i>	-	-
<i>Triathlon</i>	2010.	
<i>Weightlifting</i>	1990.	1992.
<i>Total</i>		

Source: edited by the author

ANNEX 2: OLYMPIC MEDALS OF HUNGARY BY SPORTS

Sports	Gold (piece)	Silver (piece)	Bronze (piece)	Total (piece)
<i>Fencing</i>	34	22	26	82
<i>Swimming</i>	23	23	17	63
<i>Kayak-canoe</i>	19	27	25	71
<i>Wrestling</i>	19	15	17	51
<i>Gymnastic</i>	14	11	14	39
<i>Box</i>	10	2	8	20
<i>Athletics</i>	9	13	17	39
<i>Modern pentathlon</i>	9	8	4	21
<i>Water polo</i>	9	3	3	15
<i>Shooting</i>	7	3	7	17
<i>Football</i>	3	1	1	5
<i>Weightlifting</i>	2	9	9	20
<i>Judo</i>	1	2	4	7
<i>Handball</i>	0	1	2	3
<i>Rowing</i>	0	1	2	3
<i>Equestrian</i>	0	0	1	1
<i>Tennis</i>	0	0	1	1
<i>Sailing</i>	0	0	1	1
<i>Total:</i>	159	141	159	459

Source:http://hu.wikipedia.org/wiki/Magyarorsz%C3%A1g_az_olimpiai_j%C3%A1t%C3%A9kokon, accessed at : 13/7/2011

ANNEX 3: TOTAL MEDALS BY COUNTRIES

Position	Country	Gold (pieces)	Silver (pieces)	Bronze (pieces)	Total (pieces)
1	United States	931	729	639	2299
2	Soviet Union	395	319	296	1010
3	Great Britain	208	255	252	715
4	France	190	212	233	635
5	Italy	190	157	174	521
6	Germany (1896-1952 and 1968-)	164	163	203	530
7	China	163	117	105	385
8	Hungary	159	141	159	459
9	Democratic Republic of Germany	153	129	127	409
10	Sweden	142	159	174	475

Source: http://www.olympic.it/english/medal/id_summer.htm accessed on: 31/7/2011

ANNEX 4: GUEST IN PUBLIC ACCOMMODATIONS IN HUNGARY (FROM 2007 TO 2011 BY MONTHS)

Year and month		Public accommodation				Hotels (from public accommodations)			
		guests		Spent nights		guests		Spent nights	
		Total	foreigners (from total)	total	Foreigners (from total)	total	Foreigners (from total)	Total	Foreigners (from total)
thousands									
2007	Jan	328	141	860	402	267	127	700	361
	Feb	361	144	884	389	294	130	718	352
	Mar	484	211	1 231	593	392	190	998	532
	Apr	570	274	1 460	796	440	242	1 137	680
	May	677	320	1 712	973	470	273	1 182	764
	Jun	774	342	2 031	1 015	503	283	1 298	776
	July	966	426	3 110	1 402	571	309	1 707	874
	Aug	1 042	494	3 280	1 586	650	370	1 934	1 063
	Sept	704	382	1 812	1 111	548	331	1 372	904
	Oct	619	300	1 535	842	499	270	1 233	731
	Nov	503	220	1 188	585	414	200	991	534
	Dec	446	197	1 025	477	368	180	858	437
2008	Jan	347	157	847	410	288	143	714	374
	Feb	417	173	954	437	348	158	803	399
	Mar	496	234	1 225	636	407	212	1 016	571
	Apr	554	279	1 315	742	438	248	1 018	623
	May	768	361	1 899	1 058	549	310	1 345	841
	June	762	333	1 963	955	501	276	1 273	734
	July	966	433	3 107	1 425	589	316	1 748	897
	Aug	1 074	488	3 240	1 504	677	367	1 928	1 014
	Sept	695	366	1 748	1 038	539	320	1 318	852
	Oct	649	297	1 570	805	525	269	1 264	703
	Nov	482	206	1 123	540	396	190	929	492
	Dec	439	189	982	457	364	174	818	418
2009	Jan	333	139	825	382	277	126	692	349
	Feb	344	133	805	354	284	122	672	322
	Mar	421	193	1 007	520	348	177	839	473
	Apr	527	250	1 273	687	415	222	993	583
	May	679	313	1 664	916	476	270	1 161	728
	June	721	313	1 907	928	467	260	1 211	709
	July	958	401	2 943	1 251	570	294	1 654	807
	Aug	1 073	478	3 260	1 492	648	348	1 860	961
	Sept	641	340	1 645	973	492	298	1 229	796

	<i>Oct</i>	598	281	1 447	758	487	255	1 170	665
	<i>Nov</i>	440	198	1 014	515	366	183	847	472
	<i>Dec</i>	417	188	920	444	349	174	774	410
2010	<i>Jan</i>	329	142	816	386	276	130	690	355
	<i>Feb</i>	361	146	839	371	305	136	710	344
	<i>Mar</i>	458	212	1 113	558	381	196	926	513
	<i>Apr</i>	530	261	1 292	701	426	237	1 020	608
	<i>May</i>	698	342	1 716	965	516	303	1 254	796
	<i>June</i>	737	338	1 893	933	511	293	1 283	761
	<i>July</i>	1 008	429	3 073	1 302	625	331	1 780	887
	<i>Aug</i>	1 094	491	3 339	1 522	688	370	1 980	1 019
	<i>Sept</i>	695	384	1 779	1 052	554	345	1 375	895
	<i>Oct</i>	618	312	1 498	826	515	287	1 233	740
	<i>Nov</i>	502	208	1 198	535	422	193	1 007	494
	<i>Dec</i>	444	197	998	462	377	184	840	430
2011	<i>Jan</i>	352	157	873	422	304	146	754	392
	<i>Feb</i>	379	159	884	402	330	150	768	377
	<i>Mar</i>	485	222	1 174	580	418	209	1 008	541
	<i>Apr</i>	591	309	1 445	828	496	284	1 195	734
	<i>May</i>	669	346	1 611	938	528	317	1 256	808
	<i>June</i>	754	359	1 908	976	543	314	1 346	804
	<i>July</i>	970	436	2 892	1 286	643	348	1 798	917
	<i>Aug</i>	1 036	475	3 002	1 390	696	380	1 949	1 025

Source: http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_evkozi/e_oga002.html accessed on: 2/11/2011

ANNEX 5: QUESTIONNAIRE FOR THE PRIMARY RESEARCH:

Questionnaire

I would like to ask you to participate in my research about the planned Olympic Game sin Hungary, with the fulfilment of the following questionnaire. The fulfilment is anonymus and it takes about 5 minutes. Thank you for sharing your opinion and helping for me.

Please sign your answers with X!

1. **Gender** ☐ Woman ☐ Man
2. **Age:**
3. **Place of living:**
 - ☐ Capital
 - ☐ Shire-town
 - ☐ City
 - ☐ Village, farm
4. **Highest qualification:**
 - ☐ primary school
 - ☐ high-school certificate / vocational certificate
 - ☐ superlative certificatte
5. **Do you have income from labour relation?**
 - ☐ Yes
 - ☐ No
6. **Do you do sports regularly (at least 2 times per week)?**
 - ☐ Yes
 - ☐ No
7. **Are you a certified member of a sport club?**
 - ☐ Yes
 - ☐ No
8. **Do you take part in sport events?**
 - ☐ No
 - ☐ As a spectator
 - ☐ As an attender
 - ☐ As a competitor

☐ Other:

9. **Do you observe the sport competitions (through TV, newspaper, etc.)?**

☐ Yes

☐ No

10. **Do you observe the Olympic Games?**

☐ Yes

☐ No

11. **Do you think that Hungary should organize Olympic Games?**

☐ Yes

☐ No

12. **Do you think it is a realistic dream to organize Olympic Games?**

☐ Yes

☐ No

13. **How do the Olympic Games influence the economics? The economics would...**

☐ boom

☐ It does not change

☐ fall away

☐ I do not know

14. **Do you think it is necessary for Hungary to get credit for the organization (or it can be achieved with expenditure rearrangement)?**

☐ necessary

☐ not necessary

☐ I do not know

15. **How do the Olympic Games influence the economic and political relationships?**

☐ Positive

☐ It does not influence

☐ Negative

☐ I do not know

16. **Please answer to the question only if you have income from labour relation.**

According to a previous study, one part of the budget of the Olympic Games will

be financed from private resources. My own assumption, this amount will be paid by the residents. According to the proportion of the employed people, I divided this amount. From the obtainment of the organizing right and the realization of the Games, there are 7 years and the 7 years in the question refer to it.

Do you have willingness to pay about 2200 Forint (in every month for 7 years) to support the project of Olympic Games?

☐ Yes

☐ No