

UDC 330.322.54:796

**THE INVESTMENT POLICY OF THE OLYMPIC GAMES: COSTS  
AND THE PROBLEM OF PAYBACK****VERANIKA MINCHUKOVA, YULIYA ZUYEVA, ALIAKSANDR MATVIENKA**  
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*The article is devoted to the investment policy of the Olympic Games. The largest investments in the Olympic Games in history, as well as the economic effect of the games are considered. It is noted that the positive effect of the Olympic Games, to a greater extent, depends on attracting sponsorship investment and private business.*

Professional sports is always an important element of world politics, business relations and an instrument of ideology, an important economic resource that has a direct impact on the level of development of the national economy.

The President of the Republic of Belarus and NOC A.G. Lukashenko paid a lot of attention to the problems of development of sports industry and its economic dimension, speaking at the Olympic meeting, said: "Sport is the most important sector of the economy. It should work with benefit and bring results. We're not rich enough to waste money. The situation requires actions to improve this sphere, to eliminate the negative factors that prevent the effective use of funds."

The evolution of professional sports as a sphere of economic activity is based on the economic relations of society. In modern conditions of transformation of society this kind of economic activity can be considered as a potential sphere of investment of material, labor and financial resources, which the economy has [2, p. 67].

Over the past decades, there have been works that analyze the development of market relations in the sports industry. Most consistently and fully these problems are covered in the works of foreign scientists, doctors of philosophy, who studied from different points of view the different directions in Olympic sports.

The Olympic economy was studied by such scholars as Marion Hambrik, which together with Ann unusual: none (Louisville University) [6] have analyzed consumer behavior in social media communities during the Olympic Games. Benoit séguin (University of Ottawa) and Norman O'reilly (Laurentian University) [9] solved the problem of the integration of marketing programs and brand management in the Olympic activities with the focus on consumers. Professor Ronald MacCarville (University of Waterloo) [8] studied consumer behavior at the Olympic Games on the subject of purchase of products (goods, services) to sponsors, using the extended theory of planned behaviour of Ajzen and proposed a theoretical model for the decision of consumers to purchase.

It is noticed that the problem of return on investment in professional sports, at both the national and the international level have been sufficiently covered [3, p. 76], which negatively affects the economic development of the industry of professional sports as a whole.

The priorities and optimal amounts of public investment in the human capital of the sports industry are considered in the areas where the possibility of attracting private investments is not possible or unreasonable, and in other situations it is more appropriate to improve market mechanisms, and in turn, the stimulation of private investments on the basis of tax and credit mechanisms [4, p. 68].

Holding the Olympic Games, as well as any major sporting events in the world, involves investing significant costs for the organization and conduct of them (Fig.). It must be emphasized that as a rule, originally laid down budgetary allocations for the Olympic Games, do not cover all costs (Table).

To structure the economic effect from carrying out of sports actions of world level, we can distinguish the following indicators:

- job growth;
- dynamics of GNP;
- investments in the organization of events;
- attracting foreign capital.

Taiwanese scientists, Huai-Chun Luo (Yuan Ze University), Professor Chengli Tien (National Taiwan pedagogical University) and Hsiou-Wei Lin (National Taiwan University) noted [10] that the economic opportunities from Olympic Games for countries of the organizers, effectively manifest in the short term, the improvement of indicators such as gross domestic product, productivity and reduce unemployment.

The process of planning and organization of commercial activities in professional sports can be described as a system of economic relations, with the ability to generate income. For transformation of sporting event

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from category of gratuitous representation into the full-fledged business project which contains in the basis self-repayment and increase of the income, the functionaries making managerial decisions need to look for new creative and pragmatic approaches, relying on eventual opportunities and determinants of production in the industry of professional sport [1, p. 278], including the Olympic games.

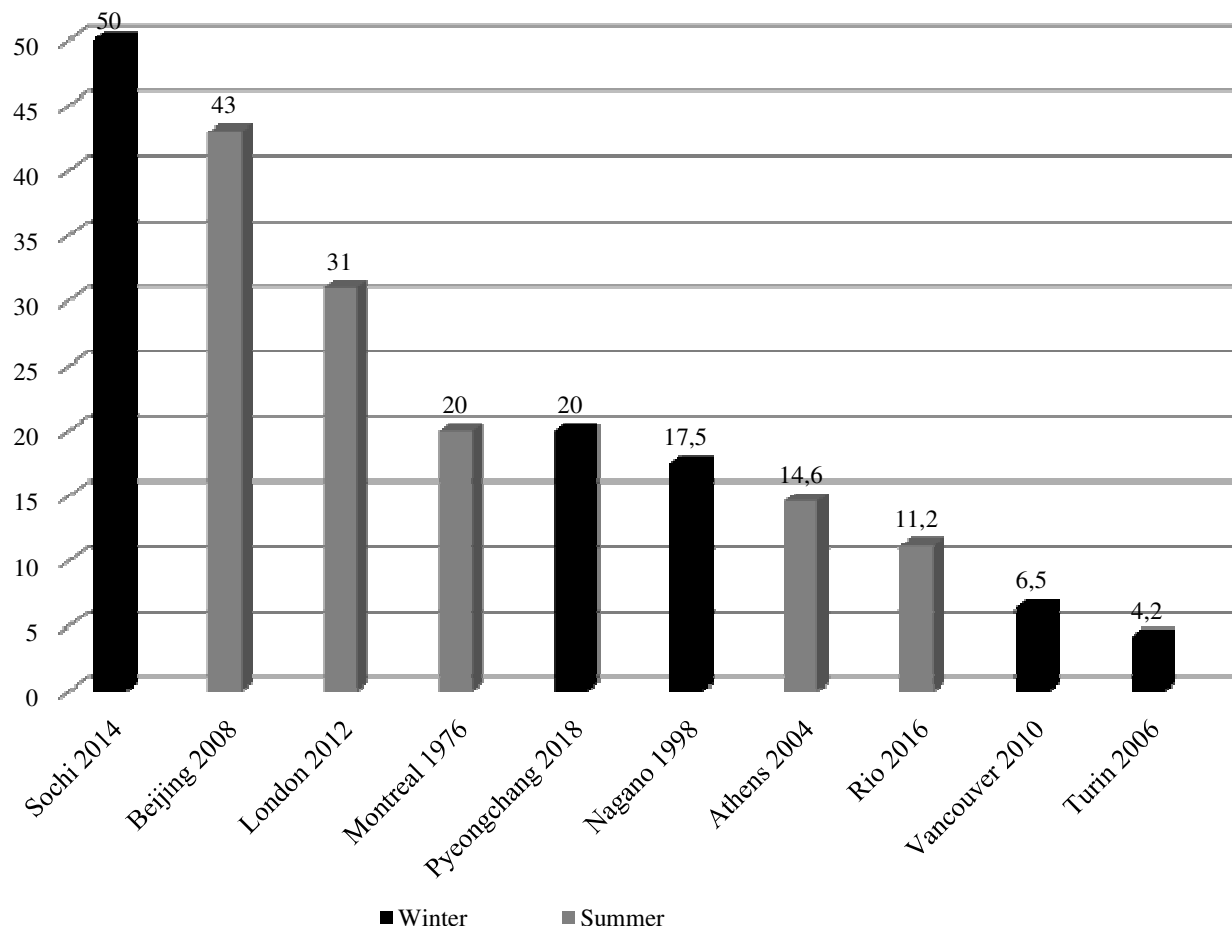


Fig. The biggest investment in the Olympic Games in history, billion dollars

Source: own development based on data analysis [5].

Table – The financing of the Olympic games

Year	Holding city	Spending on the plan, billion dollars	The real cost, billion dollars	The level of state funding	Economic effect of the event
1976	Montreal	0,31	1,5	significant	negative
1980	Moscow	–	3	high	non-material loss
1984	Los Angeles	0,36	1,2	low	profit
1988	Seoul	1,7	4	low	profit
1992	Barcelona	1,8	3	average	non-material loss
1996	Atlanta	1	1,8	low	insignificant profit
2000	Sydney	2,3	4,1	average	insignificant profit
2004	Athens	1,6	11,6	high	loss
2008	Beijing	17,3	43	high	loss
2012	London	15,2	19	average	insignificant profit
2016	Rio de Janeiro	4,6	11,2	high	loss

Source: own development based on data analysis [7].

All of the above, it can be concluded that the positive effect of the Olympic games or major international sporting events, to a greater extent, depends on the possibility of attracting sponsorship investment and private business. The state appropriations, as a rule, are aimed at creating the institutional framework to attract such investors to finance the games.

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