Every Loser Wins: Leveraging ‘unsuccessful’ Olympic bids for positive benefits

Abstract

Research Question: In what ways can cities leverage an unsuccessful Olympic Games bid to bring them positive benefits?

Research Methods: A multiple case study approach using the bids of Cape Town and Toronto for the 2004 and 2008 Olympic Games, respectively. Interviews were conducted with 31 stakeholders across both bids; including 19 members of the respective bid teams and a further 12 interviews with external stakeholders. This data is supplemented by documentary analysis of candidate files, promotional materials and city/council documents.

Results and Findings: Despite the differing political and social contexts of the two cities studied, both utilized similar leveraging strategies. The Olympic bid process focuses those in a city, bringing together coalitions, forcing a city to take stock of its current situation and brings national interest. The bid teams utilized the threat of not being successful to lever national government funding and created leveraging bodies to deliver the strategies.

Implications: The implications of this study are twofold. First, it provides cities with insight into how even an unsuccessful Olympic bid can provide benefits. Crucially, only legitimate bidders contributing to already existing plans can access government funding. Second, this research contributes to the bidding literature, providing new empirical material derived using a diverse case study approach, and to the leveraging literature through adapting, extending and updating Chalip’s (2004) conceptual model of event leverage.

Key words: Olympic bid, mega-event, leveraging
Introduction

In recent years, the IOC has faced a ‘bidding crisis’ (MacAloon, 2016), leading to structural changes to the bid process. Since 11 cities competed to host the 2004 Olympic Games, the number of bidders declined. As the costs involved in hosting Olympic Games increase (Preuss, 2019), so too have bidding costs: London’s £30 million bid for the 2012 Games (Walters, 2008, p. 22) was threefold that of Manchester’s £8 million bid for the 2000 Games (Lawson, 2006, p. 22). It is not just that cities declined to bid; bids have been submitted but later withdrawn (Koenigstorfer & Preuss, 2018). Protest groups have contributed to raising global criticisms against the hosting of Olympic Games, with human rights issues and financial costs being areas of particular concern (Coates & Wicker, 2015; Kassens-Noor, Vertalka & Wilson, 2019). These criticisms led to referendums, with citizens increasingly choosing not to bid (Maennig, 2017).

The decline in bidders resulted in the IOC revamping the bid process to reduce costs. Agenda 2020 was introduced in 2014 and further developed through 2018’s ‘The New Norm’ (IOC, 2018). More recently, the IOC introduced fundamental changes to the bid process. Rule 32.2 was amended, removing the stipulation that hosts are elected seven years before the Games, with multiple regions able to submit a joint bid. The Future Host Commission engages in targeted discussions with “one or more Interested Parties” (IOC, 2019, p.11) and evaluates bids, before the IOC Executive Board puts forward its “preferred host(s)” (IOC, 2019, p7).

To attract cities, the IOC has sought to simplify and reduce the cost of the bid process. This research proposes an additional way to entice bidders. Cities often use the concept of legacy to justify the hosting of an event (Baade and Matheson, 2016). However, in recent years authors have considered the ways that an Olympic bid itself can leave a positive legacy (Lauermann, 2015; Oliver, 2011; 2014). However, the research to date has typically focused on single, specific case studies. This paper considers two cases from differing contexts to provide a
broader overview of the ways in which cities can use a failed Olympic bid to bring about positive outcomes.

The research question driving this study is ‘In what ways can cities leverage an unsuccessful Olympic Games bid to bring them positive benefits?’ The implications of this research are twofold. First, it provides empirical data from two diverse cases showcasing how unsuccessful Olympic bids can be leveraged for positive benefits. This information is useful for bid cities, and can contribute to IOC attempts to entice bidders. Second, this research contributes to the emerging literature regarding the impacts of Olympic bids, while developing research into the leveraging of mega-events to include the bid phase. Specifically, this study adapts Chalip’s (2004) conceptual model of a ‘schematic representation of event leverage’ and develops a ‘model of bid leverage’ (Figure 1 in the Results) that could be of use to sport studies scholars.

**Literature Review**

Literature regarding the impacts of bidding for mega-events is scant in comparison to the more developed literature surrounding hosting (Oliver & Lauermann, 2017). Bids are often viewed as part of a process that ultimately results in hosting. For example, Preuss (2015) discusses how bidders take obligatory and optional measures, considering these as part of the hosting of the event, rather than the bid process being an entity in its own right.

Studies of Olympic bids have tended to be shaped by and follow the issues facing the IOC. The Salt Lake City bidding scandal resulted in papers investigating factors contributing to a successful bid (Preuss, 2000; Emery, 2002; Persson, 2002). Following this, as criticism of hosting the Games increased, the framing of bids to maximize appeal, or minimize protests, received focus (Falcous & Silk, 2010; Sant & Mason, 2015; Stewart & Rayner, 2015). More recently, these protests have resulted in a plethora of referendums. Thus, the issues faced by bids including Chicago 2016 (Rundio & Heere, 2016), Munich 2018 (Coates & Wicker, 2015),
Boston 2024 (Lauermann, 2016) and Hamburg 2024 (Lauermann & Vogelpohl, 2017; Maennig, 2017; Scheu & Preuss, 2018) have been studied from an academic perspective. While these issues are related to the bid process, the focus continues to concentrate on whether an Olympic bid will be successful.

Contemporaneous bidding issues are supplemented with a smattering of papers investigating legacies gained from failed Olympic bids. These case studies have tended to be written by authors based in the bidding nation, indicating that failed bids may harvest interest domestically, but perhaps not beyond its borders. As such, case studies group around a small number of cities: Berlin (Alberts, 2009), Cape Town (Swart & Bob, 2004), Chicago 216 (Leopkey, Salisbury and Tinaz, 2019), Istanbul (Bilsel & Zelef, 2011), Manchester (Cook & Ward, 2011;), New York (Moss, 2011), Pyeongchang (Kim et al., 2015; Merkel & Kim, 2011), and Toronto (Bellas & Oliver, 2016; Oliver, 2011; Oliver, 2014).

Perhaps due to the limited number of bids considered, much of the literature discusses similar legacies. Toronto and New York used the Olympic bid to catalyse urban development (Moss, 2011; Oliver, 2011), while Berlin (Alberts, 2009) and Istanbul (Bilsel & Zelef, 2011) constructed sport facilities with varying levels of success. The construction of sport facilities is not the only sporting legacy discussed; World Sport Chicago was created as part of Chicago’s bid for the 2016 Games with a mandate to provide long-term sport opportunities within the city (Leopkey et al. 2019).

Benneworth and Dauncy (2010) discuss how Lyon’s 1968 bid pushed the city to the fore domestically, in similar ways to Manchester’s bids in the 1990s (Cook & Ward, 2011; Hill, 1994). However, Stow and Bason (2019) question the global impact of a bid. Finally, as Emery (2002) noted, there is an unwritten rule stating that first-time bidders will not host, with the implication being that a legacy from a first, failed bid is a successful bid in a future bid cycle.
Bid experience is discussed in the context of Sydney 2000 (Burroughs, 1999), Rio 2016 (Lindau, Petzhold, Tavares and Facchini 2016) and Tokyo 2020 (Yuan, 2013), but does not necessarily result in hosting an Olympic Games. Studies of Manchester (Cook & Ward, 2011) and PyeongChang (Kim et al., 2015; Merkel & Kim, 2011) detail how failed bids contributed to the ultimate hosting of the 2002 Commonwealth Games and 2018 Winter Olympic Games respectively. However, such studies only include cities who have gone on to host an event.

There is little research exploring the difference between serial bidders who ultimately host, and those such as Rome and Istanbul, for whom initial bids did not lead to a successful one.

The diverse nature of bid cities can result in a more global understanding. The literature considering hosts of Olympic Games is naturally limited to ‘global cities’ (Tolzmann, 2014), yet the likes of Baku, San Juan, and Havana have submitted summer Olympic Games bids in the past 25 years, despite having little chance of hosting. Torres (2012) differentiates between ‘legitimate’, where the bidder wishes to host the Games, and ‘utilitarian’ bidders, whose focus is utilizing the bid process for positive outcomes. The new IOC bid processes may result in fewer utilitarian bidders, but consideration of bidders may still lead to a more diverse range of studied cities. While just conjecture at this stage, cities such as Delhi, Doha, Jakarta and a Kyiv-Minsk joint bid may join Brisbane, Madrid and Amsterdam in bidding for the 2032 Games (McCullagh. 2020).

Studies taking a broader view of bidders have tended to take a quantitative approach, considering the macroeconomic impact of bidding for mega-events (Brückner & Pappa, 2015; Demir et al., 2012; Rose & Spiegel, 2011). These studies tend to use Olympic bid cities as a control group to assess the effect of hosting the Olympic Games and typically find that a bid has little impact on the national economy.
Two papers consider the nuances of different bidders and so are of note to this study. Leopkey et al. (2019) utilized a multiple case study approach, identifying twelve legacy themes in bids by Manchester, Chicago and Istanbul, plus two legacy issues; unfulfilled bid promises and a lack of interest in securing a legacy from the bid. Leopkey et al. (2019) suggest that future studies should consider the extent to which legacies are attributable to the bid. Bason and Grix (2018) considered deliberate strategies in their study of how candidate cities (those cities who passed the initial applicant stage) plan to leverage their bid, thus limiting the study to only cities who passed the initial screening. Further, there are often significant discrepancies between city claims during the bid process and actual results (Bellas and Oliver, 2016).

The works of Bason and Grix (2018), and Leopkey et al. (2019) are essential to this study due to the recognition that further work is needed to investigate the deliberate strategies put in place to ensure positive legacies. The next section of this paper introduces leverage and the conceptual framework employed.

**Leverage**

The research discussed thus far has focused on the concept of legacy, an established term when considering the hosting of mega-events (Leopkey & Parent, 2012). However, the concept of leverage is emerging in the literature. Put simply, if legacy pertains to intended or unintended consequences, that may be positive or negative (Preuss, 2019), leverage is limited to intended, and therefore, positive impacts (Chalip, 2014). A crucial difference is that while legacy considers what happened, leverage instead seeks to understand the strategies put in place to ensure that actions lead to outcomes (Chalip, 2014). The concept of leverage is gaining traction when considering the hosting of mega-events, and in particular, leveraging economic (Chalip, 2004; Mhanna et al., 2017; O’Brien, 2006; Pereira et al., 2015), social (Chalip, 2006; Chalip, 2014; Minnaert, 2012; Rogerson, 2016), sporting (Frawley & Cush, 2011; Hayday et al., 2017; Rogerson, 2016; Taks et al., 2013; Weed et al., 2015), and nation branding and international
prestige outcomes (Green et al., 2003; Grix, 2012; Grix & Brannagan, 2016; Grix & Houlihan, 2014; Knott et al., 2016).

This research adapts Chalip’s (2004) model of event leverage to consider the bid process. Chalip identifies four critical stages in the leveraging process. First, the leverageable resource is a unique occurrence, providing opportunities for leverage. The means are then the specific tactics put in place to achieve the strategic objective. One of the significant differences between leverage and legacy is that leverage is as interested in the means (the tactics employed) as it is the strategic objective (outcome) (Chalip, 2014). After all, if we do not know the steps taken to achieve an objective, it is difficult to evaluate its success.

Chalip’s model has thus far been used predominantly when considering the hosting of events, or strategies for image enhancement through the event (Grix 2013). However, it has thrice been utilized for the bid phase. Chalip himself, along with Heere (2014), drew on already published case studies to extended the model to consider ways to lever a bid. Bason and Grix (2018), as far as we are aware, were the first to use empirical data to adapt the model to the bid phase, demonstrating how Olympic bid cities plan to leverage the bid. Finally, Kirby et al. (2018) adapt the model, including the reordering of the strategic objective, opportunity and means, to consider how small businesses can be incorporated into leveraging strategies, including the bid phase.

Methods

A qualitative, multiple case study methodology is employed in this paper in an attempt to fill the gap identified in the literature for empirical work considering leveraging strategies. Data is collected from 31 semi-structured interviews, and supplemented by documentary analysis. Two Olympic bids were studied in detail to identify the leveraging opportunities provided by the bid, the strategies put in place and the impact of these leveraging strategies.
Strict criteria were applied to whittle down the 274 bids submitted for Summer and Winter Olympic Games, to date:

1. Only unsuccessful bids were considered to avoid impacts of the bid being muddied by the outcomes of hosting.
2. Due to the differences in size and scope of Winter and Summer Olympic Games, only Summer Games were considered.
3. The Olympic Games took place between 2000 - 2020. The concept of legacy came to the fore during the 1990s (Leopkey & Parent, 2012), while Sydney 2000 was the first to be leveraged (Chalip, 2002).
4. English is an official language of the city, to aid the data collection process.

Once these inclusion criteria were applied, five bid cities remained: Manchester, Cape Town, Toronto, New York, and Chicago. These cities share political, cultural and economic similarities, except Cape Town, whose bid for the 2004 Games was taken as the first case study to ensure a diverse case study approach. Of the remaining cities, Toronto was selected for multiple reasons. First, the authors were aware of the work of Leopkey et al. (2019), whose cases included Manchester and Chicago, and given the lack of scholarly work on the subject, felt that selecting a different case study would add more to the extant literature. Second, Toronto’s bid for the 2008 Olympic Games was the city’s second bid in recent years; there are relatively few studies on ‘serial’ bidders, and so this may have added a new dimension to the findings. Finally, there were practical reasons, as the researchers had access to relevant stakeholders.

The first phase of data collection utilized semi-structured interviews with internal and external stakeholders from these two bids, following the work by Mhanna et al. (2017) who selected interviewees based on their involvement of leveraging the 2012 Olympic Games. Of the 31
interviews conducted, 19 took place with members of the bid teams to determine the strategies put in place as part of the bid. A further 12 interviews were conducted with external stakeholders to view the impact of these strategies.

Official bid documentation was initially used to identify members of the bid teams, and a snowball sampling technique was adopted to gain further access. Once contact was established, each interviewee was asked to provide details for further potential interviewees, with support of a member of a bid team adding legitimacy to the project. Data saturation was reached after interviewing 5-6 members of each bid team, as no new information was elicited. The interviews with the bid teams identified the strategies put in place to lever the bid. Once these strategies were identified, external stakeholders were interviewed to evaluate the strategies’ success. Stakeholders were selected based on their involvement with the leveraging strategies and included local government agencies, municipal planning, tourism agencies and the bodies created to deliver the outcomes.

Flexible, semi-structured interviews focused on the strategies enacted to bring positive outcomes to the city, the success of these strategies and whether there were missed leveraging opportunities. Interviews took place in two periods; in Cape Town in summer 2016 and the following year in Toronto. Of the 31 interviews, 21 were conducted face to face and nine via Skype due to travel constraints. One respondent preferred to answer the interview schedule via email. A summary of the interviewees, together with their involvement with the Olympic bid is available as a supplementary file.

Interviews were transcribed and coded using NVivo, utilizing Braun and Clarke’s (2006) six phases of thematic coding (Sotiriadou et al., 2014). Following phase one (familiarization with the data), the interviews were deductively coded (phase two) to identify the four elements of Chalip’s (2004) model of event leverage (leverageable resource, opportunities, strategic
outcomes, and means). Each transcription was examined and coded twice by the same researcher to enhance the reliability of the data, resulting in 17 broad themes (phase three). For robustness and to enhance internal reliability (phase four), the second researcher verified the coding and themes (Nowell, Norris, White and Moule, 2017). These themes were defined in phase five, with three primary opportunities (taking stock, national support and the acceleration effect) and two means by which to take advantage of these opportunities (creation of a leveraging body and securing government investment) being identified (Figure 1).

Using the same processes, the transcripts were inductively coded a second time to identify the outcomes of the bid. This coding produced 58 specific themes, grouped into nine broader themes (economic, environment, hosting other events, sport, image, infrastructure, politics, social, human resources) of a similar nature to those identified by Leopkey et al. (2019). The two most prominent across both cases were infrastructural and sport development; two areas also identified in Leopkey et al.’s work.

The interviews were supplemented through documentary analysis to provide between-method triangulation. A total of 35 documents sourced from Toronto and Cape Town archives were analyzed, including candidate files, promotional materials, annual reports and council documents. These documents were deductively coded using NVivo, utilizing the themes identified from the interviews. Given the nature of the documents, careful consideration ensured that only impacts of the bid were examined, rather than hosting. Official documents were triangulated with the interview findings to minimize potential bias.

**Results**

The data collection identified similarities in the way that Cape Town (hereafter CT-Bid) and Toronto (TO-Bid) sought to lever their respective bids. Figure 1 shows the core leveraging strategies from both cases. The leverageable resource, as per Chalip and Heere (2014), is the
bid itself. As will be demonstrated, this bid needs to be legitimate and aligned with the long-term goals of the city and nation. Bidding provides opportunities to achieve the strategic objectives. The means then demonstrate the strategies through which the strategic objectives can be achieved. In addition to the leverageable resource, opportunities, strategic objectives and means, which made up Chalip’s (2004) model of event leverage, Figure 1 also includes significant factors which bid cities need to consider.

Insert Figure 1 about here

In order to provide context, this section first introduces the strategic objectives of the two bids, before demonstrating the leveraging strategies put in place to achieve the outcomes. Finally, the success of the strategies is considered.

**Strategic Objectives**

The 1997 submission of Cape Town’s bid came soon after South Africa’s first free election with universal suffrage in 1994. The basis of apartheid had been introduced with the 1950
Population Registration Act (Parliament of South Africa, 1950), following by the 1954 Reservation of Separate Amenities Act separating the facilities, services and amenities available to different groups of South Africans (Espy, 1979).

Thus, Cape Town was still beset by the racial segregation of the apartheid regime. The City of Cape Town sought to reunify the city and announced its 1996 Metropolitan Spatial Development Framework (MSDF) (Watson, 2002). CT-Bid specifically sought to contribute to the MSDF through the Olympic bid. Several ‘priority projects’ were identified to be built regardless of the success of the bid (CT01, 2016), located in ‘previously disadvantaged’ communities1 identified as ‘nodes’ by the MSDF. CT-Bid planned for this development to ‘contribute to the emergence of more efficient and supportive urban environments for large numbers of people’ (Day, 1997:16).

The priority projects were a combination of sport-specific venues built in areas of the city with predominantly white demographics, and multi-purpose halls constructed in areas with a lower percentage of white people. These multi-purpose facilities were to be training venues during the Olympic Games, rather than competition venues. Early on in the bid process, it was recognized that training facilities are of more use than elite stadia. As one member of CT-Bid said, “You need proper facilities for competition sport, but you do not need them for everyday social use… You don't build competition venues; you need to build training venues. I think that you then are strategic” (CT01, 2016).

CT-Bid also invested in transport to link the areas of development. Official bid documentation stated that ‘the meshing of land use with transport is fundamental to the city’s planning, as it

1 ‘Previously disadvantaged’ refers to ‘persons or categories of persons who, prior to the new democratic dispensation marked by the coming into force of the new constitution of Republic of South Africa (no 108), were disadvantaged by unfair discrimination on the basis of their race and includes juristic persons or association owned or controlled by such persons’ (Nefcorp, 2005)
is only through the integration of these two disciplines that the developmental nature of the plan can be achieved’ (Cape Town 2004, 1997:25). The apartheid regime had left previously disadvantaged communities with a transport system that was not fit for purpose. CT-Bid specifically sought to strengthen the transport corridors identified in the MSDF, linking the nodes together (CT03, 2016; CT05, 2016; CT06, 2016).

The building of the priority projects contributed to urban and sporting development in the city. The infrastructural development is clear, with the transport networks enhancing social cohesion through linking previously disadvantaged communities to the rest of the city. Further, the nature of the training venues provided access to sport facilities for previously disenfranchised communities.

TO-Bid had similar developmental goals, with the bid catalyzing its waterfront development. The development of Toronto’s waterfront had long stalled due to ‘jurisdictional gridlock’ (Laidley, 2011, p.207), in part due to the participation of federal, provincial and municipal levels of government. The federal government authorized a royal commission to consider the development of the waterfront area (TO14, 2017), and the Waterfront Regeneration Trust (see Oliver (2011) for detail) was viewed as a potential catalyst for the waterfront regeneration. As one interviewee noted:

[the chair of the bid] would tell you the reason he did it was not to get the Olympics; there were a lot of people involved in city building that were not Olympic die-hards… from the very beginning, a lot of people [who] came together around the bid had nothing to do with the Olympics. I would say most of the other people were really interested in what this was going to do for city building. (TO11, 2017)
This intent was shown in the official documentation at the time:

Our waterfront vision is big enough to embrace the 2008 Summer Olympics.
We’ll be proud to show our new face to the world. But we intend to realize this vision with or without the Olympics. (City of Toronto, 1999:3)

The Waterfront development was not the only strategic objective of TO-Bid. It also sought to develop sport within the city as Toronto needed investment in sport facilities and school sport, yet, “sport was very much an afterthought or a justification (for bidding)” (TO01, 2017) and not at the fore of the bid strategy.

While these strategic objectives were important to the two cities, it is crucial to recognize that they were unique to these two cases. As Chalip (2004) notes, the outcome of a leveraging strategy is of less importance than the strategies put in place. This project focuses on the leveraging strategies that bid cities can implement, rather than the case-specific actual outcomes. Therefore, the next two sections will identify the opportunities afforded to bid cities and the means by which these opportunities can be achieved (as seen in Figure 1).

**Opportunities**

Three key opportunities were identified during the Olympic bid process: 1) taking stock, 2) receiving national support, and 3) the acceleration effect. These are now taken in turn.

**Taking Stock**

The infrastructure required to host an Olympic Games forces bidding cites to scrutinize its current resources and identify areas that require investment. While this is a technical process, it is necessitated by an Olympic bid, and so is considered an opportunity. As one interviewee suggested, “you get a lot of knowledge of your city when you go through a process like this” (TO07, 2017). Such reviews occurred in both cities. A board member of TO-Bid stated:
I was involved in a process to map all our sporting facilities, and for the first time brought together the City of Toronto and the two Boards of Education...

This was the first time these three organizations had ever sat down together and then we brought their Excel sheets together, geo-mapped them and created maps of sports facilities in the city. (TO09, 2017).

The findings of this project alerted the city to a lack of sport facilities in areas with impoverished socioeconomic conditions, and this “directly led to us hosting the [2015] Pan-Am Games” (TO09, 2017).

A similar exercise took place during Cape-Town’s bid:

It was a great exercise to determine the carrying capacity of the tourism plot. We didn’t know how many rooms we had, because you normally look at the formal accommodation sector… But with the World Cup or the Olympic Games, you are looking into a bigger crystal ball of the formal accommodation and what we call the “informal sector”: the B&Bs, the guesthouses, and private accommodation… it gave a total picture of how many people you can really accommodate in and around your city. (CT08, 2016).

This information “forced the people of Greater Cape Town to focus on a vision for the future, and on defining what kind of city it should be and for whom… for three years, there was an unprecedented sharp focus on the future of the city” (CT11). While the opportunity of taking stock for a city is not unique to an Olympic bid, it can often take such a project to catalyze an initiative (Gold & Gold, 2008).
National Support

The first opportunity forces a city to be introspective about its resources; the second opportunity is the external interest brought to the city. Both cities felt ignored by national governments. The Western Cape’s African population was 21% in 1996, compared to 77% in South Africa and had been the only province to re-elect the National Party in 1994. As a result, Capetonians felt that the national government had little interest in the region (CT06, 2016).

There was a similar feeling in Toronto, with a TO-Bid board member with a history of working in local politics believing that the federal government has “no sense of municipality” but, crucially, will “always come to the party when it comes to an Olympic bid” (TO10, 2017). While an Olympic bid has typically been a city-based venture (the new changes to the bid process allow for multiple regions to bid), national support is required. Indeed, government backing is a consideration in the bid process (Hiller and Wanner, 2016), and costs are often underwritten by the national government (Mackay, 2012).

The Acceleration Effect

The final opportunity combines the two previous: not only does an Olympic bid force a city to be introspective, and bring external attention, but specific deadlines must be met, something that Preuss (2015) terms the ‘acceleration effect’. As one member of CT-Bid noted,

   The bid got people around the table to say, “Our arses are on the line here”.

   Generally, if you were to ask somebody, “We need the infrastructure of Cape Town sorted out”, it would take five years to even get the meeting together.

   But if it’s from the national government, you go, “Get it together”. (CT03, 2016)

The acceleration effect was equally crucial in Toronto’s bid:
In the day-to-day work… you have multiple activities going on, and there’s a … deadline, but it’s not everybody. Everybody doesn’t have the same deadline all the time… But when you get an entire organization focused, it’s pretty powerful. (TO06, 2017)

The waterfront development had stalled in part because of a lack of cooperation from the municipal, provincial and federal governments. The bid did not just bring together these levels of government, but also different political parties (TO07, 2017). This culminated in a well-known photo of Jean Chrétien (Canadian Prime Minister), Mike Harris (Premier of Ontario), and Mel Lastman (Mayor of Toronto) announcing the formation of the Toronto Waterfront Revitalization Corporation and the contribution of CA$500 million from each layer of government, regardless of the bid’s success.

The acceleration effect does not just occur within politics; it can also produce private/public coalitions. Both bids utilized private businesses. TO-Bid engaged local law firms who offered their services for free (TO11, 2017). South Africa’s global exclusion during apartheid resulted in local companies not having the required levels of expertise. Therefore, CT-Bid sponsors provided international expertise in lieu of payment. For example, Mercedes-Benz Deutsche Aerospace sent architects (CT01, 2016) and helped develop the long-term strategy for Cape Town International Airport (CT09, 2016).

**Means**

The opportunities provided by an Olympic bid can be leveraged by specific means; securing government investment and creating leveraging bodies.

*Government Investment*
Directly linked to the national support it generates and the acceleration effect, a bid city can use lever investment. TO-Bid successfully secured CA$500 million from each layer of government for the waterfront development, having enacted two leveraging strategies to secure this financial support. Toronto’s bid for the 1996 Games had seen vocal opposition from the ‘Bread Not Circuses’ protest group, contributing to the bid ultimately being unsuccessful (Whitson, 2004). TO-Bid used this history to persuade politicians that significant investment would demonstrate that Olympic involvement could be positive:

As you recall the last time Toronto bid on the Olympics, we had a healthy backlash of people who did not like the Olympics… We put together a detailed budget and we said to the politicians that to gain that local support and buy-in, we got them to commit to Olympic related infrastructure regardless of whether we won. (TO11, 2017)

Second, TO-Bid used the impending threat of Beijing’s Olympic bid to persuade the Canadian government that similar levels of investment were required:

One of our strategies is we knew we were facing China. China would be able to guarantee everything, right? We went to [the] Treasury Board and said we need approval for this funding and it needs to be approved through the system of government. (TO10, 2017)

CT-Bid utilized a similar approach. Cape Town, and indeed South Africa, had little experience of hosting mega-events and cities without this experience are unlikely to be selected to host (Emery, 2002; Leopkey et al., 2019). CT-Bid believed that South Africa was viewed as a “third world country with inadequate sporting and accommodation facilities and transport and utility
infrastructure” (CT11, 2016). Therefore, CT-Bid persuaded the national government that initial investment was needed to “convince the IOC and the world that we had the capacity [to host an Olympic Games]” (CT09, 2016).

Leveraging Body

TO-Bid created two bodies to deliver the leveraging strategies. Waterfront Toronto was formed in 2002 and is a qualified success. An Ernst & Young (2015) evaluation of the waterfront found CA$2.6 billion worth of development, contributing to government revenues of CA$838 million. However, there have been issues. At incorporation, it was specified that ‘(t)he Corporation shall not raise revenue unless it has the consent of the federal government, the provincial government and city council’ (Toronto Waterfront Revitalization Corporation Act, 2002). As a result, Waterfront Toronto is reliant on funding from these three levels of government. Following the initial 2002 CA$1.5 billion investment, in 2017 Waterfront Toronto secured a further CA$1.25 billion. However, this funding restriction has hampered Waterfront Toronto’s ongoing operations (Eidelman, 2013). Waterfront Toronto needs to secure further approval for each separate project from the relevant layer of government (TO16, 2017). Ernst & Young (2015) criticize this process as being inefficient and lead to projects going over-budget.

TO-Bid created a second leveraging body, the Toronto Sports Council (TSC), to manage sport development within the city (Toronto City Council, 2002). As with Waterfront Toronto, TSC was hindered by its funding structure, albeit from the opposite perspective. TSC does not receive government funding, and so is reliant on securing grants (TO15, 2017). As a result, TSC has failed to achieve many of its initial objectives. TSC developed sports fields in the Port Lands and supported Toronto’s hosting of the 2012 Ontario Summer Games (although it did not contribute to Toronto hosting the 2015 Pan-American Games). As part of the Ontario Games, TSC won a CA$50,000 grant to support young athletes, with this funding ending in
2018. As a current TSC worker said, “there's no money provided by the city, which [is] a big challenge for sustainability” (TO15, 2017), demonstrating the hand-to-mouth existence of TSC, and the difficulty in long-term planning.

**Significant Factors**

As can be seen in Figure 1, thus far, this research has identified the opportunities afforded by the bid process (taking stock, national support and the acceleration effect), and the means (leveraging body and government investment) by which the strategic objectives (urban and sport development) can be achieved. However, these strategies do not exist in a bubble. This research identifies four *significant factors* of particular importance for understanding leveraging strategies from failed bids. First, the timing of the strategy is critical. Second, to maximize government support, the projects should contribute to already existing plans for the city and align with national government strategy. However, the legitimacy of a bid is key to securing this funding. Finally, consideration should be paid to the opportunity cost of the levered funds.

The experience of TSC highlights the need for leveraging strategies to be enacted in a timely manner. The ‘pregnancy period’ is the crucial time to implement leveraging strategies for an event, i.e. in the build up to the event (Weed, 2008). This pregnancy period is easy to identify as events have fixed beginnings and ends. The recent changes to the bidding procedure remove the seven-year gap between the host election and the event. As such, it is difficult to know the optimal time to enact a leveraging strategy. However, the differing fortunes of TO-Bid’s two leveraging bodies suggest that, while the strategic objective may ultimately be attained after the bid, the opportunities to achieve the means are lost once the bid ends (as seen in Figure 1). Enacting a leveraging strategy after the completion of a bid may suggest a lack of planning, supporting Smith’s (2014) assertion that leveraging plans are often only included once it is apparent that original promises would not be upheld. TSC was likely formed as a response to
former IOC president Juan A. Samaranch’s comments following the bid, that Toronto ‘was not an exemplary Olympic city’ and ‘that local facilities were crummy’ (TO01, 2017).

For a legitimate bid, the timing of the bid decision is a potential further opportunity. TO-Bid’s ‘Celebrate 08’ event attracted 15,000 people to watch the IOC vote on big screens in Toronto city centre (Toronto City Council, 2002). As a bid team member mentioned, the build-up to the decision can create positive feelings: “It was a very positive rallying point for the city… there was an energy, a very positive energy” (TO06, 2017). However, the timing of TSC’s formation meant that it could not capitalize on this energy. Each interviewee was asked how the city remembers the bid; all indicated that if remembered at all, it is with negative connotations. Oliver (2011) found that Torontonians were embarrassed after the bid and so this was unlikely a positive environment in which to introduce a new policy. The opportunity to exploit positive feelings is still feasible with the IOC’s reformed bid process; while there is no longer a fixed date for a bid decision, the host is still elected at an IOC session (IOC, 2019).

The second crucial factor is that the successful leveraging strategies supported plans that were already in place. The plans for developing the waterfront in Toronto were long-established, but catalyzed by the bid. Similarly, CT-Bid supported the MSDF policy, introduced in Cape Town in 1996. One interviewee succinctly said, “if a city puts in a bid, it must be aligned to local government plans” (CT05).

Plans that support national strategies gain further traction. For example, a respondent working for Toronto City Council said that the funding needed to develop the waterfront aligned with federal government policy at the time:

The timing of this was consistent with the idea that, ‘If we’re going to fund programs, whether they be waterfront redevelopments or something else… we only want to do it one time, and we want to be done… we don’t want this
coming off the ledger 15 or 20 years from now because we made some commitment’. I think it played to the politics of austerity in the late 1990s, that had a hard cap on what their contributions were deemed to be. (TO14, 2017)

CT-Bid similarly aligned with the policies of the new South African government. The African National Congress (ANC), elected in 1994, viewed sport as a way of uniting disparate groups. In 1993 the National Sport Congress noted that it was the responsibility of the government to ‘finance and provide facilities and services’ (National Sports Congress, 1993). An Olympic bid could support two opposed communities: demonstrating to the elite that South Africa would be a player on the global stage, while the priority projects specifically targeted the previously disadvantaged (CT11, 2017). It is clear to see how CT-Bid’s plans played into a national strategy.

Conversely, TSC was not part of a national plan. As noted, Juan A. Samaranch had criticized the sport facilities in the city. A TO-Bid board member, who later worked for the 2015 Pan-Am Games in Toronto, said that sport was not part of the national strategy: ‘I wish I could tell you that there is a wider strategy… No, I don’t think there’s a sport plan’ (TO12, 2017), and went on to suggest that national sport policy was more reactive than proactive.

Despite the successful leveraging strategies being based on national government policies, securing the funding relied on the bid being legitimate. The threat of potentially losing encouraged the South African and Canadian governments to invest in the bids. Neither national government appeared to view the bid itself as being sufficient to boost the profile of the nation on a global scale, suggesting a bid needs to be legitimate in order to secure funding.
Further, neither Toronto nor Cape Town were favourites to be elected host, increasing the threat of the bid not being successful. Indeed, respondents from TO-Bid suggested that government funding came as a direct response to the levels of spending by the Chinese government (TO10, 2017). Had Beijing not bid for the 2008 Olympic Games, and Toronto was instead the favourite to host, it is unlikely that the Canadian government would have invested a similar amount. Thus, in order to secure funding, a bid should be legitimate and have a credible rival, i.e. it should be a competing bid.

The final consideration to be made is the opportunity cost of such endeavours. The financial cost is a key criticism of mega-events, especially spending on infrastructure that is ultimately underused (Baade and Matheson, 2016). The examples provided from Toronto and Cape Town demonstrate that this need not be the case during a bid; cities were able to focus on investing in areas requiring development. However, the nature of an Olympic bid may result in focus being drawn away from a city’s needs, and towards being successful in the bid process. One respondent discussed this tension:

   Of course, the objective is to win the rights to host the games, but it should also be a win in terms of skills development, in terms of infrastructure development, so if the bid fails, the city and sport should be in a better place… that opportunity was taken over by other objectives. We deliver for the international market and international agenda, at the cost of sitting down slowly, carefully working through those things. (CT03, 2016).

There is a further tension apparent in these findings. In both cases, it was evident that the Olympic bid was used to manipulate funding from the national government. It is not clear whether these funds were at the expense of other geographic regions or sectors (TO05, 2017;
TO08, 2017). Questions of opportunity costs arise in all cases where investment is secured from the government.

Conclusions

Using Toronto’s and Cape Town’s bids for the Olympic Games, this research has identified three opportunities for leverage: the acceleration effect, taking stock and national support. These three opportunities can be levered through securing government investment and the creation of a leveraging body. Despite the contexts in which TO-Bid and CT-Bid were operating, the key strategy for both bid teams was to use the profile of an Olympic bid, together with impending deadlines during the bid process to secure previously inaccessible central government funding. This aligns with the work of Oliver (2011) and Bason and Grix (2018) who previously noted that Olympic bids are used to access national funds. These findings demonstrate that in the bid phase, political support needs to be in place before financial support can be sought. This differs slightly from Preuss’s (2015) finding that, for hosts, the political and financial support can be achieved together. This difference is likely a result of the uncertainty during the bid phase, as it is not guaranteed that politicians will support a bid (Alberts, 2009) and so support needs to be garnered before finances are forthcoming.

There are further considerations for successful strategies. First, the tactics for accessing funding relied on the possibility that the bid will be unsuccessful. A bid that is not focused on winning is unlikely to lever similar funding. In light of the IOC’s new plans to work with bidders, this is a crucial finding. The bids of the early 21st century saw a large number of bidders, but a large proportion of unlikely hosts. For example, of 59 bids from 1992-2020, Maennig and Vierhaus (2016) ascribe an ‘estimated probability of hosting’ of less than 2% to 43. The findings of the present study suggest that only cities who legitimately wish to host can enact
the three leveraging strategies put forward. Therefore, the IOC should ensure that the new targeted discussions with bidders include consideration regarding the impact of an unsuccessful bid.

Second, the plans aligned with both local and national strategies. Interviewees from both cases indicated that this funding would not be accessible had the plans not been in the national government’s interest. This supports the findings of Lauermann (2016), who argued that an Olympic bid could access new sources of finance. However, this is taken further through the finding that in order to secure the funding, a) the bid should be competitive, and b) the plans align with national government plans.

Finally, those strategies which were successful were enacted during the ‘pregnancy period’ of the bid, i.e. during the bid process. While the pregnancy period is crucial in leveraging events (Weed, 2008), it has not previously been considered during the bid phase. These findings indicate that the timing of implementing the strategies is crucial. Even if the ultimate strategic objective is achieved after the bid, the leveraging strategies should start during the bid period (Figure 1). While the recent IOC reforms mean that the optimal timing to enact a leveraging strategy is not clear, leveraging strategies enacted after a bid is lost are unlikely to be successful.

The ultimate strategic objectives of both cases were similar, seeking to develop urban and sporting infrastructure. However, as Chalip (2004) points out, the success of the strategic objective itself is not so critical when considering leveraging strategies. There is little reason to believe that urban and sporting development are the only strategic objectives that could be achieved. Preuss (2019) identifies six different ‘consequences’ of hosting mega-events. Not all consequences have been considered in the context of levering a bid, but there is little reason to believe that any could not be achieved.
Further, the leveraging strategies themselves may not apply to all cities and nations. National contexts may mean that cities are unable to secure government funding. While bringing together national, federal and local levels of government was crucial for the success of Brazil’s Olympic bid (Grix, Brannagan and Lee, 2019), US cities, for example, are responsible for bearing the costs of an Olympic bid themselves (van Dijk & Weitkamp, 2014). Similarly, the decision by centralized states such as Qatar or China to bid will come from the national government, rather than an individual city. It is unlikely that cities in either of these states could employ similar strategies to that of Cape Town and Toronto. Therefore, regime types must be considered in future analyses of event bidding.

The two case studies in this research took place before the changes to the Olympic bid process, potentially raising questions to their relevance. While the precise impact of the reforms are, at the time of writing, unknown, there is little reason to believe that these findings could not still apply to the new bid process, as the crucial opportunities are still present. A city wishing to host the Olympic Games still needs to take stock of their current situation, and an expedited bid process may concentrate the national support and hasten the acceleration effect. Thus, as long as a city wishes to host an Olympic Games, and there is an element of competition within the bid process (this could even be during the dialogue stage, as cities compete for selection as a preferred host), the same opportunities for leverage may still transpire.

Limitations and future research

A limitation of the data collection is the time elapsed since the bids. It is over two decades since Cape Town submitted its bid, and 18 years since Toronto’s submission. Given that the data collection involved the interviewing of stakeholders, this caused apparent issues. Many stakeholders moved on to other jobs or retired, and contact was not always possible. Further,
the data collected is reliant on the memories of those involved, which may have changed during the intervening years. Nearly two-thirds of all interviews took place with members of the respective bid teams. They are likely to be subjective and critical in their opinions of the bid, and not well-placed to evaluate the ultimate outcomes. To overcome these limitations, the findings were triangulated with 12 interviews of external stakeholders and a documentary analysis.

The primary limitation of the findings is that it only considered two cases, in similar bid processes. While Cape Town and Toronto are different in terms of economic status, both have federal governments. Given that in recent years, there has been a trend in centralized nations bidding for the Olympic Games (such as Doha, Beijing, Almaty), future research should consider whether these cities could achieve different leveraging outcomes, or whether national outcomes could be achieved. Similarly, this research focused on two cities who believed that they could win (both finished in the top-3 of the IOC vote). Future research could expand upon the nature of the bid cities considered and examine the extent to which ‘utilitarian’ bidders can leverage a sports mega-event bid, especially during the new bid processes.

This study focuses on bids for the Summer Olympic Games; and so future research should consider other contexts. A critical difference between bidding for an Olympic Games and FIFA World Cup is the geographic spread of the event. Future research into bids for the FIFA World Cup could study whether state bids can provide national outcomes, or be leveraged for localized outcomes in those regions hosting matches. Alternatively, the regional spread could result in a dilution of leveraging opportunities. Similarly, the prestige of the Olympic Games is likely to result in different opportunities in comparison to less prestigious city-based events such as the World Athletics Championships. Therefore, it is recommended that future research consider these events, which, given the smaller nature of the event, may result in a broader spectrum of cities considered.
In summary, this study has provided a new perspective on bidding for the Olympic Games, in providing empirical data regarding the levering of an Olympic bid to provide positive impacts. While the legacies of bids have previously been considered (Oliver 2011; Lauermann 2015; Leopkey et al., 2019), we believe this is the first paper to empirically study the strategies put in place to achieve the outcomes.

The results have indicated that for cities in federal states, an Olympic bid generates internal and external interest in the city, which is used to lever government funding that it would not otherwise be able to access. This investment is not guaranteed as the city needs to demonstrate that it is a legitimate bidder and that the plans align with national strategies. Finally, an Olympic bid should seek to contribute to or catalyze already existing projects within the city, and enact these plans during the bid itself.
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