

The Olympic Games: Perennially Costly and Always Over Budget

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Global Research, July 29, 2024

Region: [Europe](#)

Theme: [History](#)

Another entertainingly corrupt sporting event has just started in Paris, opening with a barge packed ceremony on the Seine. Thousands of simpering commentators, paid-up media gawkers and bored influencers have been ready with their computers, phones and confected dreams. As always, the Olympics throws up the question about how far the host city has managed to come through on the issue of facilities, infrastructure and organisation. Few would have doubted that Paris has the facilities, but there was always going to be grumbling about the choice of opening, mode of execution and, most importantly, the cost both financial and social.

For the budget-minded types, the Olympics, and analogous monumental sporting events, continue to lose their appeal – along with the finances. The extortionate strain on the public wallet, the bleeding of funds from budgets, has made them most unattractive propositions for the hosts. To this can be added the disruptions to commerce, the occupation of valuable real estate along with environmental harm, the forceful displacement of residents, instances of gentrification and the redirecting of labour from vital infrastructure projects.

Even for the sports-crazed Australians, such events as the 2026 Commonwealth Games proved unappetising, with the state Victorian government cancelling the event in July 2023. The whole matter had been grossly irresponsible on the part of the Andrews government, given its initial praise of the games leading up to their re-election. The Victorian Auditor General was deeply unimpressed by the episode, [subsequently finding](#) that the cancellation had cost A\$589 million, comprising A\$150 million in terms of employee and operating costs and the A\$380 million settlement.

In March this year, there were media rumblings that Brisbane, the planned host city for the 2032 Olympics, was considering a similar response. The Queensland state government had sought advice about how much it would cost cancelling the entire effort and [received an estimate lying](#) anywhere between A\$500 million and A\$1 billion. A further \$3 billion in federal funding would have also been compromised. The fractious venture was set to continue.

With six months to go, Paris was awash with the logistical disruptions that come with such an event. Transit fares had increased. The bouquinistes with their book stalls along the Seine, a feature made permanent by Napoleon III in 1859, were threatened by the city's police with closure for the duration of the Games, a threat that President Emmanuel Macron eventually scotched. Public sector employees demanded pay increases and unions got busy planning strikes.



The night before the opening of the Games saw thousands of activists gather at the Place de la République, coordinated by the activist collective La Revers de la Médaille (the Other Side of the Medal). The event, featuring some 80 grassroots organisations, had been billed the “Counter-Opening Ceremony of the Olympics” and inspired by the statement “des Jeux, mai pour qui?” (“Games, but for whom?”)

Representing a broader coalition of groups, La Revers de la Médaille had [released a statement](#) in *Libération* prior to the gathering mocking official claims that Paris 2024 would leave a society more inclusive in its wake. This could hardly be reconciled with the eviction of some 12,500 vulnerable individuals as part of an effort described as “social cleansing”.

In their “Oxford Olympics Study 2024”, co-authors Alexander Budzier and Bent Flyvbjerg [conclude](#) that the Olympics “remain costly and continue to have large cost overruns, to a degree that threatens their viability.” All Games, “without exception”, run over budget. “For no other type of megaproject is this the case, not even the construction of nuclear power plants or the storage of nuclear waste.” For organisers of the event, the budget is an airy notion, “a fictitious minimum that was never sufficient” typical of the “Blank Check Syndrome”.

The authors acknowledge the efforts made by the International Olympic Committee (IOC) to reform the games through such efforts as Agenda 2020 and Agenda 2020+5 but find their overall efforts patchy and unsuccessful. Despite these programs, the cost of the Games were “statistically significantly increasing.” Admittedly, the instances of cost overruns had significantly decreased until 2008, after which the trend was reversed. The costs for Paris 2024, based on estimates available at the study’s publication, came to \$US8.7 billion, a cost overrun of 115% in real terms. “Cost overruns are the norm for the Games, past, present and future. The Iron Law applies: ‘Over budget, over and over again.’”

Such events are, however, always attractive to the political classes willing to find some placing in posterity’s shiny ranks. As the money they play with is almost never their own, expense is less significant than the pyrotechnics, the noisy show, the effort, the collective will that figures such as Albert Speer understood so well when planning the 1936 Berlin

Olympics. Give the public, and the sporting fraternity, flags, standards, pageantry. Let them perform in large stadia, on pitches, and in water. The world will soon forget the killjoys worried about money or weepy about the displaced.

It pays remembering those words of lamentation from US foreign correspondent William Shirer in his diary, [penned](#) on August 16, 1936:

“I’m afraid the Nazis have succeeded with their propaganda. First, the Nazis have run the Games on a lavish scale never before experienced, and this has appealed to the athletes. Second, the Nazis have put up a very good front for the general visitors, especially the big businessmen.”

Such a formula has, for the most part, worked for decades, despite the odd hiccup of dissent and forensic critiques of the Blank Check Syndrome. Be they despotic, authoritarian or democratically elected, if corrupt representatives, this is a show that is bound to go on with profligate persistence.

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