

Abstract

This paper discusses reasons why politicians still favor hosting mega events despite the discouraging evidence regarding their financial benefits: (1) early political enthusiasm, (2) tying side-projects to the bid to raise political support, (3) biased reading of history, (4) the winners curse, (5) redistribution and lobbying, (6) a media bias in favor of hosting and (7) boosting happiness and pride of residents. Bringing happiness to the people might be a valid reason for hosting a mega event, however, economists are yet insufficiently capable of capturing this effect. Moreover, alternative explanations for political support cannot be deemed invalid ex ante.