

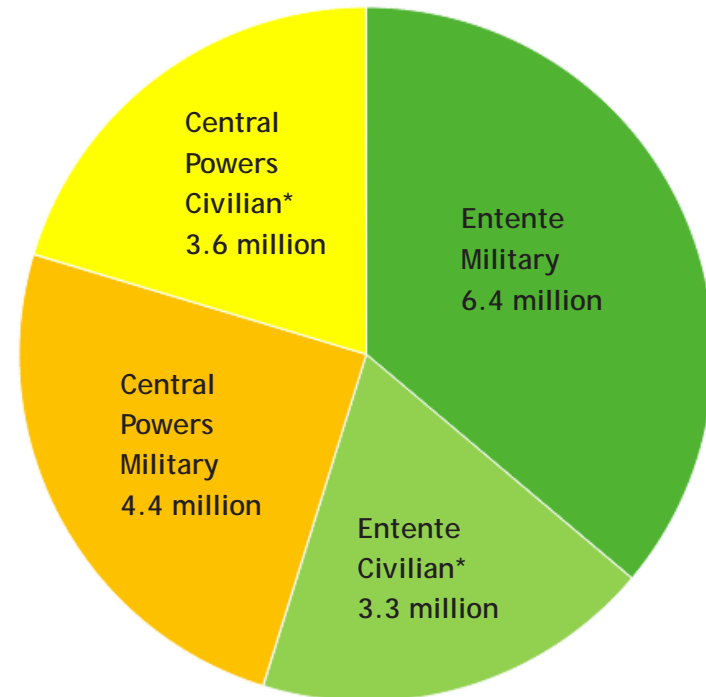


The High Cost of National Pride:
From Wars to World Cups

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World War I Deaths



*Includes Spanish Influenza and Famine

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National Pride and Wars

In the pre-nuclear age the predominant expression of national pride were the wars fought between countries. I do not think that it is an exaggeration to state that every single war between countries in the history of the human race had national pride as an essential ingredient, if not the predominant source. And as far as civil wars go, regional pride has certainly been an essential ingredient in every case.

The upside of national pride is that it inspires citizens to make a better country. The downside of national pride is that, time and again, it has been easily channeled into a justification for war. Assume I do not need to spend any time detailing the stupidity and high costs of war.

(See the pie chart on page 1)

National Pride and Hosting the World Cup

Since nuclear weapons made wars unfashionable nation-states have been forced to explore other avenues to display their national pride. High on the list of national pride PR ventures are hosting the Olympics and the World Cup. And as the cost of hosting these events has exploded higher, the claim that such events boost the national economy rings more and more hollow. On the contrary, the amount of money spent on hosting one of these events has itself become an expression of national pride. These days, evidently, the more money a country spends on hosting an Olympics or a World Cup, the greater the prestige.

Home Field Advantage? Not

It is ludicrous to have any expectation that where an Olympic event is held will influence the medal count. To my knowledge no country has ever argued that hosting an Olympic event would improve their medal count. However many in Brazil had argued that Brazil had a better chance of winning the World Cup at home. Those making that argument evidently never bothered to check the history.

The first FIFA World Cup was 1930 in Uruguay. From 1930 to 2010 there have been 19 World Cup events. The host country won the World Cup on six occasions. They were 1930 in Uruguay, 1934 in Italy, 1966 in England, 1974 in West Germany, 1978 in Argentina, and 1998 in France.

So the host country has won the World Cup 31.5% of the time. Of those countries that have won the World Cup at home only three have *only* been able to win the World Cup at home. Those countries are Uruguay, England, and France. And of these three countries only England has ever made it to the finals only at home. Coming into this year Brazil had taken the World Cup five times - always away. The only other time Brazil hosted they lost. So it is not as if Brazil could only win again at home.

I think we can conclude that those arguing a home pitch advantage for the World Cup must have an ulterior motive - very likely an opportunity to bolster national pride.



Hosting is Revealing

There can be an economic benefit to hosting the World Cup. That was especially evident in the 2006 World Cup hosted by Germany. That event turned out to be an economic bonanza for Germany. And Germany could well afford the up-front building and infrastructure costs. There was no economic windfall for South Africa in 2010 and this 2014 event in Brazil has done nothing to bolster national pride. It has however done a great deal to highlight the high levels of corruption in Brazil.

Stadium costs overran initial estimate by 75%, no small amount for a poor country like Brazil. These cost overruns forced the cancellation of many general infrastructure projects that were supposed to have longer term economic benefits. In fact Brazil ended up with only half of the planner longer term infrastructure improvements, but all of the costs.

The sharp contrasts between the 2006 and 2014 World Cup events reveals very different national character traits. The end result was that Germany's status was elevated while I think we can already conclude that Brazil's was not. Both the 2014 World Cup and the Sochi Olympics highlighted how firmly grounded in corruption are the economic activity of Brazil and Russia. So before a country launches a campaign to host an Olympics or a World Cup, they should ask themselves whether the end result will bolster national pride or tarnish it. A national character is not changed by hosting a World Cup event. National character traits are revealed by hosting such an event.

Addendum: My World Cup Forecasts

Since we have been talking about the World Cup I should probably add my own forecasts for this 2014 event. Better late than never?

On 12 June 2014 when Sal sent out his Part I forecasts I gave my forecasts to Sal, a few friends, and any clients that asked. Because I only had two forecasts it was not nearly enough material for a separate report.

My 2014 forecasts:

1. Neymar gets injured
2. Germany beats Netherlands in the final in extra time

I was regrettably correct about Neymar. For my forecast to stay on track the Netherlands must best Argentina this afternoon.