

Paris 2024 Olympics: Diplomacy and Economic Prospects for France

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Abstract

France is one of the great countries present in this world. The rapid progress that this country has itself is not without reason, reflecting on the historical record of how this country was able to influence the world through strong hegemony since hundreds of years ago and supported by stable politics and economy and the magnitude of France's role in the world makes the country quite respected. The development of an increasingly modern world has an impact on the massive development of science and technology as well, without exception to world politics, especially specifically with state diplomacy. The method used by the state to spread its wings of influence to the international world or commonly known as diplomacy has also experienced increasingly significant developments by presenting several other life-supporting elements that can be used as tools for the state to spread their wings of influence. One type of diplomacy that has massively occurred lately is sports diplomacy, as for what is meant by sports diplomacy here is the use of sports both techniques and sports events as a diplomatic tool to influence the world. This research itself applies the method of literature study and descriptive analysis aimed at examining how France's influence in using the Paris 2024 Olympics event as a tool of their sports diplomacy and the impact that comes from the international sporting event.

Keywords: **Paris Olympics, Sport Diplomacy, France, Economy**

1. INTRODUCTION

France is a country categorized as a developed country located on the European Continent. Reflecting on the economic system and progressiveness of the progress that is present there, this country has a strong foundation in various sectors such as industry, services, and agriculture. The country itself implements a mixed market economic system that combines government intervention efforts and alignment with free market mechanisms for the prospect of progress in various sectors. France as a country has a fairly good image and is quite respected in this world, this is certainly based on the path of history as one of the world's ruling countries in medieval times and has a fairly large colony area throughout the world and

the latest conditions place France as a member of the European Union and G7 which further strengthens their position in international relations. This strong historical record is certainly proof of how much influence France has brought to all parts of the world and is a strong foundation that places France as one of the largest countries in the global economy today. The country itself has a relatively stable GDP growth of 0.1-0.4 during Q1-Q3 for the period of 2024 (Trading Economics, 2025).

The status quo condition places France as a country with promising economic prospects and politics that tend to be stable, which makes this country one of the world's model countries for progress. The life of the French local community itself can be said to be prosperous with a fairly stable income and supported by an infrastructure that continues to develop. All forms of progress and prospects that this country has put France has a good image in the eyes of the international community. The country itself has many qualified multinational companies in various fields such as fashion, automotive, energy, and other groups of luxury goods that have spread throughout the world and have a large market of course. Another economic strength that sustains the French economy is tourism, with beautiful cityscapes and other beautiful natural scenery putting the country in the first position as the most visited country during 2024 where it recorded 102 million incoming tourists (UNWTO, 2024).

In the current era, the spread of influence through diplomacy has developed massively, this condition puts each country has its own diplomatic tools as a form of excellence to gain their national interests. One type of diplomacy that is present in the current era is "sport diplomacy" or commonly known as sports diplomacy. In action, this diplomacy places sports in both technical and sporting events as a tool to expand their influence to the international eye.

In 2024 France successfully held the Paris 2024 Olympics, which is the largest international standard sporting event in the world. Long before this event exists, France itself has made all kinds of preparations to welcome all the world's best athletes and coaches as well as thousands of international media to attend and be part of this four-year event. The presence of this big event must certainly be utilized by France as well as possible to show their charm to the whole world, and of course through the Paris 2024 Olympics France can use the existing sports diplomacy as well as possible and will provide great benefits in the end.

As the world's biggest sporting event and the glittering series of events hosted by France, this research will focus on how France can utilize the momentum of the Paris 2024 Olympics as a 'tool' to launch their sports diplomacy efforts and how the Paris 2024 Olympics impacts the economic prospects of the French State during and after this event, which is important to be examined in more depth.

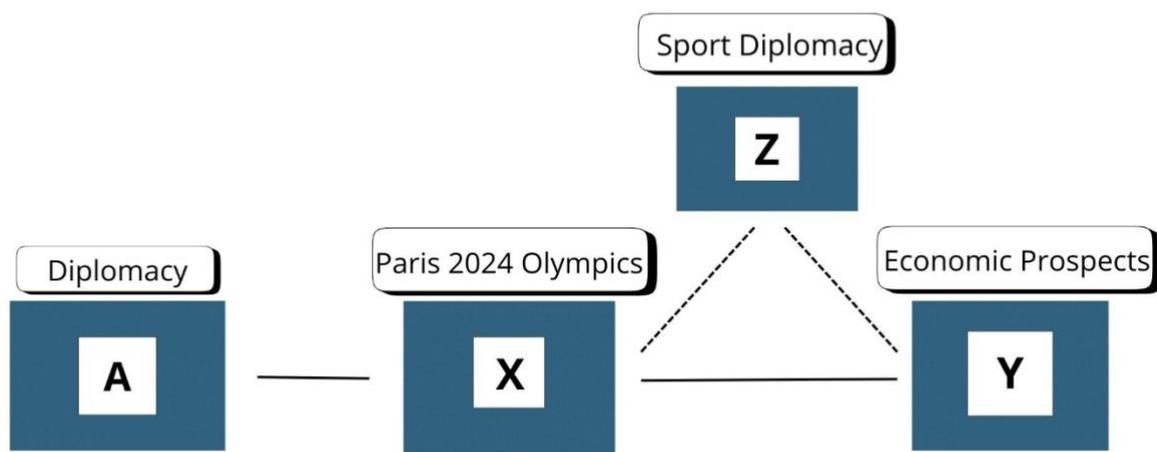
2. ANALITICAL FRAMEWORK

One of the main considerations in understanding the Paris 2024 Olympics is how the event serves not only as a global sports competition, but also as a strategic tool to boost France's image and global influence. In recent years, mega-sporting events have increasingly become part of statecraft, especially through the use of *sport diplomacy*. This concept allows nations to promote soft power, strengthen international ties, and shape perceptions through the universal language of sports. France, aware of the power of this narrative, uses the Olympics to highlight its commitment to inclusivity, innovation, and peace.

However, the Olympics are not solely about diplomacy. The economic prospects linked to the event are also substantial. Host countries often aim to use the Olympics as a catalyst for economic development, expecting benefits in sectors such as tourism, infrastructure, job creation, and international investment. Paris 2024 is no exception. The French government has laid out ambitious plans for sustainable infrastructure, economic regeneration in certain

areas, and long-term national branding. Nevertheless, these outcomes are not automatically achieved; they require effective coordination between public diplomacy strategies and economic planning.

This research considers *sport diplomacy* as a mediating variable between the Paris 2024 Olympics and the desired outcomes in diplomacy and economic performance. The Olympics (X) are assumed to influence both diplomacy (A) and economic prospects (Y), while sport diplomacy (Z) acts as the connecting mechanism that translates sporting success and international attention into real diplomatic and economic gains. Based on this explanation, the core problem identified in this study is: **“How does the Paris 2024 Olympics affect France’s diplomacy and economic prospects through the lens of sport diplomacy?”**



Stuart Murray in his book entitled "Sport Diplomacy: Origins, Theory, and Practice" explains that Sport Diplomacy is the strategic use of sport as a tool used to achieve diplomatic goals. Sports Diplomacy itself is a branch of public diplomacy that emphasizes the potential that can be presented through sports (events, athletes, and related matters) as a diplomatic tool used by an actor (state) in achieving goals such as: image and reputation, development, and influence. In other works, Sports Diplomacy is divided into two major parts, namely: Traditional Sports Diplomacy which focuses on the use of typical traditional sports as a formal diplomacy tool by countries such as Karate in Japan to Pencak Silat from Indonesia, and Sports Diplomacy 2.0 which focuses on the pursuit of international cooperation and the spread of influence through a series of international standard sporting events (Stuart Murray, 2018).

One of the ways that a country can use sports as a diplomatic tool is the voluntary efforts made by a country to host international standard sporting events in an effort to attract the sympathy of the world community and of course will have an impact on all forms of benefits that can be obtained through the implications of this Sports Diplomacy 2.0. As an example of the country's efforts to host the Olympics, the Olympics itself is the world's largest sporting event held every four years which brings together thousands of athletes and coaches in it who come from different sports to compete in the same country or region. Through this Olympics, the host country certainly has a huge advantage and is expected to be able to utilize this momentum as a tool to improve the image and reputation of the country, as a bridge between cultures throughout the international community through interaction and understanding that is

present, to become a tool for building relationships between the host country and other countries through dialogue and events presented (Costas M. Constantinou, Pauline Kerr, Paul Sharp, 2016).

3. RESEARCH METHOD

This research uses a qualitative approach with a descriptive-analytical method through library research. This approach was chosen because it is suitable for understanding the complex and multidimensional phenomenon of sports diplomacy, and emphasises the exploration of meaning, interpretation and contextual understanding from various available literature sources. Literature study provides flexibility in searching, evaluating and synthesising data sourced from scholarly works and official documents, allowing researchers to build a strong analytical framework based on conceptual and empirical studies. As explained by Zed (2003), literature study includes systematic activities in collecting, reading, recording, and processing information from various types of literature relevant to the topic under study. Similarly, Sarwono (2006) and Nazir (2003) explain that literature study is a data collection technique that relies on written sources, such as books, journals, scientific notes, and research reports that are directly related to the research issue. Sugiyono (2012) adds that literature study includes a study of basic theories, scientific references, and documents that contain social and cultural values that can enrich the analysis of the phenomenon under study.

In the context of this research, the data used is sourced from secondary literature, whether in the form of academic books, scientific journals, institutional reports, or credible media publications. Academic books such as Murray's (2018) were used to understand the concept of sports diplomacy and how states use it as a soft power tool in the international arena. Scholarly journals written by Constantinou, Kerr and Sharp (2016) provide theoretical and empirical understanding of the relationship between foreign policy and international sporting events. Official reports from the French government and the International Olympic Committee (IOC) were utilised to obtain factual data regarding the strategies and policies implemented in organising the Paris 2024 Olympic Games. In addition, documents from international institutions such as UNESCO and OECD (2021) were used to examine the economic, social and cultural aspects of sports diplomacy globally. Not only limited to academic and institutional sources, news articles and analyses from trusted media are also complementary in looking at the latest developments, policy dynamics, and public perceptions of the implementation of the Olympics.

Data collection techniques involved searching and selecting relevant literature through digital library catalogues, online scientific journals, and databases of government institutions and international organisations. Data selection criteria included thematic relevance, source credibility and information currency. Documentation of the content of the sources was carried out systematically, with the recording of key data, direct quotations, and the identification of key themes relating to sports diplomacy, French foreign policy, and the economic implications of organising international sporting events. This process was followed by organising the data based on the focus of the study to facilitate the analysis stage.

Data analysis was conducted descriptively-analytically with a thematic approach. The first step in this process is data reduction, which is sorting out the most relevant information from various sources to avoid excess data that does not support the research focus. The next stage is the presentation of data in the form of structured narrative descriptions based on key themes, such as France's sports diplomacy strategy, the role of the Olympics as an instrument of foreign policy, and its impact on international image and the national economy. Finally, conclusions are drawn to formulate the main findings that can answer the problem formulation and support the research argument. This analysis not only describes the facts, but also critically

evaluates the role and effectiveness of the Olympic Games as part of France's foreign policy strategy.

The research approach did not involve interviews or direct observation of policy actors, government officials, or Olympic organisers. This makes the research rely entirely on secondary sources, which although rich in information, still have limitations in describing policy dynamics in depth and actuality. Secondly, the limited scope is also a concern, as the research focus is only limited to the Paris 2024 Olympics as a single case study. The context of French sports diplomacy in other events, both regional and global, is not comprehensively analysed. Third, another methodological limitation lies in the reliance on the quality and availability of literature sources. Some potential documents are not openly available or have language limitations, which may affect the completeness of the information obtained. Fourth, due to its descriptive and literature-based nature, this study is not designed to quantitatively measure the economic impact of the Olympic Games, but rather only presents interpretations based on available secondary data.

With the methodology applied, this research is expected to provide an in-depth and comprehensive understanding of France's sports diplomacy strategy through the Paris 2024 Olympics, as well as its implications for the country's position in the international system and domestic economic dynamics. The systematic literature search, thematic analysis, and integrated methodological structure are the main strengths in supporting the validity of the findings, although it still needs to be accompanied by an awareness of the limitations and room for improvement in future studies.

4. RESULT AND DISCUSSION

A. The Paris 2024 Olympic Games as a Sports Diplomacy Tool

As an international standard sporting event, the Paris 2024 Olympics through its implementation is a tangible form of the presence of sports diplomacy used by France to spread its wings of influence in the international world, this quadrennial event itself is the largest sporting event in the world in modern times which was first present in 1896 and still exists today. The Olympics itself includes all types of registered sports in the world and is competed in cities / countries in turn. The process of appointing the host of this event is fairly complicated, how each city and country representative who feels ready can submit a voluntary host proposal to the International Olympic Committee (IOC) as the highest institution overseeing the Olympics and continued with a fairly rigorous selection process with the presence of field inspections to the city of the proposal until the final consensus as the final result.

Sports Diplomacy itself is a part of diplomacy where in its application actors will focus on the strategic use of sports as a tool used to achieve diplomatic goals (state image and reputation, development, and influence) (Stuart Murray, 2018). In this case, the Paris 2024 Olympics became a diplomatic tool used to strengthen France's national image to international eyes. As the host of the Olympics, France can certainly show its achievements in various sectors such as: infrastructure, progress or modernity, to the professionalism they can present. Apart from that, the Olympics is also a great opportunity that France can take to showcase: its culture, history, and uniqueness to all athletes, coaches, media, and visiting tourists.

In outline it can be seen how the Paris 2024 Olympics is present not only as an international sporting event, but also present as a form of implication of sports diplomacy that can be utilized by the host country to expand their influence to international eyes and of course to realize the national interests that have been planned. By prioritizing the values

of peace and cooperation, sports can certainly serve as a tool of unity for all countries in the world.

In addition to acting as an instrument of sports diplomacy, the Paris 2024 Olympics also has a multidimensional impact covering the economic, technological and social sectors. From an economic perspective, the event is projected to provide a significant stimulus to the economy in various sectors such as: industry, tourism, hospitality, culinary, and transportation; which directly contributes to the growth of the national Gross Domestic Product (GDP) as well as the creation of new jobs in related sectors of course (Preuss, 2019). In addition as part of its long-term development strategy, France used this opportunity to introduce technological innovations, such as: the application of renewable energy, sustainable transportation systems, and smart infrastructure that support the green development agenda and digital transformation (Grix & Houlihan, 2014). The organization of the Olympics also reflects the strengthening of France's soft power in the international arena, where through this event France as a country will gain massive global exposure to its culture, national values, and technological capabilities, further strengthening the country's position as a major actor in global dynamics (Nye, 2004).

Furthermore, the Paris 2024 Olympics also serves as a strategic arena for France to deepen international cooperation in various domains through both bilateral and multilateral diplomacy mechanisms. With the involvement of more than 200 countries, this event provides a platform for actors to negotiate and strengthen relations between countries, not only in sports but also in economic, security, and socio-cultural aspects (Cha, 2009). Synergies between governments, the private sector, and the global sports community are expected to accelerate the implementation of international cooperation policies including in terms of technological innovation and sustainability. In addition to global benefits, the French people also benefit from the Olympic Games, both in the form of direct involvement as volunteers, increased sense of nationality, and participation in various social initiatives integrated in the Olympic program (Toohey & Taylor, 2009). Therefore, the Paris 2024 Olympic Games not only represent a sporting competition, but also serve as a strategic instrument that supports France's national goals in economic, political, and social dimensions.

B. France's Economic Condition Ahead of the Paris 2024 Olympics: An Analysis of Economic Growth, Inflation, and Unemployment Rate in Historical Perspective

The organization of the Paris 2024 Olympics is an important moment for the French economy, both in the short and long term. History shows that large-scale international sporting events, such as the Olympics or the World Cup, often have an impact on various aspects of a country's economy, including economic growth, inflation and employment. In the context of France which is one of the largest economies in the world, the organization of the Paris 2024 Olympics provides both opportunities and challenges in an effort to maintain economic stability amid global uncertainty. To gain a deeper understanding, it is essential to analyze the key economic indicators of the Paris 2024 Olympics in comparison to the economic impact of previous major events, such as the 1998 FIFA World Cup.

1). Economic Growth: Momentum and Structural Challenges

Economic growth is one of the key indicators in assessing the impact of a major event on a country's economy. According to an official report from the Institut National de la Statistique et des Études Économiques (INSEE), the French economy in the third quarter of 2024 increased by 0.4% compared to the previous quarter, reflecting the positive impact of the Olympic Games preparation and execution on the domestic economic sector. In comparison, economic growth in the second quarter amounted to just 0.2%, suggesting that the Games provided a temporary boost to economic activity. However, if the Olympics are not taken into account, growth projections only range from

0.1% to 0.2%, reflecting the structural challenges still looming over the French economy.

On an annualized basis, France's economic growth is projected to be around 1.1% in 2024, slightly lower than the EU average. The main factors influencing this growth rate are increased infrastructure spending ahead of the Olympics, a surge in the number of tourists, as well as increased investment in the hospitality, transportation, and services sectors. However, this positive impact is potentially temporary, given that France's economic fundamentals still face a number of challenges, such as slowing industrial productivity and pressure from the economic crisis in Europe due to global geopolitical tensions.

2). Inflation Stability in the Global Context and its Impact on the Domestic Economy

In terms of inflation, the French economy is showing relative stability in the run-up to the Paris 2024 Olympics. Although the specific data on inflation rates for the period show modest differences, historical trends show that countries hosting major events such as the Olympics or World Cup generally experience a surge in the prices of goods and services, especially in sectors directly related to tourism activities and domestic consumption. However, in the case of France the monetary policy adopted by the European Central Bank (ECB) seems to have curbed a more drastic spike in inflation.

Some of the factors keeping inflation stable in France include better control of energy prices compared to previous years as well as the government's more prudent fiscal policy in managing state spending ahead of the Olympics. However, there is a risk of inflation in certain sectors such as accommodation and transportation being affected due to increased demand during the event. Therefore, post-Olympic price stability is one of the main challenges for the French economy, especially if there is a contraction in domestic consumption after the event.

3). Dynamics of the Unemployment Rate and its Implications for the Labor Market

The labor market in France is experiencing fluctuations ahead of the Paris 2024 Olympics. In the fourth quarter of 2024, the unemployment rate stood at 7.3%, a slight decrease from 7.4% in the previous quarter. This decline was largely due to job creation in the construction, hospitality, and transportation services sectors driven by the preparation and execution of the Olympics. However, on closer examination this decline was temporary and did not reflect structural improvements in the labor market (INSEE, 2024).

One of the main challenges France faces in terms of employment is high youth unemployment, which has historically been a problem for the country. While the Olympics contributed to creating short-term employment opportunities, there is no guarantee that these jobs will continue after the event ends. Therefore, the long-term impact of the Olympics on the labor market still requires further evaluation, especially in terms of government policies in supporting sustainable industries after the event.

4). Comparison with the 1998 World Cup: Lessons from History

The 1998 FIFA World Cup held in France provides a useful illustration in assessing the economic impact of major sporting events. At that time, the French economy experienced solid growth, with annual growth rates reaching around 3.5% (Baade & Matheson, 2004). The World Cup provided a significant boost to the tourism sector and domestic consumption, which contributed to the increase in GDP. However, these effects were mostly short-term, and there was no significant long-term surge in investment due to the event.

The main difference between the 1998 World Cup and the Paris 2024 Olympic Games lies in the scale of infrastructure investment. In 1998, infrastructure investments directly related to the tournament were not as large as those in the run-up to the 2024 Olympics, given that the World Cup focused only on soccer while the Olympics covered dozens of sports. In addition, the global economic context was more favorable for France back then, with stronger financial market stability compared to the current economic conditions still affected by geopolitical uncertainty and the energy crisis in Europe.

Thus, while the 2024 Olympics may have a positive economic impact, the long-term effects still need to be evaluated in more depth, especially in terms of the sustainability of economic growth after the event ends.

C. Financing and Financial Risk Analysis of the Paris 2024 Olympic Games: Funding Strategies and Economic Implications for France

The organization of the Paris 2024 Olympic Games is a major project that requires careful financial planning and an effective funding strategy to ensure that costs are kept under control and do not burden the national economy in the long run. In the history of organizing modern Olympic Games, the main challenges often faced by host countries include: how to manage the budget to stay within the planned limits, avoid the risk of cost overruns, and reduce the possibility of increasing national debt due to poorly managed investments. Given the complexity of hosting this event, it is important to analyze two main aspects related to the financing and financial risks of the Paris 2024 Olympic Games, namely the funding strategy and the risk of cost overruns and their implications on France's financial condition.

1). Budget and Funding Strategy: Financing Models Based on Public-Private Partnerships

The French government and the organizing committee of the Paris 2024 Olympics have designed a financing model that emphasizes fiscal efficiency and reduces dependence on the state budget. Unlike some previous Olympics that experienced a large surge in costs, the Paris 2024 committee targets that the total cost of organizing remains within a controlled range. The official report from the International Olympic Committee (IOC) states that the total budget allocated for the Paris 2024 Olympics is €8.3 billion (US\$8.7 billion), making it one of the lower-budget Olympics compared to previous editions, such as the Tokyo 2020 and Rio de Janeiro 2016 Olympics, which each experienced cost overruns of more than double the initial estimate (Budzier & Flyvbjerg, 2024).

In an effort to keep costs down, the funding strategy for the Paris 2024 Olympic Games focuses more on private sector financing with more than 96% of the budget coming from non-governmental sources. The IOC itself contributed to the funding by providing €4.38 billion (\$4.66 billion), most of which came from television rights and global sponsorships. Broadcast rights accounted for around €750 million, while revenue from sponsors under The Olympic Partner (TOP) Program reached €470 million (Le Monde, 2024). In addition, a large part of the funds are also derived from ticket sales and exclusive product licenses related to the Olympic Games.

The French government has also adopted an efficiency strategy in infrastructure development by utilizing as many existing facilities as possible to avoid unnecessary expenditure and focusing on revitalizing related infrastructure for rejuvenation. The "Sustainable Olympics" concept implemented in the 2024 edition aims to optimize the utilization of existing stadiums and sports facilities, thereby reducing the need to build

new venues that have often been the main cause of budget spikes in previous Olympic Games.

In addition, France also implemented a Public-Private Partnership (PPP) scheme in the construction of several key projects, including improvements to the transportation network and the construction of the Olympic Village. This scheme allows the private sector to participate in long-term investments in exchange for the right to operate the facilities after the Olympics, thus reducing the direct burden on the state budget (OECD, 2024).

2). Risk of Cost Overruns and Increased Sovereign Debt: Financial Challenges Facing France

Despite a rigorous efficiency strategy, the risk of cost overruns remains a major challenge in organizing the Paris 2024 Olympic Games. History shows that almost all Olympic Games have experienced significant cost overruns compared to initial estimates. For example, the Rio de Janeiro 2016 Olympics experienced a cost increase of more than 352% from its initial budget, while the London 2012 Olympics experienced a 76% overrun (Budzier & Flyvbjerg, 2024).

One of the main factors that could lead to cost overruns in the organization of the Paris 2024 Olympic Games is global inflation and rising prices of construction raw materials. Given the lingering impact of the COVID-19 pandemic and the geopolitical uncertainty caused by the war in Ukraine, this has led to a surge in construction material prices which has directly increased the cost of building the infrastructure required for the Games (Le Monde, 2024). If inflation is not properly controlled, the overall cost of the project could increase significantly, even exceeding the set budget.

In addition to inflation, another factor that can cause cost overruns is delays in infrastructure projects that can lead to additional operating costs. For example, a project to build a new metro line in Paris designed to improve accessibility during the Olympics encountered several technical and administrative obstacles, resulting in possible additional costs to the government if it is completed ahead of schedule.

In terms of the country's finances, an unexpected increase in the budget burden could result in an increase in the fiscal deficit and national debt. Although the French government has made efforts to reduce the involvement of public funds in the funding of the Olympics, there remains a risk that the country will have to spend additional funds to cover costs that exceed projections. If this happens, it could lead to an increase in public debt which in turn could potentially burden the national economy in the long run.

D. Economic Benefits of the Paris 2024 Olympics: Short-Term and Long-Term Impacts from an Economic Development Perspective

The organization of the Paris 2024 Olympic Games is one of the largest global sporting events that not only has implications for the sports sector, but also has a significant impact on various aspects of the economy both in the short and long term. As with other international sporting events, the Olympic Games are often a catalyst for increased investment, tourism growth and job creation. However, the economic impact is not only limited to the period of the event itself, but also continues in the long term through increased investment attraction, optimization of infrastructure that has been built, and multiplier effects that can encourage sustainable economic growth.

In a macroeconomic context, a country's success in utilizing the Olympics as an instrument of economic development depends largely on careful planning and sustainability of post-Olympic policies. Without a comprehensive strategy, the economic benefits generated from the event will only be temporary and not have a significant structural impact.

Therefore, it is important to assess the economic impact of the Paris 2024 Olympic Games holistically by distinguishing between economic benefits in the short and long term.

1. Short-Term Economic Benefits: Increased Economic Activity Through Domestic Investment and Consumption

In the short term, the organization of the Paris 2024 Olympics has boosted economic activity in various sectors; mainly through: increased infrastructure investment, a surge in tourist arrivals, and job creation. These short-term economic impacts are generally direct and can be measured through the increase in economic growth that occurs before and during the event.

- Infrastructure Investment and Urban Development

One of the most obvious benefits of the Olympics is the accelerated development of infrastructure. The French government has allocated a significant budget for the construction of stadiums, improvement of public transport systems, and modernization of urban facilities to meet the international standards set by the International Olympic Committee (IOC). These investments not only enhance Paris' competitiveness as a global city, but also create substantial short-term effects in the form of increased demand for labor in the construction and manufacturing sectors.

In a report released by *Le Monde* (2024), it was noted that major infrastructure projects built for the Olympics, such as: Village Olympique, new metro transportation lines, and improvements to public facilities have absorbed tens of thousands of workers from the planning stage to implementation. This suggests that in the short term, the Olympics have had a positive impact on the labor sector, particularly in the construction and related services industries.

- Tourism Boost, Domestic Consumption and Accommodation Booking Surge

As the host of the Olympic Games, Paris experienced a significant surge in international tourists which directly impacted the tourism and services sector. Data from the France Tourism Board (2024) shows that during the Olympic period, the number of tourist arrivals increased by more than 20% compared to the previous year. This increase contributed to a rise in revenue in the hospitality sector, restaurants and the entertainment industry.

Furthermore, the effects of increased tourism are not only limited to direct income from foreign tourists, but also affect domestic consumption. A surge in demand for local products, such as souvenirs and transportation services provides an additional stimulus to the domestic economy. This phenomenon has been observed in previous Olympic Games, where the host country tends to experience a surge in economic activity in the consumption sector during the period of the event.

The Paris 2024 Olympics is a blessing for France as a country, the event has a significant impact on increasing tourism and a surge in the quantity of hotel bookings and similar lodging. The month-long event has resulted in the efforts of various private and governmental parties in an effort to beautify and refurbish hotels and other modes of lodging which of course are aimed at entertaining all international tourists to spend their time in Paris and several surrounding cities.

Lodging accommodations present in major cities especially Olympic hosts are noteworthy given the importance of this sector in the course of the event, the Olympics have resulted in a massive increase in investment from several major hotel chains such as AccorHotels and Airbnb by opening several other new properties. These developments will be essential to accommodate the estimated three million additional visitors.

The period of the international event itself resulted in a spike in accommodation bookings, with Airbnb for example increasing by over 400% compared to previous years, and several other local hotels and inns also experiencing a spike in bookings of 80-90.5%. This is a very beneficial event for the accommodation sector, both from the private sector and the local community.

- Job Creation in Various Sectors

The Paris 2024 Olympic have also created thousands of new jobs in various sectors. In addition to the construction industry, which saw an increase in labor demand during the preparation phase, the services, hospitality, security, and transportation sectors also saw a surge in labor needs. Data from the Institut National de la Statistique et des Études Économiques (INSEE) shows that in the third quarter of 2024, the unemployment rate decreased by 0.2% due to the surge in labor recruitment directly related to the Olympic Games.

While this job creation is temporary, the benefits remain significant in the context of post-pandemic economic recovery, where many sectors are experiencing slowing growth. Therefore, the Paris 2024 Olympics made a positive contribution to labor market dynamics in the short term.

- MSMEs: Local Business Opportunities vs. Global Brand Domination

MSMEs (Micro, Small, Medium Enterprises) are one of the economic sectors that have benefited greatly from this Olympics, the sector that is mostly driven by local communities is the subject of driving the country's economy with the trade activities they present. MSMEs as an important sector have a role as actors who market various superior products such as handicrafts, food, to Olympic merchandise. The large number of tourists has an impact on their high interest in spending their money on various MSME figures in Paris and its surroundings.

In the status quo condition to support the surge in tourist numbers visiting Paris, many MSMEs take advantage of this momentum to market their superior products and of course still strive to maintain the quality of their products and of course this is intended to satisfy customers. Another favorable condition of this major event is the emergence of various forms of sponsorship and other funding efforts presented by the French Government and others aimed at supporting the presence of increased sales of merchandise and other MSME products and achieving greater market reach.

2. Long-term Economic Benefits: Investment Sustainability and Economic Competitiveness

Beyond the immediate benefits that occur during the event, the Paris 2024 Olympic Games also offer a range of economic opportunities in the long term, particularly through increased investment attractiveness and optimization of post-Olympic infrastructure.

- Increased Foreign Investment Attractiveness

The successful organization of the Olympic Games can enhance the reputation of Paris as a global business and investment destination. With the city's increased visibility on an international scale, foreign investors are more likely to consider Paris as a strategic location for their business expansion. Studies conducted by the OECD (2024) show that countries that host the Olympic Games often experience an increase in foreign direct investment (FDI) flows in the five years following the event.

This was due to greater confidence in the economic stability and infrastructure that had been built during the Olympic preparation period. The sustainability of the post-Olympic economic strategy is therefore a key factor in determining the extent to which these positive impacts can be sustained in the long term.

- Infrastructure Optimization, Transportation Efficiency, and Sustainable Development

This is due to greater confidence in the economic stability and infrastructure that has been built during the Olympic preparation period. The infrastructure built for the Olympics, such as new metro lines and improved public transportation systems, has benefits that extend beyond the event itself. With improved transportation accessibility and efficiency, economic productivity in Paris and its surroundings could increase in the long term.

In addition, the various sports facilities that have been built can also be utilized for other activities in the future both on a national and international scale. This allows Paris to continue hosting sporting events and other international events, which in turn can have a sustainable economic impact.

Property and infrastructure are two important parts of the Paris 2024 Olympics, in order to present this big event, France as a country certainly wants to look perfect by revitalizing and beautifying existing facilities to provide a good image for the international eye.

The allocation of large funds for the Paris 2024 Olympics can be seen from supporting infrastructure projects such as stadiums, athletic centers, and public transportation that aim to facilitate the running of this event. This action taken certainly has a fairly large impact implication. This infrastructure improvement has an impact on the surge in property prices that are present around the city of Paris and other supporting areas. Another thing that has contributed to the surge in property prices is the effort to revitalize the area. This itself reflects the efforts of the French Government to revitalize less developed areas to be able to get more attention and have an impact on increasing the standard of living of the surrounding community.

Talking about sustainable development, the Paris 2024 Olympics itself is allegedly the greenest and most renewable Olympic event ever. This argument itself is present looking at the efforts of the French Government to achieve qualified environmental standards in every existing development progress. One of the implications of sustainable development at this event is the construction of the Olympic Village, which is an athlete lodging complex built with an energy-efficient concept and supported by electricity sources supplied by biodiesel, wind power, and solar power generators. The Olympic Village itself is also projected to be converted into housing and offices for around 12,000 people after the event.

Another form of sustainable development implication can be seen from the efforts to promote environmentally friendly modes of transportation to reduce the amount of urban carbon that exists, the French Government is trying to provide easy and pro-cycling public transportation in an effort to facilitate all forms of mobilization.

5. CONCLUSION

The organization of the Paris 2024 Olympics not only represents a global sporting event, but also reflects France's multidimensional strategy in strengthening its geopolitical and economic position amid increasingly complex global dynamics. As an instrument of sports diplomacy, the Games serve as a platform to strengthen the national image, expand soft power

influence, and deepen international cooperation through bilateral and multilateral mechanisms. By showcasing national achievements in the infrastructure, technology and sustainability sectors, France capitalized on this momentum to assert its leadership in innovation-based development and the green economy.

From an economic perspective, the impact of the Paris 2024 Olympics is dualistic. In the short term, the Games boost economic growth through increased infrastructure investment, a boost to the tourism industry, as well as job creation in the construction and services sectors to MSMEs (Micro, Small, and Medium Enterprises). Data for the third quarter of 2024 shows a 0.4% increase in economic growth, signaling a direct contribution from the preparation and execution of this event. However, when analyzed in a broader macroeconomic context, this effect is still temporary and insufficient to overcome the structural challenges that have long plagued the French economy, such as slowing industrial productivity and high unemployment rates, particularly among youth.

Inflation stability in the run-up to the Olympics was relatively manageable, indicating the success of the monetary policy implemented by the European Central Bank (ECB) and the government's fiscal strategy in managing price pressures. However, sectors directly related to the Games, such as transportation and accommodation, remain at risk of price spikes due to temporal increases in demand. Hence, the sustainability of post-Olympic economic stability is a key challenge, especially if there is a contraction in domestic consumption after the Games end.

The Paris 2024 Olympic Games are not just a sporting event, but also a complex case study of how a country can optimize the economic, political and social benefits of a global event while mitigating the financial and structural risks that come with it. The success of the Games in generating long-term positive impacts will depend heavily on the post-Olympic policies implemented by the French government in managing the infrastructure legacy, maintaining economic stability, and strengthening industrial competitiveness in an evolving international economic landscape.

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