



# Does Winning Eurovision Impact a Country's Economy?



1,270 songs. 62 years. 52 countries. One annual competition.

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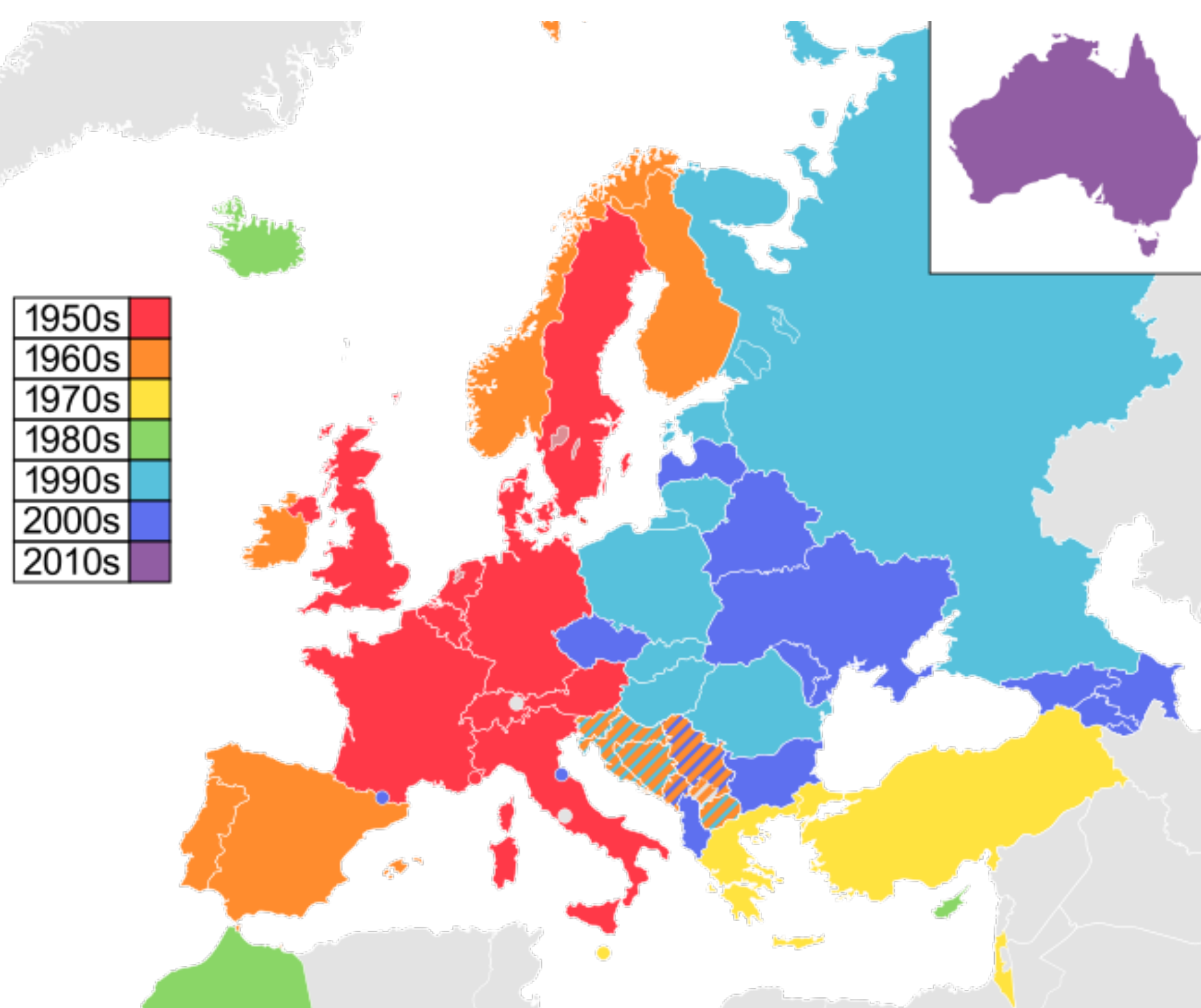


## Introduction and Background

Drawing between 100 and 600 million viewers every year, The Eurovision Song Contest is the longest-running televised singing competition in the world, and has occurred annually since 1956. Furthermore, Eurovision is the most popular international televised event, other than sporting events such as the Olympics and the World Cup. Despite this, limited research has been completed on Eurovision's economic impact specifically.

**Research Question:** To what extent does winning or hosting Eurovision impact key economic metrics within a country?

## Eurovision Participation Map (by decades of debut)

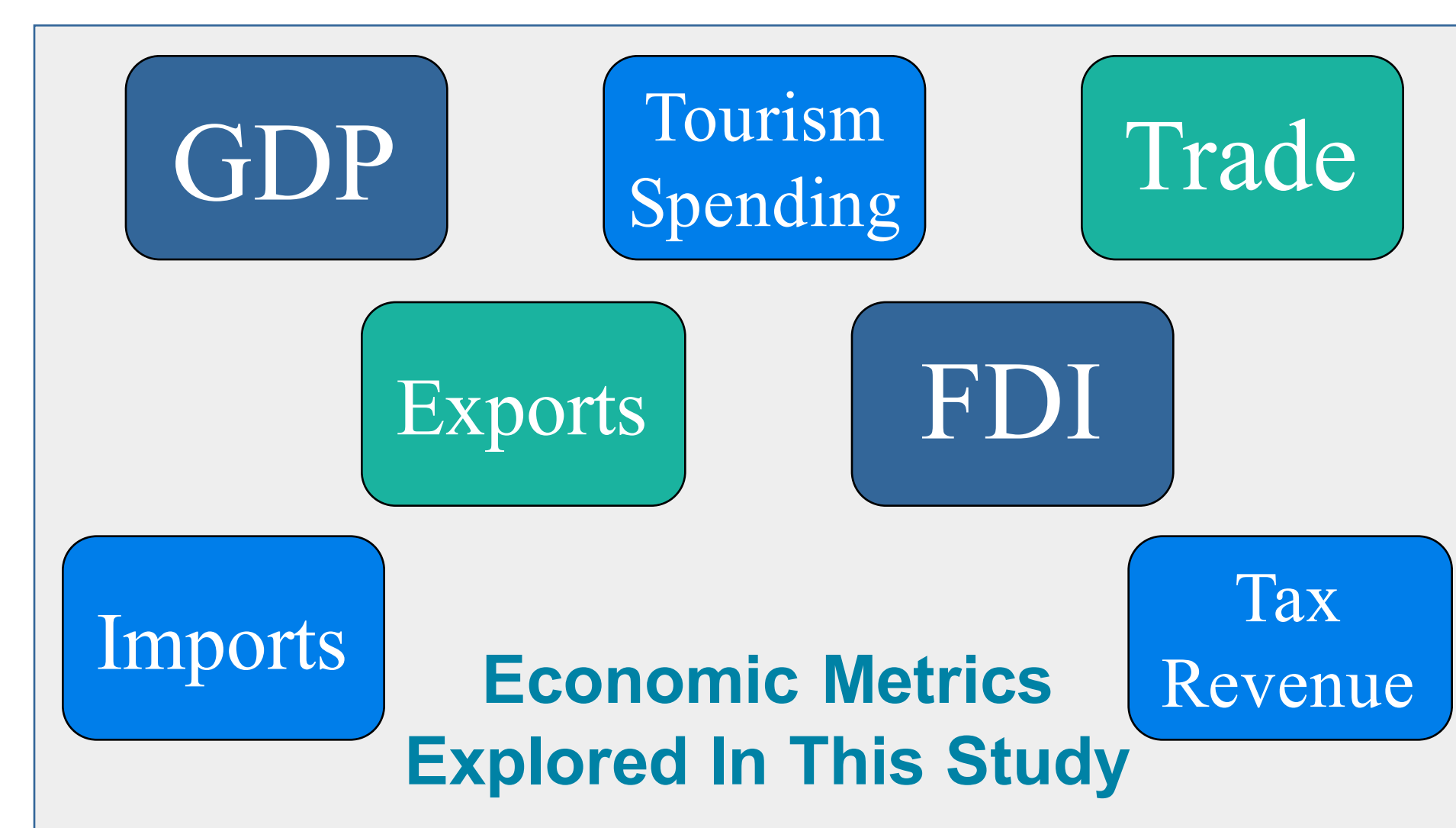


## Eurovision Win and Host History 1956-2017

Country	Times Hosted	Times Won	Country	Times Hosted	Times Won
Austria	2	2	Monaco	0	1
Azerbaijan	1	1	Netherlands	4	4
Belgium	1	1	Norway	3	3
Denmark	3	3	Portugal	1	1
Estonia	1	1	Russian Federation	1	1
Finland	1	1	Serbia	1	1
France	3	5	Spain	4	2
Germany	3	2	Sweden	6	6
Greece	1	1	Switzerland	2	2
Ireland	7	7	Turkey	1	1
Israel	2	3	UK	8	5
Italy	2	2	Ukraine	2	2
Latvia	1	1			
Luxembourg	4	5			

## Methods

- Collected data on various economic indicators using the World Bank's World Development Indicators database for the years 1960-2017, for all countries that have either won or hosted the contest (a total of 26 unique countries).
- Created 3 different measures of Eurovision success: Win, Host, and Post-win
- Completed a total of 54 regressions with Stata to show statistical significance between winning and/or hosting the competition and a country's economy, using a Country Fixed Effects model



## Notable Results

<b>1. International Tourism Receipts (billions)</b> Y Variable: Coefficient Con. Interval Con. Interval P-value R <sup>2</sup> # Observations	<b>International tourism, receipts for travel items (current US\$)</b> \$1.11 \$0.26 \$1.96 0.010 0.96 513	<b>Interpretation:</b> Holding country constant, the 3-year effect from winning Eurovision increases international tourism receipts by \$1.11B (or about 7.7% of the average international tourism receipts in my dataset), with a 0.010 P-value  <b>Controls:</b> Total population, exports of goods and services as a % of GDP, and GDP  X-variables: Post-win + controls
<b>2. Tax Revenue (% of GDP)</b> Y Variable: Coefficient Con. Interval Con. Interval P-value R <sup>2</sup> # Observations	<b>Tax Revenue (% of GDP)</b> 0.86% 0.25% 1.5% 0.006 0.84 883	<b>Interpretation:</b> Holding country constant, the 3-year effect from winning Eurovision increases tax revenue as a % of GDP by .861%, with a .006 P-value  <b>Controls:</b> Total population, exports of goods and services as a % of GDP, and GDP  X-variables: Post-win + controls
<b>3. Exports of Goods and Services (billions)</b> Y Variable: Coefficient Con. Interval Con. Interval P-value R <sup>2</sup> # Observations	<b>Exports of goods &amp; services (constant 2010 US \$)</b> \$16.60 \$4.07 \$29.20 0.009 0.91 1065	<b>Interpretation:</b> Holding country constant, the 3-year effect from winning Eurovision increases exports by \$16.6B, with a .009 P-value  <b>Controls:</b> Total population, imports of goods and services as a % of GDP, and GDP  X-variables: Post-win + controls

## Regression forms

Without controls:  $Y = \beta_0 + \beta_1 * \text{Winning Parameter} + \text{Country} + \epsilon$

With controls:  $Y = \beta_0 + \beta_1 * \text{Winning Parameter} + \beta_2 * \text{Control 1} + \beta_3 * \text{Control 2} + \beta_4 * \text{Control 3} + \text{Country} + \epsilon$

## Limitations

- Biases may be present in Eurovision results due to countries voting based on political ties or current events, rather than song and performance quality
- Eurovision rules have often changed over the years. The most significant change was the implementation of the Big 5 rule in 2000, where the top financial contributors to the contest automatically participate in the final round. This advantage has seemingly backfired, since poorer countries have won more in recent years than the wealthy Big 5 countries, which is important to note in interpreting results of this study.

## Conclusion

- Winning Eurovision has a significant effect on economic indicators within a country, the most notable being increases in international tourism spending, tax revenue, and exports
- Additionally, there are benefits that cannot be quantified:
  - Eurovision gives smaller countries the opportunity to be recognized in international news and often draws attention to them as emerging tourist destinations
  - The competition unifies countries in a compelling way that celebrates cultural differences

## References

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