THE VALUE OF EUROVISION

The Eurovision Song Contest is an annual international song competition, held every year by the Eurovision broadcasting organisation since 1956, with participants representing primarily European countries. Each participating country submits an original song to be performed on live television and radio, then casts votes for the other countries’ songs to determine the winner. At least 50 countries were eligible to compete as of 2019.

The purpose of our work is to understand whether it is profitable for a country to host Eurovision and how it affects the country in the future. To achieve this goal, we must complete the following issues:

• has any country profited from hosting Eurovision over the past 10 years;
• how Eurovision indirectly affects the country;
• what is the principle of choosing a city to host;
• the costs of Belarus for participation in the Eurovision song contest.

Every year, the countries that will host Eurovision spend huge amounts of money to create conditions, create a Grand opening show, to distinguish themselves from other countries. However, 50% of the expenses are paid by the “big five” (Great Britain, France, Germany, Spain and Italy), since they are the founders of Eurovision and each year automatically get places in the final.

Experience of holding a song festival in different cities of Europe has shown that direct income from tourists usually does not cover the cost of organizing the competition. However, this does not mean that the host countries are always in the red. There are other sources of revenue: TV channel fees, participant fees, ticket sales, and one of the largest sources is advertising revenue.

After analyzing the costs, we can conclude that they are uneven. Over the past 10 years, competitions have not paid off the country’s expenses. However, there is an exception, this is Sweden. In Malmo in 2013, the organizers did not pursue the effect, having held the most budget-friendly (only 26 million euros) show in recent years.

If the direct economic impact can be observed and assessed immediately after the event, the indirect impact is more difficult to assess, but it is probably much greater. On average, about 120 thousand viewers worldwide watch Eurovision, which is equivalent to an advertising campaign worth $240 million. But in addition to advertising, Eurovision venues become more attractive for tourists in subsequent years. Accordingly, the final economic impact of Eurovision will be much greater than the receipts during the contest itself.

Eurovision does not have to be held in the capital of the winning country. Interested cities or regions must officially apply to host Eurovision next year. Local broadcasters will evaluate all applications and select the appropriate city. The organizers
look at the availability of arenas for the event, the number of hotels, and the local infrastructure.

The participant’s fee depends on the size of the country, GDP per capita, and the number of viewers who will theoretically watch the show and its advertising. The annual total contribution is approximately 6.2 million euros. Based on the number of participants, the cost for one participant is an average 135 thousand euros. Since our country differs in economic situation from others, even if we pay 100 thousand over the years of participation in Eurovision, the total amount of expenses is already approaching 1.6 million euros. And this is only for participation, not including shooting the video, producing, etc.

The Belteleradio company provides almost full funding for participation in the Eurovision song contest. As a state body, it is financed from the budget, that is, the money of the people. In other words, the show for the people is paid by the people themselves.

To sum up, the Eurovision song contest is mostly not a song contest, but a contest “which country can afford to participate” or “the price for a country’s image”. There are also positive aspects: tourists in cities and the construction of arenas for the event, the ability to advertise the product to the whole world, the world fame of the participants. But most importantly, Eurovision allows us to show everyone that we are united and able to gather not only to solve problems, but also to enjoy the moment.

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