

# BIN LONDON'S OLYMPIC BID!

After the disaster of the Millennium Dome, the delays and spiralling costs of the new Wembley Stadium and the abandoned plans to stage the 2005 World Athletics Championships at Picketts Lock in Enfield, you would expect us all to be sceptical of the government's competence in handling international events or large-scale 'regeneration' projects.

## London's Olympic Myths

However, organisers of the bid to stage the Olympic Games in London in 2012, including the government, London Mayor Ken Livingstone and London business leaders, have apparently pulled off a remarkable achievement – convincing around sixty percent of Londoners in a recent poll that there are nothing but benefits to hosting the Games in the capital.

They have done so largely by portraying the two-week sporting event itself as incidental to the 'positive' social, economic and environment impact on east London. As a result, anyone raising concerns about the astronomical £2.375 billion that will have to be spent between 2005 and 2012 is likely to be written off as 'opposing much needed regeneration' of a socially deprived area'. This has been a very effective strategy in closing down public debate about the implications of hosting the Olympics and the misleading claims of the bid's supporters. However, if London is chosen as host in July 2005, a multi-million pound Olympic industry will have already gathered momentum and it will be too late for public scrutiny to have the effect it can have in the first six months of 2005.

## London Olympic Myths #1

### The Games will help the regeneration of east London

The government has a habit of proclaiming the benefits of ambitious regeneration projects. For example, Lord Falconer, speaking at the annual lunch of the Society of Construction Law in January 2000, said of the Millennium Dome:

*The Dome is something we can all be proud of. It has contributed to the regeneration of East London; it has brought a derelict, brownfield site back into use; it has led to the development of a new transport system for the centre and east of London; it has led to the creation of the Greenwich Millennium Village and... it has done all of this without using a penny of taxpayer's money.*

Almost identical claims are now being made for the London Olympics. Back in 2000, Falconer championed the Dome as a model for future regeneration projects and the government clearly wants the public to believe that major construction projects can provide a means for people to escape a cycle of exclusion. Unfortunately, it doesn't work. The success of the regeneration of an area is measured on whether it's economic and cultural base is revitalised but the Greenwich Peninsula now resembles little more than one large, empty car park with its own, underused Tube station.

So why does the government continue to try and convince us that another high-profile, hugely expensive construction project will lead to 'regeneration'? Perhaps because, rather than genuinely seeking to rebuild the economy of east London, an option that does not involve "a penny of taxpayer's money" is so much more attractive. Like the Dome, the London Olympics will, if the bid succeeds, be paid for by those who buy a Lottery ticket every week and by London council tax payers. The government has said that, initially,



# no thanks!

£1.5 billion will come from the National Lottery and up to £550 million from London council tax. After that a further contribution of £75 million will come from council taxes and then £250 million from the London Development Agency.

This assumes that the Olympic redevelopment manages to keep to budget. According to the Auditor-General of New South Wales, Sydney 2000 ended up costing over twice the pre-bid figures. In Athens, total costs will be at least four times as high as the bid committee's initial budget. It is worth remembering that twelve months before the Commonwealth Games in Manchester, the government needed to provide an emergency cash injection of £105m.

However, unlike the debacle over the cost overruns for the World Athletics Championships stadium at Picketts Lock, there will be no option to pull out. For those who don't remember this particular disaster, plans to build a 43,000-seater stadium were scrapped following a review which said that the original £87m scheme would cost significantly more. In a now all too familiar strain, Ken Livingstone said in 2001, "I am confident that the stadium will boost London's international status and provide regeneration opportunities to the Lee Valley." If London's Olympic bid is successful, we will be locked into paying whatever it costs to be ready on time, because under the rules of bidding, the International Olympic Committee insists that host cities underwrite all liabilities of the Games. By doing so, each household in London is effectively taking a £1,300 insurance contract on the 2012 Games. Should we really be so willing to do so without a proper discussion?

A further example of how the government sees 'regeneration' as building projects rather than strengthening deprived communities is the impact that using Lottery funds for the Olympics will have on community groups. The Department of Culture, Media and Sport admits that "initial estimates suggest that any reduction in income to the existing good causes overall would be approximately £64 million per annum, on average, in the period 2005-2012." A cross-party committee of MPs said in March 2004 that money earmarked for the Olympics is "a straightforward raid" on

lottery funds for projects outside of London and breaches the government's promise not to use lottery cash to support schemes which should be funded through general taxation. It will be communities in east London and other deprived areas of the country who will suddenly find it harder to secure funding.

## London Olympic Myths #2

**Environmental improvements, including the creation of a new park in the Lower Lea Valley, are dependent upon a successful Olympic bid**

This is simply untrue. Plans to develop the Lower Lea Valley have been around for a number of years and have included the development of a new park. This will continue to be the aim whether the Olympic bid succeeds or not and even supporters of the London bid acknowledge that the Olympic will only "speed up the rebirth of the Lower Lea Valley."

The bigger concern is that the way the development of an Olympic Park has been presented as "1,500 landscaped acres" representing "one of the biggest new city centre parks in Europe for 200 years." This ignores the fact that much of the Lower Lea Valley is an extensive network of waterways with important wildlife habitats on a key migratory route. Although it has no formal position on the Olympics, the River Leas Trust, an environment charity that works to preserve this wild environment, have told the London Olympic bid committee that 'landscaping' the area is inappropriate, particular in the way represented in the 'artists impression' that the bid supporters are so proud of.

There is an additional environmental consideration that seems to have been largely overlooked. The government has already admitted that the new Crossrail scheme will not be ready before 2012, but it seems like a reasonable bet that we will soon see BAA claiming that the three new runways it wants are absolutely essential if London is to host the Games. BAA, British Airways and Virgin Atlantic are all corporate sponsors of the bid and, if it succeeds, what are the odds on them getting their way?

## London Olympic Myths #3

**The Olympics will lead to the creation of 3,000 jobs and 4000 new affordable homes for people in east London**

This figure on new jobs comes from a cost/benefit survey by the engineering consultants, Ove Arup, whose figures on the overall cost of the Olympics in London have been subject to constant revision since 2002. However, people in east London no longer believe the promises made about the new jobs that will 'trickle down' from construction-led 'regeneration'. Similar promises were made about Canary Wharf, about the Millennium Dome and very specifically about the ExCel Centre in Canning Town and all have proved to be false.

This is just as likely to happen with the so-called 'legacy' of the Games, namely the wonderful sporting facilities that will be available to east London. In *"Sports, Jobs, and Taxes: The Economic Impact of Sports Teams and Stadiums"*, Roger G. Noll and Andrew Zimbalist of Stanford University concluded that a new sports facility has an extremely small (perhaps even negative) effect on overall economic activity and employment. Stadia rarely earned anything approaching a reasonable return on investment and sports facilities attract neither tourists nor new industry. They also found that substituting spending on sports for other recreational spending concentrates income, reduces the total number of jobs, and replaces full-time jobs with low-wage, part-time jobs.

If sports facilities alone are unlikely to create new jobs, then any benefits would need to come from the wider 'regeneration' of east London. Unfortunately, the track record of regeneration projects has been patchy at best. Newham continues to have high levels of long-term unemployment despite receiving huge sums of 'regeneration' funding, including £30 million from the government's Neighbourhood Renewal programme. In every instance, funds have been tightly controlled by a local council whose explicit aim is to attract new, more affluent residents to the borough. Like the government, it has focused on building projects that improve the 'look' of the area rather than create a new economic base.

As for new homes, the creation of 4000 affordable homes has to be balanced against the impact on tenants in east London. Newham, for example, has a high proportion of rented accommodation and many properties have been bought to let. In 2000, Sydney saw rents increase and greedy landlords evict tenants in the lead up to the Olympics, whilst the inflow of investment money in housing exacerbated the crisis in rental accommodation. With Newham one of the cheapest places to buy property in London, this is just as likely to happen again if the London bid succeeds.

Already, property prices have started to rise, based on the possibility that the Olympics will come to London. This has implications not only for tenants. Voluntary and community groups now find it extremely difficult to find affordable office space for their activities and Hackney Community Transport, which is providing community buses for routes that the privatised bus companies no longer view as 'profitable', is unable to extend their scheme to Newham because it cannot afford the rental costs of garage space for its buses.

## London Olympic Myths #4

**The Games would boost the capital's tourism industry both during and after 2012.**

This claim is based on the increased tourism experienced by Sydney after the Olympics in 2000. Whilst there would undoubtedly be a boost in profits during the Games for the hotel chains like Radisson and the Hilton Group, who are major corporate backers of the London bid, the big difference between London and Sydney is that London is already a tourist city. It is also one of the most expensive cities in the world with an inadequate transport system. Rather than spending astronomical amounts on a two-week event, improving the Tube and rail network would provide a bigger boost for the tourist industry.

However, it is worth remembering who benefits from tourism. It is not hotel workers, amongst the lowest paid in London. Neither is it communities in the Olympic bid area in east London. It is no accident that the most enthusiastic backers of the London bid are business groups like London First.

The increasing commercialisation of the Olympic Movement means a London Olympics will primarily be a fortnight long, closely protected advertising opportunity. Rule 53 of the Olympic Charter states:

*No form of advertising or other publicity shall be allowed in and above the stadia, venues and other competition areas which are considered as part of the Olympic sites. Commercial installations and advertising signs shall not be allowed in the stadia, venues or other sports grounds.*

There is worse news for anti-corporate campaigners disgusted by the prospect of McDonalds and Coca Cola sponsoring the Olympics, as Rule 53 also states:

*No kind of demonstration or political, religious or racial propaganda is permitted in any Olympic sites, venues or other areas.*

The implications for this are clear. In Sydney, new legislation was passed giving new powers to the police to enforce Rule 53 but this was before the September 11 attacks and the new 'anti-terrorism' legislation that has been introduced across the world. If the London Olympic bid succeeds, the recent track record of the government points to even more draconian laws to prevent protest.

The Olympics may attract tourists to visit London, as long as they are the 'right kind' of tourists - anti-capitalist campaigners probably do not count! Moreover, the unspoken legacy of Games in the UK will be even greater restrictions on civil liberties.

## **London Olympic Myths #5**

**The Olympics will lead to greater participation of young people in sport**

According to the British Olympic Association, a London Games "will drive many of our youngsters to take part in sport and pursue dreams of becoming an Olympian." This is nothing but spin. In reality, money for sport in the regions will be drained away and the Department of Culture,

Media and Sport has admitted that £340 million will be channelled from the existing sports lottery distributors. The emphasis between 2005 and 2012 will be primarily on a small number of elite athletes, enabling the UK to finish among the top five nations in the medal table, not on encouraging young people to participate in sport.

Equally, the 'dream' of becoming an Olympian has become more and more debased by one scandal after another, from bribery, drugs, influence peddling and abuse of athletes by Olympic coaches, governed by a self-elected International Olympics Committee presiding over a billion-dollar franchise, deciding on the fate of cities, completely unaccountable.

## **Bread Not Circuses**

Looking behind the blanket positive coverage for the London Olympic bid, the economic, social and environmental arguments in its favour are not as strong they first appear. The backers of the bid have constructed a 'smoke and mirrors' case in the knowledge that the Paris bid is much stronger and the government has thrown its weight behind the bid because it sees a way of persuading the public to finance 'regeneration' plans that should be paid for from general taxation. For anti-capitalists, the corporate circus of the Games, the wider environmental impact, the imposition of huge costs on the public, the effects on housing, the prospect of further attacks on civil liberties and the garbage about the economic benefits for poor communities should make our position clear. However, if the bid succeeds, it will be too late to do anything but protest. Between January and July 2005, an opportunity exists to stop the London Olympic bid in its tracks.

**OUR CHANCE TO ACT!**

**February 2005:**

**IOC Evaluation Commission  
Inspection Visit, London**

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