The Sobering Realities of the 2004 Olympics: Fiscal Crisis and the Privatization of Urban Land

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Abstract

This paper will examine the impact of the 2004 Olympic Games on public and open spaces in the metropolitan region of Athens. During the bidding process and the period leading up to the games, the predominant thought was that undertaking such an event would modernize the city: the necessary development projects would coax or catalyze solutions to a whole host of problems that had been ignored in the city for decades. Indeed, it is evident by now that undertaking the games has caused a profound transformation of the city’s physical and social landscape. However, as I will try to show in this paper, the games have had a profoundly negative consequence on the scarcest resource in Athens: public space. First, it was the decision to build the Olympic venues on vacant public land instead of rehabilitating older urban areas. Another setback for open spaces was the scattered planning of the venues which initiated a new round of urban sprawl on the periphery of the city. Also, the introduction of private-public partnerships for the administration of the games and for the management of the Olympic venues has led to the outright privatization of public resources, while cost overruns further burdened the already precarious public finances. Not only these developments drained money that might have flowed to important and much needed urban interventions, they have rationalized the outright privatization of public resources: privatization of public land is promoted as the only alternative to national insolvency. All of the processes above were set in motion under the ideological manipulation of peoples’ desire for a modern international city. In retrospect, it seems that the games have been a vehicle for the implementation of an urban development agenda that espouses the infallibility of the markets and the principles of neoliberal globalization. These principles, introduced during the period of the Olympic adventure, now constitute the dominant ideological underpinning of urban development in present day Athens. They justify the further privatization of urban space, and make a livable city—so dependent on open public space—a receding dream.

The present study will use the case of the 2004 Olympic Games aiming at contributing to the debate over large-scale urban interventions, which are an integral part of mega-events and which have become a key instrument of urban regeneration in the last twenty-thirty years. The urban interventions associated with hosting a mega-event were initially tried mostly in the cities
of advanced capitalist societies, but they are now common in non-core societies as well. Sporting events of international interest, such as the Olympics or FIFA’s World Cup, invariably spur a series of noteworthy urbanization processes in peripheral/semi-peripheral cities, as can be observed in the recent or imminent non-core host countries of Greece, China, South Africa, and Brazil, in their drive for worldwide recognition and prestige. This development provides an opportunity to add new nuances in our understanding of contemporary urbanization dynamics, especially as these mega-events are frequently embraced as occasions for the privatization of the city’s public facilities and public space by means of the adoption of neoliberal urban policies.

In the remainder of this paper the term public space will stand for those urban areas that are open and accessible to all, while open space will denote the green spaces in and around the city, as well as all those unbuilt parcels of land whose future use is yet to be determined. In both cases, the term public does not denote a space free of regulation, but instead a space whose ownership and/or regulation falls under the aegis of the state, as opposed to those private interests that promote the unfettered rule of the market and its corresponding principles in management and regulation.

In recent decades, we have witnessed the gradual emergence of a discourse that has profoundly influenced urban policy: the discourse of increasing territorial competitiveness. With increasing frequency and conviction, urban leaders and administrators have invested time and resources into enhancing the competitive edge of their city. This is a phenomenon that appears to have deeply influenced our understanding of urban development. Not surprisingly, many of the debates with reference to territorial development, such as urban tourism, creative cities (Florida, 2002), social capital (Flora et al., 1997; Putnam. 2000), industrial clusters (Porter, 1995;
2000), and innovative milieu (Scott, 2000) also address the strategies cities use to foster competitiveness vis-à-vis other places.

The contemporary dominant discourse on urban economic development is based on the principle that cities are now tied into global economic circuits and that, in order to compete successfully in the global market, they must increase their connections to such circuits, implementing policies traditionally carried out by economic players, a process described by Harvey (1989) as the transition from a “managerial” to an “entrepreneurial” approach in local economic development and city politics. Formerly and before neoliberalism became dominant in the 1980s, urban policy was thought to be concerned with the provision for and administration of public services, welfare management, and care for the reproduction of the local society. The affirmation of neoliberalism at the urban scale has meant lessening of public intervention, reduction of services, decreasing responsibility for the costs of social reproduction, and privatization of public assets, phenomena observed at the national level with the crisis of Keynesian policies.

The “traditional” realm of urban policy (i.e. the regulation of urban space and the “management” of services) has gradually dwindled, in part due to the rhetorical war waged by those who cite the “unsustainable nature of public spending.” This type of fear mongering often achieves its purpose: closing off alternative discourses about spending choices by maintaining the preeminence of the bottom line, fiscal realities, and a new urban realism (Short, 1999, p. 42). Cities have been pushed to “reinvent” their policies in order to attract resources: to become a sort of “entrepreneurs” able to “create” more suitable spaces for “doing business” (Hall & Hubbard, 1996). In this capacity cities may form partnerships with private actors for the development of large-scale projects, and/or host events of international repute in order advertise and “sell” the
city – practices rationalized under the rubric of “urban marketing” (Philo & Kearns, 1993), and it is mostly in this sense that present-day cities compete to turn into desirable destinations for affluent residents, businesses and visitors, and to create the best urban landscape to attract the resources necessary to maintain their own development (Jessop, 1998; van de Berg & Braun, 1999).

The increased competition between cities, in the context of economic restructuring of late capitalism is expressed at the spatial level through urban development that attempts to capitalize on each city’s unique or superior business-friendly traits. These traits derive from the city’s distinctive blend of characteristics capable of attracting investment (favorable taxation, “business friendly” climate, “good” labor relations, minimal social conflict, provision of the right mix of infrastructure, upgrading of “obsolete” landscapes that have been abandoned by previous rounds of valorization etc.). Ultimately, however, it is through actions that relate to the “symbolic capital” that the whole process becomes better noticeable. The competition between cities and territories is fiercely expressed through technologically complex projects of high added-value, and through mega-events capable of solidifying an image, garnering media attention, and establishing fame (Short, 1999).

Mega-events such as the Olympics, the FIFA World Cup, and to a lesser extent international expos, the Formula One Grand car-racing (FIA), or other regional athletic competitions are today the target of increasingly sophisticated, expensive and aggressive campaigns by cities that aspire to associate their names with these events (Hiller, 2000; Roche, 2000). These efforts aim at favorably positioning the host-city in the network of global cities in order to attract investors. The goal is often to accomplish large-scale urban regeneration through mega-projects, especially in new infrastructure. To this end, public officials and private
developers seek to create a consensus favorable to their plans and to mobilize a significant proportion of the urban population around a certain conception of public interest. To consider how difficult the competition is among candidate cities vying to host the Olympic Games today is to realize how far we have come since 1984 when only the city of Los Angeles sought the summer Games (Ward, 2011), or 1988 when Seoul and Nagoya were the only cities to place a bid. Since then it is obvious that there is no shortage of candidate cities as their number has only increased (table 1).

<table>
<thead>
<tr>
<th>Games</th>
<th>Host City</th>
<th>Other Candidates</th>
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<tbody>
<tr>
<td>1992</td>
<td>Barcelona</td>
<td>Amsterdam, Belgrade, Birmingham, Brisbane, Paris</td>
</tr>
<tr>
<td>1996</td>
<td>Atlanta</td>
<td>Athens, Belgrade, Manchester, Melbourne, Toronto</td>
</tr>
<tr>
<td>2000</td>
<td>Sydney</td>
<td>Berlin, Beijing, Manchester, Istanbul (Brasilia, Milan, Tashkent withdrew)</td>
</tr>
<tr>
<td>2008</td>
<td>Beijing</td>
<td>Bangkok, Cairo, Havana, Istanbul, Kuala Lumpur, Osaka, Paris, Seville, Toronto</td>
</tr>
<tr>
<td>2012</td>
<td>London</td>
<td>Paris, Madrid, Moscow, New York</td>
</tr>
<tr>
<td>2016</td>
<td>Rio de Janeiro</td>
<td>Baku, Chicago, Doha, Madrid, Prague, Tokyo</td>
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*Source: Gold & Gold (2011).*

Obviously, the Olympic Games are more than an athletic competition, and they mostly constitute a commercial advertisement of almost unmatched extravagance and pageantry that is viewed by a world audience. As such, their dramatological and contextual dimensions are part of a deliberate showcase of a city and the antithesis of an impromptu and casual festivity (Roche, 2000). The process of selecting the host city is a long process and it takes place several years before the event is to be “consumed.” Similarly, the Games produce a long-lasting impact upon urban space that is felt for several years after they end. An analysis of the Games, therefore,
must take into account this spatio-temporal dimension, which alone can accurately record the involvement of all the different economic, institutional and political actors, and more importantly, fully register the social and economic consequences to the city.

The Olympics only happen once every four years, in duration they are limited to two weeks; and opening and closing ceremonies frame their brief existence. However, a look at several recent Olympics suggests that local actors increasingly are looking at sustaining the impact of these events, hoping that the festive atmosphere and joyous mood engendered by the Games will be permanently associated with the city’s identity. This, among other things, encourages the perpetuation of the Olympic-driven investments, because they become a point of city pride, and reflect on the city as a whole.

In political terms, the Olympics are convenient opportunities for dominant urban coalitions to secure political legitimacy for their agendas, because they function as mechanisms with very specific ideological orientation and policy prescription. They enhance the image of political and economic elites, and by justifying the event one legitimizes the transformation of the landscape which the Games makes possible to implement. The issue of legitimacy is essential in understanding the development, implementation and legacy of the Olympics, and it plays out in several important ways: it concerns the urban projects and the venues built for the event, which in turn deeply redefine the physiognomy of the city, and the Games contribute to the legitimization of policies introduced by the actors who have envisioned, organized, and implemented it.
As it is argued by Roche (2000), mega-events provide power elites with flagships and
catalysts to promote their visions of society and of the future. According to Harvey (2003), in
the contemporary conjuncture this vision is translated into the further

“commodification and privatization of land; … the conversion of various forms of
property rights (common, collective, state etc.) into exclusive private property
rights; suppression of rights to the commons; … colonial, neo-colonial and
imperial processes of appropriation of assets (including natural resources); … and
usury, the national debt and ultimately the credit system as radical means of
primitive accumulation” (p. 145).

Overall, the hosting of the Olympic Games has not only been an event for jubilation and
euphoria. Many scholars, community groups and activists have underlined the negative
externalities of the games and their lasting legacies for cities. For example, Preuss (2004) notes
that most of the time, the much-anticipated economic gains do not materialize. Instead, cost
overruns and public deficits are a regular occurrence, compromising future public investments,
taxation rates, provision of services etc. The games also cause the displacement of populations,
are followed by intense policing, proliferation of nationalism, militarization of public space, and
usually they involve the crack-down of dissident views while silencing opposing visions for the
city. The physical environment of the cities is also negatively compromised by the new intense
rounds of growth, while a new urban landscape is produced. In capitalism, there is a continuous
struggle during which capital builds a physical landscape, tailored to its particular needs in a
particular point in time, only to destroy it, usually in the cycle of crises, at a later moment in time
(Harvey, 1999). And likewise, as Immanuel Wallerstein (2010) suggests, “The mechanism by
which the capitalist system ultimately resolves its recurrent cyclical down-turns is expansion:
outward spatially, and internally in terms of the freeing of the market … via the steady
commercialization of semi-market-oriented land” (p. 175). The temporal and geographical low
tide and high tide of investment in the built environment and particularly, the impact and legacy of the Olympic Games in Athens can only be understood in these terms.

During the bidding process and the years of preparation leading up to the 2004 Summer Games, Greece’s campaign emphasized the glories of ancient Athens and its unique position as the “cradle of western civilization.” For those familiar with modern Greek history, this should not come as a surprise: the classical period has always played a central role in the national imagination; it functioned as “symbolic capital” with “connotations of sacredness” (Hamilakis & Yalouri, 1999). More often than not this symbolic capital has been used by political elites and authoritarian regimes to legitimize their authority (Hamilakis & Yalouri 1996; Hamilakis, 2002). In the bidding process for the 1996 and 2004 games, the glorified past was used as a mechanism for neutralizing domestic dissent and opposition to the games, as well as a means to “rally the troops” behind the new “Grand Idea” (in Greek: Megali Idea). A concerted effort was made to create what Molotch (1976) describes as a “we feeling” (p. 314), in order to build solidarity among growth-receptive interests, and to unite residents around the drive for growth. The games were also promoted domestically as an opportunity to introduce much needed and long-overdue large-scale urban interventions aimed at ameliorating the chronic worsening problems of Athenian space, many of whom could be traced to the very inception of the city as the capital of the Greek state.

Indeed, the establishment of Athens in 1834 as the capital of the newly founded Greek state was not based on existing industrial or mercantile concentrations that would make it suitable as the country’s economic center. From early on, the city’s productive base was weak and the only significant profit generating mechanism was land speculation (Wassenhoven, 1984). Some have suggested the city was chosen because the Bavarian monarchy, imposed after
independence by France, Great Britain and Russia, was very attracted to the idea of classical Athens (Bastea, 2000; Nikolaidou, 1993). However, it seems more plausible that the decision was driven by political motives. The Bavarians were well aware that Greeks considered the regime illegitimate and held it in low regard, and therefore its authority was vulnerable and plausibly it could have been short-lived. For this reason the externally imposed monarchy was keen legitimize and popularize its rule internally by invoking images of a common national heritage and by inspiring a nationalism based on the glorious history of the city during classical times. Athens also became the capital under pressure from local landowners who wanted to increase the value of their properties (Wassenhoven, 1984). Finally, the Bavarian monarchy, propped up by the great world powers of the time, wanted to consolidate its power far away from the liberation fighters who sought a representative democracy and redistribution of land (Heidenreich, Chtouris & Ipsen, 2007).

Thus, from the very conception of the city as the modern capital of Greece, land speculation exerted a tremendous influence over the development of Athenian space. Planning the new city according to Western ideals became a priority of the monarchy, which hoped to erase all traces of the Ottoman past. Around this time, the idea for the restoration of the Olympics surfaces as an indispensable element for reviving Greek culture (Gold, 2011). The new city would be “modern” and demonstrate “progress.” However, well-considered city plans were largely ignored during this period; a lack of follow-through and enforcement would direct the subsequent development of the city’s socio-spatial structure for the years to come. Though the first city plan provided for wide streets, robust infrastructure, and ample public space, this plan, like those which followed, were only partially implemented or not implemented at all. The first city master plan was designed by Kleanthis, a Greek educated abroad, and Schaubert, but it
was never implemented. Political pressure from local property owners who would have been negatively affected caused the plan to be replaced by one from von Klentze. This plan, too, was unacceptable to various private interests, and subsequently “…was subjected to a series of modifications, most of which reflected lobbying by private landowners to turn public squares and gardens into private building plots” (Wassenhoven, 1984, p. 10).

Since then and throughout the history of modern Athens, the incomplete implementation of any master plan and what Leontidou (1990) has called a retroactive policy of selective involvement in issues of land use, has had a grave effect on public space. Furthermore, the inconsistent oversight is aided by a structural weakness: urban plans and their respective ordinances are characterized by purposeful ambiguity which facilitates their flexible implementation. Understandably, this system is vulnerable to preferential treatment and corruption. Historically, the state either turns a blind eye to semi-squatters in exchange for political loyalty or it acts on behalf of powerful interests instead of being an impartial arbiter of conflict and an advocate for the greater social good.

A critical element in understanding the tremendous pressure on public and open spaces in Athens is the subdivision of land into many small-sized plots, a feature with origins dating back to the foundation of the Greek state. A key explanatory hypothesis is that the state promoted petty ownership both in the rural and urban areas as a political instrument to insinuate its legitimacy and win the allegiance of a large segment of the populace (Vergopoulos, 1975). Throughout the various stages of Athens’s urbanization, the Greek state refrained from promoting comprehensive housing programs for internal migrants and the working classes. Instead, their housing needs were met mainly by two mechanisms: through the system of antiparohi (agreements between landowners and contractors in which land is exchanged for
construction) and illegal construction, both processes that encourage petty ownership and high fragmentation of land. The first was became dominant in Greek cities mostly after the 1950s: small land owners gave a plot to contractors in exchange for part of the built structure and this arrangement was the main mode for urban renewal of existing building stock within Greek cities (Hastaoglou, Hadjimichalis, Kalogirou & Papamichos, 1987). The state has tolerated the subdivision of land into very small plots because of the combined political pressure brought to bear by landowners and real estate agents, as well as by refugees and internal migrants.

Illegal construction has taken place in waves: Initially, illegal construction took place in order to accommodate the housing needs of internal migrants who started arriving in Athens after the 1950. In the 1970s and up to today, we witness a new category of illegal construction with a different social basis and which involves secondary housing and vacation villas, but also, hotels and factories, built in forests, public spaces and even by the seashores of the city, circumventing any restrictions of land use. This kind of development usually takes place at the outskirts of the city where sprawl occurs at a high pace, and the whole Attiki region, which surrounds Athens, is now marked by this diffuse urban development, and it is estimated that the number of illegal structures in the region is approximating the 300,000, a continuing process that has drastically reduced the quantity and quality of public and green space (Elafros, 2007).

Many scholars are quick to point out that land speculation and frenzied construction, especially after WWII, have had undeniably adverse effects leading to a “distorted pattern of development” and the creation of a parasitic urban economy1 (Kourliouros, 2003; Papadantonakis, 1985). According to this approach, the city lacks a strong economic base (i.e., industrial development and/or a high value-added tertiary sector), and as a consequence it exploits the surrounding regions of the country in the role of a comprador city2, skimming off
their productive potential without allowing them to participate in the economic gains. Economou (2000) explains that the Greek model was based, similar to Atlantic Fordism, on the multiplier effects of effective demand. The growth of demand, however, was not predicated on an expanded industrial working class, but on the purchasing power of the middle class. Among the main drivers of this demand (along with the inflow of funds from abroad and the remittances of immigrants) were the mechanisms that governed the distribution of land and housing. The role they played was based on the relationship between construction activity and the multiple sectors of the general economy. The building boom supported related and dependent industries, such as those that produced building materials and construction equipment. In this way construction underwrote Greece’s macroeconomic policy without utilizing one of the key components of the Keynesian model — the stimulation of demand through real wage increases (p. 66).

From the above it becomes clear that in Athens open space has been historically used as a mechanism for political exchange, an instrument for social policy, and a means for private enrichment. The results, including unhealthy levels of air pollution, immobilizing traffic, and a scarcity of open space, have been devastating for the city’s environment. During the 1980s, the socialist government (of the social-democratic strand) attempted to control the growth of the metropolitan region and reverse the primacy of Athens in the Greek system of cities with a series of measures, among them the abatement of public investments in Athens to the benefit of the country’s regions. This was the only time in the country’s history when it tried to promote decentralization. However, this effort was short-lived, and in the 1990s the conservative government abandoned efforts to control development even though the city’s population growth rate actually appeared to be in decline (table 2).
Table 2. Population change in metropolitan Athens

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<tbody>
<tr>
<td>Change</td>
<td>471.977</td>
<td>694.170</td>
<td>495.896</td>
<td>34.747</td>
<td>92.831</td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>34.3%</td>
<td>37.6%</td>
<td>19.5%</td>
<td>1.1%</td>
<td>3.0%</td>
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</tr>
</tbody>
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Overall, the decade of the 1990s was an important period in the modern city’s urban development because it marked “the passage from traditional urban governance models to the entrepreneurial city” (Gospondini, 2009). From at least the early 1990s when Athens was making its unsuccessful bid to host the 1996 Olympic Games, Greece had abandoned the decentralization attempts initiated in the early 1980s and reverted back to policies which designated Athens as the major national destination of investment. This precarious development model has been based once again on the construction sector, real estate speculation, investment in tourism, changes in consumption patterns and the creation of new consumption spaces, and the privatization of public services and assets. However, the choice to structure the urban economy around consumption, tourism and leisure can potentially result in numerous problems, such as undermining the social cohesion of the city with few winners and many losers; increased inequality; propensity for property market bubbles; destroying the authenticity of the urban fabric; narrowing and enfeebling the local and even the national identity; and generating minimal economic benefits, if not actually ruining the city’s finances (Eisinger, 2000; Hannigan, 1998; Levine, 2003). In the process, Athenian public space is being essentially annexed by private interests as a complicit government looks the other way.

Now, the new areas of interest are hotels, convention centers, vacation villas, golf courses, museums, multiplex theaters, shopping malls, entertainment districts, and sports
facilities. As the city attempts to be repositioned in the international division of labor, these oases of consumption also serve to “lure external investment into the city” (Hall & Hubbard, 1996, p. 161). These transformations reflect the desires to attain an international role for Athens as a center for financial services, culture and tourism (Economou et.al, 2001). So the restructuring of the urban space was deemed as necessary in order to accommodate the potential repositioning of Athens as the as a command center for the Balkans and southeast Mediterranean, and ultimately as a safe place for investment.

The government, starting in the period before the Olympics, is making an effort to respond to businesses’ requests to bring safety and security to specific sections of the city, and it has extensively used heavy policing aiming at “cleaning” certain neighborhoods of the undesirables: drug addicts, immigrants, political activists, and the homeless. Cindi Katz (2006) has persuasively presented how the discussion on safety and security has assisted in the enhanced control and privatization of public space. The events of 9/11 dramatically raised security concerns in cities, and mega-events like the Olympics involve planning for a special set of security risks. The games invite thousands of athletes from all over the world and capture the attention of the international media like no other event. In addition, these events attract very large crowds of spectators, including heads of states, dignitaries, and other celebrities who require higher levels of security. Therefore, safety is a matter of great concern for any host city. Significantly the Athens Olympics were the first Games after the 9/11 attacks, and consequently fears of another terrorist attempt were extremely high. Indeed, the pressures on the Greek state to provide assurances for the safety of all participants and spectators were tremendous. The situation was exacerbated in the lead-up to the games when the British and Australian media hysterically tried to uncover security gaps and promoted a sense of vulnerability (Margaronis,
Various international security companies, of course, were eager to exploit this uncertainty, and began fiercely competing for the lucrative security contracts.

After Athens’s successful bid in 1997, a committee was established to supervise the security of the games, with members from NATO and seven countries - Australia, France, Germany, Israel, Spain, the United Kingdom and the United States (Poulios, 2006). During the games seventy thousand policemen and soldiers were deployed, with an additional thirty-five thousand military personnel (Coaffee & Fussey, 2011), plus an unspecified number of foreign counterterrorist and security agents (Margaronis, 2004). Moreover, Patriot anti-aircraft missile batteries were installed, a surveillance zeppelin was watching the streets, and Greek and NATO fighter and surveillance planes were guarding the skies (Shipley & Whitlock, 2004). Yet, the cornerstone of security planning had to do with the control of telecommunications. Samatas (2010) explains how highly sophisticated surveillance and database systems, which are used in many countries “to track down democratic opposition, dissidents, ethnic and religious minorities” (p. 221), are also deployed to be used in such mega-events like the Olympics. However, the wire-tapping scandal that broke out in 2006¹, has shown that these systems, once installed, remain operational even after the end of the event for which they were deployed in the first place, and in this way the Athens Olympics were used as a Trojan horse to set up on a permanent basis a sophisticated surveillance system (Boyle, 2009; Lenskyj, 2008). In addition to the very advance surveillance devices used during the games, a network of 1,250 to 1,600 Closed Circuit TV cameras were also mounted in the city’s streets (Samatas, 2007). The various security systems were to be coordinated and controlled by an advanced system/software called C-4I, developed by a consortium of US and German companies at the cost of $312 million (Poulios, 2006). The system however failed miserably and it never became operational during
the Games, leaving the Greek armed forces taking care of security with more conventional means. The overall tab for such a security response to real or perceived threats came to 1.5 billion dollars, an unprecedented number for security expenditures (table 3), and an overwhelming burden for the finances of a country like Greece.

Table 3 Security Costs of Olympic Games, 1984-2004

<table>
<thead>
<tr>
<th>Games</th>
<th>Total security cost (US$)</th>
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<tbody>
<tr>
<td>Los Angeles (1984)</td>
<td>79.4 million</td>
</tr>
<tr>
<td>Seoul (1988)</td>
<td>111.7 million</td>
</tr>
<tr>
<td>Barcelona (1992)</td>
<td>66.2 million</td>
</tr>
<tr>
<td>Atlanta (1996)</td>
<td>108.2 million</td>
</tr>
<tr>
<td>Sydney (2000)</td>
<td>179.6 million</td>
</tr>
<tr>
<td><strong>Athens (2004)</strong></td>
<td><strong>1.5 billion</strong></td>
</tr>
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*Source: Adapted from the Wall Street Journal, 22 August 2004; cited in Coaffée & Fussey (2011).*

In addition to the excessive financial burden, the desire to host a safe post 9/11 games had also the effect of naturalizing the extreme militarization of Athenian space. The distance from making the city “presentable for an international audience” to having the “police and security forces take their green light and round up undesirables with extreme prejudice” has been indeed very short (Zirin, 2005). In the post-Olympic Athens it is customary today that before and during labor union strikes the police temporarily arrests political activists with no arrest warrants. Democracy Now reported on August 10, 2004 that clean-up operations before the games targeted the increasing number of homeless, the mentally ill, drug addicts and immigrants from appearing in public view. This type of police operations are now part of the city’s routine, oftentimes aided by resurgent neo-Nazi groups. In fact, since 2004 law and order political voices have increased their appeal and their political influence⁵. In the post-Olympic period,
Petropoulou (2008) comments that, “a new political climate grew up, characterized by the broad acceptance of intense competition and of surveillance-induced social control, which in turn became absorbed into the citizens stock of social values and since then the populace's right to the city has been constantly violated” (p. 218).

In this militarized post-Olympic urban environment, two new trends have appeared and they are affecting the structure and the function of the city: the large enclosed shopping and entertainment malls, and to a lesser extent, the appearance of large organized and secure housing complexes. Even though shopping malls were never popular in Athens, since the beginning of the decade of the 2000s a substantial number of new enclosed malls is being constructed (Delladetsima, 2009), while an increasing number of gated communities has also appeared. These kind of developments became possible not only because of the increased militarization of space and heightened concerns about issues of safety, fear of crime and law and order, but also because of the availability of large parcels of public lands, used for the Olympics, and which after the games were privatized. Very telling is the case of the International Broadcast Center, which was constructed on the top of a very old olive tree area, and the Olympic Media Village. Both of these venues were built around the Olympic stadium in public open land and through a private-public partnership and plenty of manipulation of the regulatory framework they ended up to the Lamda Development, a company that belongs to the Latsis family – one of the richest families in Greece, and they were turned into giant shopping malls (Sarigiannis, 2004; Frementitis, 2008), considered one of the biggest political scandals that somehow escaped the attention of the media. In very close proximity, the same company also built a gated housing complex, representing what Low and Smith (2006) describe as “new privatized enclosures of public space aimed at enhanced, community homeowner control” (p. 9).
This type of transformation of the urban landscape became possible because of a new network of transportation facilities, which allowed for quick access to and from these areas, found both within the city borders and in peripheral locations (Stathakis & Hadjimichalis, 2004). The 2004 Games, as it is the case with the Olympics in general, initiated a large number of transportation infrastructure projects (the new international airport; the regional expressway of Hymettus; expansions of ports surrounding Athens –i.e. the ports of Piraeus, Rafina, Lavrion; the Attiki Odos expressway; the suburban train; subway extensions; the tram/light train, etc.), which provided profitable investment opportunities to the large Greek and foreign construction companies but they also alleviated considerably the mounting traffic congestion problems. Many of these interventions had already been planned long before the Olympics but it was the games that accelerated their implementation. They were funded mostly by the central government and partially by the EU structural funds, and they are managed by private companies through public private partnerships, in which the state signed exclusive build and transfer agreements with private consortiums (Chorianopoulos et al., 2010).

Even though the construction of many of these transportation facilities had been long overdue, their implementation was presented in the public discourse as the byproduct of the games; if it was not for the games and the concerted effort to produce an attractive image for the international visitors and potential investors, the city would have been deprived of such much needed infrastructure. In other words, the benefit to the public is only a spillover effect and not vice versa. This ideologically loaded distinction, with its striking similarity to the trickle-down rhetoric, implies that the integration of the market principles and the submission to the objectives of the entrepreneurial city have been the driving forces in improving the urban environment and people's lives; a view that resembles the developmentalist logic of the post-WWII period.
According to this denotation, planning interventions do not have as their primary aim the improvement of residents’ lives, but instead, the temporary satisfaction of the foreign visitors and/or investors: if their needs are satisfied, then this means that the needs of the citizens are satisfied as well. Allegedly, what is good for visitors and investors is axiomatically good for the people.

To this effect, most accounts of the Greek media over the legacy of the 2004 Games emphasize the improvements in the transportation infrastructure. The fact is that the pre-Olympic investment in transportation has been massive, and in many ways it has ameliorated the environmental and congestion problems of the city. Indeed, even World Wildlife Fund's environmental assessment of the games, which shows that the overall environmental footprint of the games is negative, accepts that the main positive legacy of the 2004 Olympic Games was an improved mass transport system (table 4).

### Table 4. Olympic environmental scorecard

<table>
<thead>
<tr>
<th>Issue</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental planning</td>
<td>0</td>
</tr>
<tr>
<td>Environmental assessment</td>
<td>0</td>
</tr>
<tr>
<td>Protection of natural habitats</td>
<td>0</td>
</tr>
<tr>
<td>Protection of open spaces</td>
<td>0</td>
</tr>
<tr>
<td>Increase of urban green</td>
<td>0</td>
</tr>
<tr>
<td>Improvement of the built environment</td>
<td>3</td>
</tr>
<tr>
<td><strong>Public transport</strong></td>
<td></td>
</tr>
<tr>
<td>Siting of Olympic venues</td>
<td>0</td>
</tr>
<tr>
<td>Use of existing infrastructure</td>
<td>1</td>
</tr>
<tr>
<td>Use of green technologies</td>
<td>0</td>
</tr>
<tr>
<td>Green energy</td>
<td>0</td>
</tr>
<tr>
<td>Water saving scheme</td>
<td>0</td>
</tr>
<tr>
<td>Integrated waste management and recycling</td>
<td>0</td>
</tr>
<tr>
<td>Social consultation</td>
<td>1</td>
</tr>
<tr>
<td>Transparency</td>
<td>1</td>
</tr>
<tr>
<td>Public information</td>
<td>1</td>
</tr>
<tr>
<td>Respect to environmental legislation</td>
<td>0</td>
</tr>
<tr>
<td>Public awareness</td>
<td>4</td>
</tr>
</tbody>
</table>

**Total score** 0.77

- 4 - Very positive; 3 – Positive; 2 – Fair; 1 – Disappointing; 0 - Very disappointing

*Source: WWF Greece (2004)*
However, what all these accounts are missing is the fact that the additional construction in an already overburdened metropolitan landscape, such that of Athens, might offer only temporary solutions but it cannot be positive in the long-run. This is because the vision of further growth, no matter how sweetened is been made by additional investments in mass transit, will only exacerbate urban problems in the context of the Greek society, which suffers from a high degree of primacy. Athens’s size is disproportional to the rest of the country, in terms of population size, investment, cultural facilities, educational institutions, health services etc., and what is desperately needed is a serious and persistent decentralization effort.

Indeed, this was one of the critical issues that the master plan of 1985 was supposed to address: less public investment in the Athens metropolitan area, and more investment in the regions. This way decentralization would be initiated and thus a series of problems caused by uneven geographical development would gradually be minimized. However, for various reasons this objective gradually faded way, and then the decision to bid for the Olympics initiated a new round of investment and construction activity in the metropolitan region. For example, for the needs of the Olympics Athens supposedly needed a new airport to accommodate the increased traffic during the fifteen days of the Games. A modern airport was also deemed as a necessary fixture for a modern city that aspired to be a player in the international economy. How this would benefit the chronic problems of the city is still unclear. This facility itself and its associated construction, new highways and new railway lines had to be built in order to connect the new airport to the city, have inflicted an irreversible blow to one of the most productive agricultural lands surrounding Athens. These new transportation amenities have led to more intense development of the areas adjacent to the new transportation routes (Chorianopoulos et
al., 2010). This in turn has led to a new round of urban sprawl, abandonment of many central city neighborhoods, heavier car dependency and traffic. That is why we are confronted with a contradictory account of many scholars, who celebrate the new infrastructure and at the same time wonder about the persistence of traffic congestion; Kissoudi (2010) for example blames this on the “propensity” of Greeks to use their cars.

The only issue, albeit very important, then is not only if and how investment in public transit is going to help the city; a more all-encompassing question is the vision for the future of the city, and today this vision is based on further expansion and growth, it is the vision of the entrepreneurial city (Gospondini, 2009). In this context, the exchange value of open areas around the city is significantly enhanced because of new rounds of investments, along with the corresponding pressure for changes in land use. Leontidou et al. (2007) show that sprawl in the Mesogeia (North-eastern region) accelerated right after it was announced that Athens would host the games, and it was the anticipation of major construction projects in the area that triggered such a process (p. 89). The new airport which started to operate in 2001, along with the construction of the suburban railway, expansion of the subway system, and new highway construction allowed for sprawl to take place in the this once pristine agricultural area. The same scholars also show that sprawl in this area, along with inadequate planning and the lack of supporting infrastructure, has caused a series of environmental problems, such as soil erosion, deforestation, and flooding. In addition, they note that increased incidents of arson of agricultural and forest land around Athens have also been linked to “freeing public land for private settlement development” (p. 90).

Gospondini (2009) shows that the planning of the Olympic venues lacked basic strategic vision and it completely disregarded the post-Olympic use of the facilities: At least, for
example, of following the Barcelona model of rehabilitating a blighted urban section of the city, in Athens the choice was to build in open publicly owned land. Of course this is supposedly much cheaper, which along with the employment of low-paid immigrants would substantially lower the costs, and thus the burden for the Greek tax-payer. However, besides the fourteen dead construction workers during the preparation period, the financial price tag skyrocketed to fifteen billion dollars, even though the original forecast was for about four billion (Itano, 2008).

As many scholars have demonstrated, the undertaking of a mega-event such as the Olympics is an expensive endeavor, causing substantial deficits (Gratton & Preuss, 2008) and as a part of an economic strategy aiming solely at tourist development is highly speculative (Levine, 2003). The risks associated with the potential benefits are too high. As it was the case in the Athens the gamble did not work for public finances. The public undertook all the risks while any spillover effects were only temporary and did not benefit the public as a whole. Even though the financing of the games has been almost exclusively a state responsibility, the games allowed for the introduction of new non-state institutional bodies with incredible power of over planning decisions. The powerful Organizing Committee of the Olympic Games-Athens 2004 was a corporate body with a private legal statute. It was not a public sector institution and it operated on a free market basis. The president of the committee -Aggelopoulou- was the daughter of a former general secretary of the Greek federation of labor unions during the dictatorship (appointed by the military junta) and the wife of a very dominant Greek industrialist. She was imposed upon the government, and to the great dissatisfaction of the prime minister Simitis, by the International Olympic Committee (particularly by the former president of the committee who had served as a military officer and minister for the Francoist regime in Spain), while the government-appointed president of the committee had to be fired.
Both of the candidature files – for the 1996 and then 2004 games – had provisions that were inconsistent with the city’s 1985 master plan. However, the bidding committee (which had also been headed by Aggelopoulou) did not adjust its plans, but instead the master plan had to be amended with exceptionality clauses in order to accommodate the planning demands of the committee. To ensure that the Olympic venues would successfully pass the required environmental impact assessments as expeditiously as possible, the existing planning mechanisms had to be overlooked and replaced by the parliament itself which had now to calculate the environmental impact of the venues. In other words, without the guidance of the authorized institutions and with no scientific studies, the members of the parliament were able to assess the environmental impact and gave the green light for construction of the venues, in order to ensure that the whole process would not stall (Totsikas, 2004). This seems to be in contrast with how the decision-making process is portrayed in the literature of neoliberal governance, where decisions are made by expert committees, behind closed doors and as far away from elected bodies (Swyngedouw, Moulaert & Rodriguez, 2002). Even though the case of the 2004 Olympics speaks volumes about the state of Greek politics, the objective remains the same: business-type fast decision-making is heralded as the key for the success of the urban project. In the case of Athens the bureaucratic checks and balances of the regulatory mechanism had to be avoided, and in the absence of well-developed horizontal governance institutions, these centralized mechanisms had to be circumvented by the parliament itself, ensuring speed and flexibility. It is needless to say that nothing was done to involve local populations in the decision-making process.

The results in some cases have been really tragic, the most outrageous being the Marathon-Schinias rowing center. Once more, with extensive manipulation of the legal
framework it was decided that the rowing center would be built in one of the few remaining national parks around Athens and a very sensitive ecosystem. The center would also be very close to the historic site of the battle of Marathon, which is one of the most important archaeological sites of Greece. Despite the appeals of many Greek and international scientists and intellectuals, the site was finally built. During the excavation-construction process, new artifacts were found from a settlement dating 3,000 BC. The list of similar abuses of the physical, social and historic environment can go on and on, and have been well documented in the writings of many scholarly and journalistic accounts.

It is interesting to note that the International Olympic Committee, responding to the growing awareness for environmental issues, has made a pledged to abide by the principles of sustainability and to establish “green” criteria. In the case of Athens this would be a really beneficial endeavor as the city has the lowest score of green spaces in Europe: 2-2.5 square meter (m²) per capita. Unfortunately, the Olympics placed an additional burden on the city’s dwindling open spaces by wasting an additional 1.23 square meter (m²) per capita of green or potentially green spaces (Laboratory of Urban Space, 2009).

Right after the completion of the games the question in everybody’s mind was “and now what?” “What does the city is to do with so many venues?” The problem with the Olympic stadia is that they are spaces designed to attract spectators and not to accommodate the recreational needs of the people who want to practice sports. Most of the Olympic facilities have remained vacant after the games due to bad planning. The government right after the games maintained that the annual maintenance costs would be very high (100 million euros) and this would neither be sustainable for a long time nor wise to waste additional money on these buildings. However, in the parliament discussion over the future use of the Olympic building
stock, the government maintained that the annual cost would be approximately 20 million euros (Kartalis, 2005). The purpose of such a discrepancy is obvious: To show that the cost of maintenance and operation is going to burden unjustifiably the tax payers and therefore these facilities should be granted to private investors. And in order to make them potentially more profitable and more appealing to investors, changes in their use and the surrounding areas could easily be justified. It is telling that even though all these were paid by public funds with budget overruns, none of the Olympic venues was given to the public and the surrounding municipalities.

It is expected that a mega-event, especially of the scale of the Olympics would lift the host-city’s image in the international business community, and indeed this is the most common goal for taking on such a project. That was also one of the goals in the case of Athens: to show that the city is the base of a strong and capable capitalist class, able to embark on such an undertaking. Of course, the results in this sense were a disaster: Greece was ridiculed in the international media for corruption and overall logistical problems during the preparation period. The fact that the games went through with no major –and much anticipated- glitches is not in itself a reason for celebration; to the contrary, the games worsened the image of the city as they came to reinforce an image of corruption and inefficiency and ineptness. In such a case, the image of the host city “prevents investment in non-Games-related activity” and the overall economic activity is compromised (Preuss, 2004, p. 25). Indeed, in the post-Olympic period, the much expected foreign investments never materialized, while the economy entered a rapid downward spiraling. Even the attraction of tourists became problematic since the benefits from increased tourist traffic have been non-existent: while the tourist trade in 2000 generated 10 billion euros, in 2009 the increase was only marginal, it accounted for 10.3 billion euros; as for
the forecasts for 445,000 jobs in the tourist industry, they were never materialized (Hatzigeorgiou, 2010).

Today, Greece is in a deep economic crisis and the need for privatization, or rather “the good use,” as the government insists on calling it, of the Olympic facilities and the surrounding lands is promoted by the European Union and the respective governments of the major European lending institutions, the International Monetary Fund and other international political and financial institutions as a necessary step and a preferable solution to the country’s debt problems. As Gratton & Preuss (2008) state, the Athens Olympics put together “oversized” infrastructure that was not needed in the long term (p. 1922), and in the post-Olympic period the challenge would be to find the “appropriate use” for these publicly financed facilities. To this day, many Olympic venues continue to stay unused, while the government seems to be desperate to find buyers and potential investors. The lenders of Greece demand that the country sell the Olympic properties and other public land in order to pay back its debt. However, even if all public properties were to be sold at good prices, the revenue would equal twenty percent of one year’s GDP, while public debt for 2009 was 129% of the GDP and it is expected to be 157% in 2013 (Dragasakis, 2011). Besides, the ongoing global economic crisis only lowers the potential demand for, and thus the market value of, the properties for sale, while it is making the proclaimed benefits of the privatization process even more questionable and contested.

It would be misleading to claim that the current economic woes of Greece have been caused by the Olympics, even though for a country of that size such an undertaking of pharaonic proportions was not at all necessary. However, the Olympics had a more profound impact in the economy as a legitimizing force in the chosen development model. The potential economic benefits from such type of urban redevelopment, as described in the boosterish literature never
materialized in the case of Athens. Today, the unemployment rate sits at sixteen percent; the land market is in shambles, while public finances are in the worst position in the post WWII period. While costs overruns was a common occurrence (table 5), there are allegations that many Olympic contracts with foreign companies were the results of extreme corruption (with the Siemens contracts been the most outrageous), and there are many economists today who demand the auditing of all the loans made to pay for the Olympics because it is very likely that they are the result of illegal actions (Alain Toussaint, Committee for the elimination of third world debt; Committee for the audit of Greek debt).

**Table 5.** Selected cost overruns

<table>
<thead>
<tr>
<th>Venue</th>
<th>Estimated cost</th>
<th>Final cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athens Olympic Sports Complex</td>
<td>3.1</td>
<td>399</td>
</tr>
<tr>
<td>Goudi Olympic Hall</td>
<td>3.5</td>
<td>39.5</td>
</tr>
<tr>
<td>Peace and Friendship Stadium</td>
<td>3</td>
<td>29.7</td>
</tr>
<tr>
<td>Agios Kosmas Olympic Sailing Center</td>
<td>16.5</td>
<td>118.5</td>
</tr>
<tr>
<td>Athens Olympic Aquatic Center</td>
<td><strong>3.5</strong></td>
<td><strong>22.5</strong></td>
</tr>
<tr>
<td>Markopoulo Olympic Shooting Center</td>
<td>12</td>
<td>60.6</td>
</tr>
<tr>
<td>Galatsi Olympic Hall</td>
<td>13.7</td>
<td>60.5</td>
</tr>
<tr>
<td>Nikaia Olympic Weightlifting Hall</td>
<td><strong>12</strong></td>
<td><strong>49.1</strong></td>
</tr>
</tbody>
</table>

*Source: Real News, cited in Panhellenic Association of Public Works Contractors*

Besides, these very Olympic loans have justified the further privatization of urban space and thus they have made a livable city a receding dream. The latest twist in the use of the Olympic facilities is that the government would lease the venues to private interests for ninety-nine years, and it appears that Goldman Sachs and Deutsche Bank have shown interest. This scheme will allow the transfer of public property and land to private interests who will recover
their initial investments through tax returns (as it is described in article 23 of the Greek taxation code).

In Greece the Games have been part of an effort to initiate yet another round of “modernization” in the country’s history, this time with neoliberal characteristics. However, it seems that the aura of the Games has faded away very quickly, and the legitimacy they provided for political and economic elites has started to evaporate too, as the structural economic and political problems suffocate the society. The overestimation of benefits and the underestimation of costs have created a bitter aftertaste, and while the Games were used as the carrot that helped creating a more receptive climate for privatizations and the overall implementation of neoliberal policies, today it is the stick of fiscal problems that rationalize the privatization of public assets. Maybe this what George Soros meant when he advised the Greek government on how to weather the current economic crisis: “You can do it, the same way you did with the Olympics” (Soros, 2011).

Although it would be an exaggeration to claim that the Olympics is to blame for these developments, it is safe to claim that the perceived benefits of such an investment did not help the urban or/and the national economy. Would the economy be able to weather the current crisis had this huge investment taken place in other sectors of the economy and the society as a whole? Maybe we will never know. Yet, in retrospect, it seems that the games have been a vehicle for the implementation of an urban development agenda that espouses the infallibility of the markets and the principles of neoliberal globalization. These principles, introduced during the period of the Olympic adventure, now constitute the dominant ideological underpinning of urban development in present day Athens. They justify the further privatization of urban land, and
make a livable city—so dependent on open public space—a more difficult and unlikely contingency.
References


Laboratory of Urban Space.


1 This kind of criticism is summarized by Economou (2000) in the following points:
- This development model absorbs very high rates of investment in relation to investments made to other areas, mainly in the industry.
- It produces inflationary pressures since it helps in the increase of incomes and consumption, without a corresponding growth of production.
- It does not contribute to the development of the productive forces, at the expense of industrial development, perpetuating the dependence of the Greek economy.
- It does not produce exportable products and therefore this development does not improve the trade balance.


It is interesting to note that this discussion is very heated today in Greece, where economists try to understand the roots of the current economic crisis. One of the most well-known labor historians, D. Livieratos (2010) has criticized many leftist intellectuals that they underrate the strength of Greek capitalism and in this ways they legitimize neoliberal policies, which seem as the only alternative in a society with no substantial productive base. On the other hand, right wing politicians have defended post WWII urban development policies in Athens on the ground that there was no alternative in a city with a weak economic base.

The scandal involved the illegal wiretapping of more than 100 telephones, including the telephones of the prime minister, the minister of foreign affairs, the minister of defense and other top government politicians. The technological platform used for the wiretapping was installed before the Olympic games (Samatas, 2010).

The extreme right-wing LAOS party for the first time managed to elect a representative in the 2004 elections for the European parliament and since 2007 it has been continuously represented in the Greek parliament and has greatly increased its electoral power and its influence in Greek politics as a legitimate political party. In the municipal elections of 2010, the neo-Nazi party of Golden Dawn received 5.29 percent of the votes.

It is interesting to note that John Latsis, the founder the Latsis companies, was allegedly a Nazi collaborator, who became rich through illicit trade during Greece’s occupation, and then he became a ship-owner with oil refineries, banking, financial and real estate operations.