Sport mega-events and urban regeneration

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London 2012

The Olympic Games and East London

from De-Industrialisation to Regeneration
Olympic Cities and Urban Regeneration

London East Research Institute Presentation

1. De-Intrualisation
2. Regeneration
3. Olympics: Ideals v. Economics
Thames Gateway Regeneration Scheme
the University of East London
Part 1:

De-Industrialisation
1935 - Royal Albert Dock, looking towards what is now London City Airport
At their height the London Docks employed 30,000 people

late 1950s - Royal Albert Dock quayside
1980s - Royal Albert Dock looking East
Ford Dagenham Plant opened in 1931

Ford Motor Works from the Air 1939
London’s manufacturing workforce fell from 1.6m in 1961 to just 328,000 in 1993

Ford Factory- Aerial View 1958

In 1981 Ford Dagenham employed 24,000 people- less than 1,000 now
West Silvertown in 1921
Characteristics of the Industrial Geography

- Economy and employment based on manufacturing
- In East London, factories were near the docks
- Housing estates are near the factories
- Workers live in the neighbourhood of factories and docks
Results of De-Industrialisation

- factories and docks closed, empty buildings and landscapes
- high unemployment
- local population declines
- housing quality declines, prices are low
- influx of poor migrants and refugees
- deprivation and low skills base of local population
Deprivation

Index of Multiple Deprivation 2007

Rank of IMD 2007 deciles

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Skills: Distribution of London’s Knowledge Workers

(in 2005 Services created 74% of UK Gross Value Added)
Part 2: Regeneration
What is Regeneration?

• to improve the economic status of communities?

or

• to strengthen the local economy and create wealth?

or

• both?
East London Regeneration Phase 1 - Canary Wharf
East London Regeneration Phase 1- Canary Wharf

- greatly improved the physical environment
- strengthened the local economy and created wealth,

**but**

- did not improve the economic status of local communities
- new labour force largely travels in from outside
- new residents migrated from other prosperous areas
- political backlash occurred from local residents
Consumption-Led Regeneration Model

- based on service industries,
- in particular global growth sectors
- media, telecommunications, leisure, tourism
- technological convergence of ICTs,
- mass markets for digital and satellite television
- cheap travel and tourism
Consumption-Led Regeneration Model (contd)

• predicated on globalisation, inward investment
• aims to increase global visibility of city, region
• concept of ‘global city’
• carried out through Public-Private Partnerships
• requires reorganisation of local politics and
• creation of quasi-governmental development agencies
• East London regeneration strategy based on consumption-led model

• New Thames Gateway phase seeks also to improve the economic status of local communities

• Use of plural emphasises equality of opportunity for culturally and ethnically diverse population

• This chimes with “bringing the world together” Olympic ideal
Part 3:

The Olympics: Ideals and Economics
Olympic Ideals and Values

- fair play, cultural exchange, equality, tradition and honour

Olympic Economics

- continuously rising costs
- varying relative contribution of public and private funds
- both public and private funds leveraged on global ‘brand value’ of Olympics
- increasing importance of company sponsorship and tv rights.
- value of tv rights dependent on commercial advertising
- commercial advertising and sponsorship predicated on ‘brand value’ of the Olympics
Economic Models

**CHEAP**
- Few new facilities
- Small investment in infrastructure
- Mainly private finance

1966 Atlanta (80% private)
1984 Los Angeles (90% private)

**EXPENSIVE**
- Extensive new facilities
- Significant investment in infrastructure
- Mainly public finance

1992 Barcelona (62% public)
2000 Sydney (55% public)
2008 Beijing (90% public*)
2012 London (70%+ public*)

*estimate
The Dichotomy: Olympic Ideals v. Economic Reality

- economic reality necessarily increasingly dominant
- IOC itself increasingly dependent on commercial sponsorship and tv rights

However
- Olympic ‘brand value’ is tarnished by commercialism
The 1999-2000 “Moral Crisis”

“Take away sponsorship and commercialism from sport today and what is left? A large, sophisticated finely tuned engine developed over a period of 100 years- with no fuel”

Antonio Samaranch, President of the IOC, in the aftermath of the crisis

The 1999-2000 “Moral Crisis” and London 2012

- major international corruption scandal over bid process for 2002 Winter Olympics- won by Salt Lake City
- several IOC members expelled for corruption
- crisis of ethics is crisis of Olympic ‘brand’
- IOC forced to re-emphasise ethics and Olympic ideals
- Regeneration effect for the benefit of deprived communities in Olympic bid becomes important in this context.
- Explaining post-games legacy to local communities important element of future bids
- London 2012 bid fits criterion through its regeneration element
London’s bid was built on a special Olympic vision. That vision of an Olympic games that would not only be a celebration of sport but a force for regeneration. The games will transform one of the poorest and most deprived areas of London. They will create thousands of jobs and homes. They will offer new opportunities for business in the immediate area and throughout London….One of the things that made the bid successful is the way in which it reaches out to all young people in two important respects: it will encourage many more to get fit and to be involved in sport and, whatever their physical prowess, to offer their services as volunteers for the Olympic cause’.

Jack Straw, British Foreign Minister, Statement to Parliament , July 6 2005
Part 4: Legacy
The Legacy
Sports Legacy, Community Regeneration, Non-Olympic Employment

- Additional Housing
- Leisure and sports facilities
- Convention/Exhibition/Office Spaces
- Telecommunications Infrastructure
- Transportation Infrastructure
- Environment (parks, space, water, air, ecology)
- Tourism
- Public Services – education, health...
- Labour Market – skills, knowledge
- Volunteer organisation
- Cost of Living Increase (% change in host city & compared to other cities)
The Legacy

Invisible Long Term Effects

• Olympic-related jobs disappear
• Knowledge/skills retained
• Volunteer Ethos retained
• Regional Pride/Image/Brand
• National Pride/Image/Brand
• Structural ‘displacement effects’
Part 4: Main Challenge
A serious issue of megaevent-led regeneration:

- regeneration satisfying needs of local communities should mean community involvement in regeneration planning
- tight completion deadlines required by Olympics makes for a highly centralised decision making structure
- this could lead to alienation and marginalisation of local population from Olympic process
- alienation and failure to meet communities’ needs