

## ATHENS 2004: PRELUDE TO THE CRISIS?

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**A**re the Olympic Games always an engine of growth and development? Or can they also become the prelude to crisis and profound change? The Athens 2004 games were meant to be the icing on the cake of Greece's transformation into a modern country. It was fully integrated into the European project two decades after joining the EU and a few years on from adopting the euro as its currency. Nevertheless, the games were to end up being a symptom of what happened ten years later, when Greece was engulfed by a deep economic crisis and the transformation of its political system.

Athens bid to host the 1996 games, which were ultimately won by Atlanta. That year the centenary was celebrated of the first modern Olympic Games in Athens in 1896. Thanks to the symbolic element of that anniversary, the city began as the favourite for nomination but, in the last two rounds of voting, the jury opted for Atlanta for reasons both of continental rotation and the fear that the Greek capital would not be able to meet the necessary construction deadlines. Certain indicators already signalled the future complications of the Athens-Olympic Games pairing, but the disappointment was alleviated in 1997 when Athens was chosen to host the games at the International Olympic Committee's (IOC) meeting in Lausanne.

The Sydney games in 2000 set a high bar. The then president of the IOC, Juan Antonio Samaranch, said that they were the best in history in terms of organisation. The central parties on the Greek political scene made efforts to demonstrate that the public investment would be large enough. The social democratic PASOK government began the preparations under the leadership of Costas Simitis, running up high volumes of public expenditure that on more than one occasion led to accusations of corruption and the diversion of EU funding.

When the conservative New Democracy party won the March 2004 elections as a consequence of these scandals, it sought to capitalise on the success of the coming Olympic Games. At that time, the public deficit was 3.2% and the public debt – over 100% of GDP – had been spent on infrastructure for the games. Both PASOK and New Democracy justified

the \$16bn spent on the games (according to various calculations) by citing the profits that would arrive in the form of investment, tourism, jobs, the opening up of the city and the country to the rest of the world, and the infrastructure and urban planning development.

In terms of investment the games had two faces. On the one hand, the city of Athens renovated and extended its subway line and built a new airport. But on the other, the Olympic facilities provoked reasonable doubts about their reuse and the costs of their maintenance. The jobs produced were characterised by their low quality, temporary nature and poor pay, and on many occasions they extraordinary costs were incurred, like the security system that ended up costing 20 times more than the budgeted amount. Some argued that the Greek economy, small and with a loss-making productive system, was unable to fill the economic hole that an Olympic Games opens up. The current state of the Olympic facilities and the high price of maintaining them demonstrates the lack of a long-term strategy and vision on the part of the authorities in charge of the event.

If there was a political movement that spoke out against the organisation of the games it was the extreme left, which focussed much of its criticism on the debt that the games would leave for future generations. Both the KKE (the Communist Party of Greece) and Synaspismos (the leftist coalition today's Syriza grew out of), warned of the unfeasibility of staging the games. At a time of economic boom, the criticisms did not get through to the Greek society. In the 2004 election, the KKE and Synaspismos got less than 10% of the vote, while PASOK and New Democracy received 86%. When Greece's sovereign debt crisis hit in 2009 the ghost of the games was revived.

The elections in May 2012 brought Syriza in as the main opposition party. At the time, Alexis Tsipras stated that the growth rates in the last decade (which reached 7% and 8%) had not translated into greater well-being for the Greek citizens but into growing inequality. He accused the governors of PASOK and New Democracy of passing on the profits of growth to the country's oligarchies, which benefitted substantially from the Olympic Games contracts. In 2014, ten years after the games and deep in a full-blown economic and financial crisis, the Greek people saw that holding the games was a bad investment that contributed to increasing the Greek debt and deficit and left behind an unpayable legacy.

Syriza won the elections in January 2015 thanks to a message of renewal in Greek politics and a promise to end austerity policies and fight inequality. The 2004 Olympic Games were more proof of the bad political and economic praxis of the traditional political parties. For some of their leaders, when the Greek public debt reached 120% of GDP in 2009, triggering the Greek crisis, this was in part due to the useless infrastructure built for the games and a culture of "artificial enrichment" in the country. Unlike the experiences of other Olympic Games that championed development, the handling of the Athens games was taken advantage of by Syriza to demonstrate the existence of extractive elites and the need to renew the Greek political and economic scene.