

---

# Megaprojects, neoliberalization, and state capacities: assessing the medium-term impact of the 2004 Olympic Games on Athenian urban policies

---

**Nicos Souliotis**

National Center for Social Research, 61 Athinas and 9 Kratinou str, 10552 Athens, Greece; e-mail: nicolassouliotis@hotmail.com

**John Sayas**

Department of Geography and Regional Planning, School of Rural and Surveying Engineering, National Technical University of Athens, Zographou Campus, Athens 15780, Greece; e-mail: isayas@mail.ntua.gr

**Thomas Maloutas**

Department of Geography, Harokopio University, 70 El. Venizelou str, Kallithea, 17671 Athens, Greece; e-mail: maloutas@ekke.gr, maloutas@hua.gr

Received 8 February 2011; in revised form 18 December 2012; published online 6 June 2014

---

**Abstract.** With this paper we examine the 2004 Olympic Games as an ambivalent catalyst for the implementation of neoliberal urban policies in Athens. We draw upon two distinct analytical streams: first, regulationist scholars' conception of neoliberalization as a path-dependent and, to a large extent, state-led process, and, second, Skocpol's 'autonomy state' approach. We argue that the implementation of neoliberal urban policies in Athens has been shaped by a combination of centralism, low central state capacity, organizational and financial weakness of business elites, and citizen movements' opposition. We first provide an overview of Athenian urban policies since the 1960s; then we examine the preparation of the 2004 Olympic Games; and, finally, we investigate the post-Olympic use of Olympic venues, including the period of the current sovereign debt crisis. In the conclusion we emphasize that the bailout agreement between Greece and the International Monetary Fund, the European Central Bank, and the European Union aims at reboosting neoliberal public policies in a radical way.

**Keywords:** neoliberalism, Olympic Games, urban policies, Athens, megaprojects, megaevents, state capacity

## 1 Introduction

'Megaevents' and 'megaprojects' have been widely used during the last decades as major tools for fostering urban development in advanced capitalist societies. This strategy is linked to internationally diffused planning models that emphasize the positioning of primate cities of the nation-states in the global urban hierarchy as the key of regional and country development. In this paper we focus on the case of the 2004 Olympic Games. We examine how the Games and the related megaprojects have been linked to a competitive city strategy and how this strategy has been fashioned by local political conditions.

We begin with an overview of the critical discussion on neoliberalization of urban policies, focusing on the issues of path dependency and the role of the state. We argue that this approach may be seminally linked to Skocpol's notion of state capacity in order to examine the modalities and outcomes of promoting neoliberal policies by different states. We then discuss the postwar urban policies in Athens, stressing the persistence of centralism and the reproduction of low state capacity. Finally, we investigate the preparation of the Games and

---

the post-Olympic reuse of Olympic venues with a focus on central government's attempt to increase the efficiency of urban policies through the use of neoliberal policy tools.

## **2 Path dependency of neoliberalization of urban policies and state capacities**

Termed variously competitive city, entrepreneurial city, and postindustrial modernization, the strategy of selective investment in major metropolitan areas is being haunted by a straightforward ideological path drawing from the ideal types of competitive capitalism, consumer sovereignty, and freedom of choice. The main motors of this investment strategy—urban regeneration and the associated megaprojects, ranging from large-scale infrastructure to isolated flagship projects (Fainstein, 2008; Lehrer and Laidley, 2008)—are part of a wider set of 'neoliberal' urban policies. The latter comprise the transfer of urban planning authorities to 'quangos', the increased involvement of business elites, and the privatization of public companies and urban infrastructures (Brenner and Theodore, 2002; Harvey, 1989).

Critical approaches have stressed the double nature of the competitive city strategies: they stem from a political commonsense, while at the same time their implementation is a complex process, fashioned by the contextual variability of the host nation-states (Brenner and Theodore, 2002; Brenner et al, 2010; Peck and Tickell, 2002; Peck et al, 2010). Mainstream contemporary urban strategies are market-oriented projects dictated by a 'one-size-fits-all' policy approach based on the belief of the universality of outcomes from market-based policy recipes (Brenner and Theodore, 2002, page 353). However, neoliberal urban strategies:

“are rarely, if ever, imposed in a pure form, for they are always introduced within politico-institutional contexts that have been molded significantly by earlier regulatory arrangements, institutionalized practices, and political compromises” (page 361).

This path dependency may in turn significantly constrain the scope and trajectory of the strategies.

Neoliberal urban policies privilege increased private sector involvement in urban planning. Research on the new role of business elites in urban governance during the 1990s (Bassett, 1996; Harding, 1991; 1997; Kantor et al, 1997; Mossberger and Stoker, 2001; Stoker and Mossberger, 1994) tested US-originated approaches in European cities, especially that of urban regime theory (Stone, 1993), in an attempt to better conceptualize the increase of business elites' influence on urban policy and the implementation of progrowth strategies by European cities, often financed by the EU.

It has also been argued that the promotion of urban competitiveness has been part of a wider restructuring of the state. Scholars such as Jessop (2008), Brenner (2004), and Swyngedouw (1997) analyzed the contemporary state rescaling processes which involve the simultaneous transfer of state powers upwards to supranational agencies and downwards towards subnational authorities ['glocalization', according to Swyngedouw (1997)].

However, both regulationist scholars and those that used the 'urban regimes' model have stressed that the role of the central state remained powerful, despite the rescaling of state powers and the greater influence of business elites in urban policy making. In fact, neoliberalization requires extended state intervention and, thus, is a *state project*. As Moody stressed,

“while neoliberalism aspires to create a 'utopia' of free markets liberated from all forms of state interference, it has in practice entailed a dramatic intensification of coercive, disciplinary forms of state intervention in order to impose market rule upon all aspects of social life” (cited in Brenner and Theodore, 2002, page 352).

If the neoliberalization of urban policies is—also—a state project, then an important condition that defines the modalities and the pathways of this process may be the *capacity of the central state to implement effectively the new policies*. The question of state capacity may be central in neoliberalization processes, especially in those cases where the political

---

structures of a country are diachronically characterized by centralism and the ability of the central state to act ‘autonomously’—that is, to “formulate and pursue goals that are not simply reflective of the demands of interests of social groups, classes or society” (Skocpol, 1985, page 9). Following Skocpol, by the term ‘state capacity’ we mean the ability of the state to realize effectively “official goals, especially over the actual or potential opposition of powerful groups or in the face of recalcitrant socioeconomic circumstances” (page 9). We can, therefore, discuss the ‘success’ or ‘failure’ of public policies not according to some external economic or normative criterion, but by focusing on policies’ feedbacks and asking whether they promote or not the further extension of the same line of policy making (Skocpol, 1992, pages 58–59). To do so, policies have, first, to engender a cyclical effect of enhancing state capacities that allows their development and, second, to stimulate “groups and political alliances to defend the policy’s continuation and expansion” (page 59).

In the case of the 2004 Olympic Games, the availability of EU financial resources and the use of neoliberal policy tools [quangos, ‘exceptional’ legal framework, and public–private partnerships (PPPs)] led to a successful organization of the event and boosted the city’s economy for a decade. But at the same time these policies failed to ensure their continuation through the enhancement of the capacity of public administration in urban policies and the building of a broader sociopolitical consensus. The ambiguities and contradictions of urban policies in Athens, part of a broader impasse of neoliberal policies in Greece, were made clear during the current sovereign debt crisis. The external financial aid by IMF (International Monetary Fund), EU, and ECB (European Central Bank) provided to Greece was combined in a program of economic restructuring which aims at surpassing the limits of domestic (national and local) politics in order to reboot neoliberalization in a more radical way.

### **3 Shifts in urban policies in Athens: the potential and dynamics of the competitive city strategy**

We argue that postwar urban planning in Greece is marked simultaneously by the predominance of the central state and by low state capacity, the two being causally related. Central governments of the first postwar decades prioritized economic development goals and sectorial over urban or regional planning and environmental protection (Economou, 1988; Zifou et al, 2004, page 2). They also tolerated spontaneous practices of urbanization in large city centers (mainly Athens and Thessaloniki) by lower social strata. The a posteriori legalization of illegal constructions has been the object of continuous clientelistic bargaining of central state with these social groups (Economou, 1988; Maloutas, 2010). Thus, central government’s land-use decisions have often been arbitrary and incompatible with existing planning policies (Zifou, 2004, page 2). Overall, central government’s clientelistic practice severely hindered the accumulation of skills and expertise by the administration, and centralism was coupled with low state capacity. At the same time, centralism opposed the creation of administration units (a metropolitan government, in the case of Athens) and planning agencies with the necessary scope to develop the appropriate policies for addressing problems at the urban and/or regional scale. This deficiency went hand in hand with the residual south European welfare model and the absence of effective welfare policies at the national and, especially, local level.

The rapid postwar urban growth and the absence of comprehensive urban planning led to the accumulation of serious environmental, social, and economic problems in the late 1970s: poor transport system, air pollution, unequal spatial distribution of urban infrastructure, and pockets of severe poverty. Until the late 1980s, Greek governments attempted to deal with these issues by adopting policies of progrowth management measures. In 1979 the conservative government presented the ‘Capital 2000’ Master Plan (MPW, 1979), and in 1985 the socialists enacted the Regulatory Plan of Athens (MPUE, 1985). The two plans were

---

preoccupied with population stabilization, protection of periurban rural land, preservation of the architectural heritage, and implementation of a metropolitan polycentric structure. The 1979 plan, though, tolerated some population and industry growth, while it promoted a number of ‘major works’ that would create a metropolitan transport infrastructure system (metro lines, ring road, relocation of the airport, and creation of a new port). The socialists argued that the 1979 plan would lead to a further concentration of population and wealth in Athens, so their government, in 1981, advocated a more decentralized regional policy aiming at redirecting public investment to the less-developed regions of the country. The 1985 masterplan abandoned the ‘major works’ (except metro lines) of the ‘Capital 2000’ plan and opted for the stabilization or even the reduction of the city’s population, the revitalization of neighborhood social life, the return of housing in the city center, and the improvement of social and physical infrastructures in working-class areas.

In practice, these policies led to noninvestment in Athens and reproduced low state capacity in urban planning. Public interventions were restricted to soft ones (pedestrianization, improvement of urban equipment), with the exception of the rehabilitation of a part of the historical center in the early 1980s—the only case of effective gentrification in Athens—and the upgrading of basic infrastructures (sewerage, roads, etc) in the working-class western suburbs (see figure 1).

The growth management policies were implemented at a moment when neoliberal, competitive urban policies were gaining ground in advanced capitalist cities (Harvey, 1989), while Athens was losing its developmental dynamic as the result of industrial crisis and restructuring (Sayas, 2004), loss of tourist attraction, rising unemployment, and demographic stagnation of tenement city areas (Sayas, 2006). The effects of the late 1970s and early 1980s’ economic crisis pushed towards change, which appeared in the mid-1980s when both the conservative mayor of the city and the socialist prime minister agreed that the objective for Athens was its transformation into an international center of tourism, services, and culture (Romanos, 2004, page 154). In 1987 the government announced the construction of Athens’ metro and of a second airport. In 1988–90 Athens stood, unsuccessfully, as candidate city for the 1996 Olympic Games. These projects reversed in effect the decentralized regional policy perspective and—once again—focused on the growth of the Athenian metropolitan economy for the country’s recovery (Economou et al, 2001).

Since the mid-1980s and, especially, the mid-1990s, a new grid of opportunities has emerged. In a period characterized by serious public sector fiscal constraints, EU cohesion policies offered significant financial resources which increased considerably state capacity to plan and to implement effectively new developmental goals for the city. Indeed, the central government promoted a number of major works (peripheral highway, new airport, and two metro lines) which were integrated in programs supported by the Structural Funds (Getimis and Marava, 2004). At the same time, in line with EU policy directions, the central government adopted neoliberal policy measures for the realization of megaprojects such as PPPs and the implementation of the projects by quasi-governmental agencies.

Political opportunities favoring a change in urban policies emerged as well. The fall of communist regimes in Balkan countries and the prospect of their integration in the EU seemed to create new opportunities for Athens. As the capital of the most developed capitalist country in the region and of its only EU member state, it could assume the role of a regional center. Greece’s integration in the Eurozone was seen as an opportunity for Athens to improve its international competitiveness. A coalition between the central government, the construction sector, and technical experts was gradually forming, through a number of conferences, research projects, and the programming of infrastructural works aiming at promoting Athenian competitiveness within the new geopolitical environment (Economou et al, 2001, pages 67–84). Importantly, in the late 1990s and early 2000s, planners from

---

the University of Thessaly and the National Technical University of Athens completed two influential research projects on the strengthening of the international role of Athens funded by the Organisation of Planning and Environmental Protection of Athens (OPEPA) and the Ministry for Environment, Physical Planning and Public Works (Economou et al, 2001; Leontidou-Gerardi, 2004; Stathakis and Hadjimichalis, 2004). This policy goal was then adopted by major official texts and plans like the Regional Operational Programs of Attica (GSPA, 2006; 2007) and continued to be the main focus of the revision of the Regulatory Plan of Athens until the burst of the sovereign debt crisis in 2010 (MEPPPW, 2009). The Olympic Games were seen as a nodal point for the strategy's implementation.

During the realization of new large-scale investments in Athens, the central government retained control over urban policies. Despite the public debate on the establishment of metropolitan government for Athens (TEE, 1994) and the implementation of an extended reform of the local administration system in 1997 (which merged the communities of the country in a relatively limited number of presumably powerful municipalities) (Chorianopoulos, 2011, pages 337–339), the central government proved unwilling to assign planning responsibility to an administrative unit of metropolitan scope.

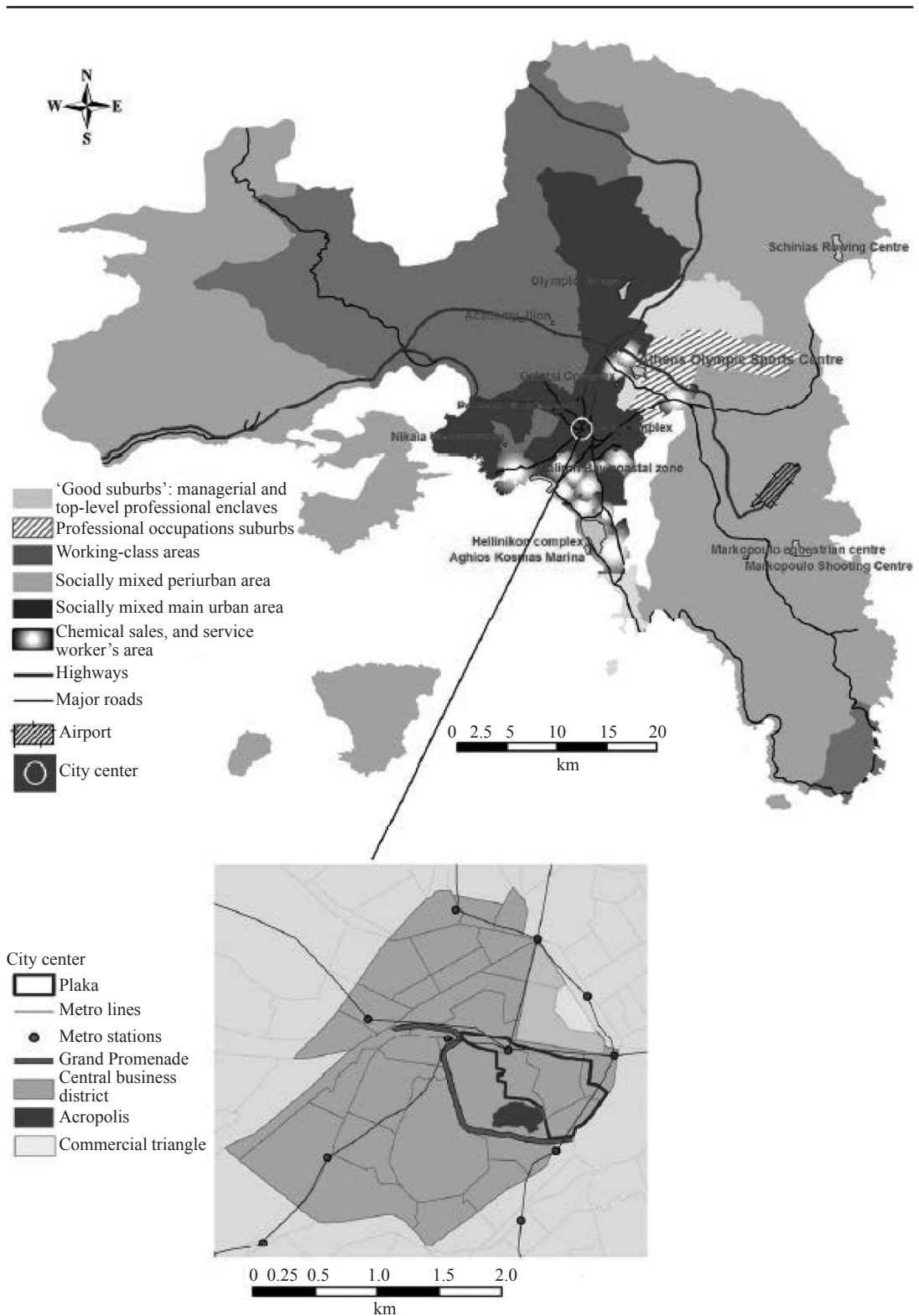
The persistence of centralism may be better illustrated taking into account the systemic importance of the new investment in Athens. The latter was not only about creating the required infrastructure, but also a crucial part of a wider state political–economic strategy to form powerful business elites in Greece of the 1990s. The 1980s' economic recession and the resulting restructuring pressures, after the accession of the country to the EC, on most sectors of the Greek economy (mainly on manufacturing and agriculture) led to a decomposition of an important part of the national economic tissue (Stathakis, 2010). EU Structural Funds and the postcommunist geopolitical situation in the Balkans provided a favorable framework for a rebooting of the Greek economy. The megaprojects in Athens could contribute to the growth of the construction as well as the banking sector, especially through the use of PPP schemes. Other major policy initiatives of the same period aiming at establishing new powerful and internationally competitive business elites were the deregulation and privatization of the banks, the deregulation of the media and telecommunication sector, and the reform of the license system for the participation of construction companies in public bids which fostered extended mergers and acquisitions in the sector (Stathakis, 2010; Tarpagkos, 2010). Along with the more traditional activities of tourism and shipping, these sectors have been the motors of growth for the Greek economy for more than fifteen years, until the present crisis.

#### **4 The urban policy goals of the Olympic Games: the 1996 and 2004 Bid Files**

The decision to bid for the 1996 Olympic Games and then for the 2004 Games represented a definite turn of the Greek political and business elites towards new investment in the capital city. The Games provided a chance to equip the city with state-of-the-art metropolitan transport infrastructures (Committee for the Athens 2004 Candidacy, 1997).

The masterplans included in both the 1996 and 2004 Bid Files adopted the minimization of the geographical spread and the maximization of the use of existing sport venues (ATHOC, 2005, page 143), leading to the creation of two major poles (page 64; see also Gold, 2007, pages 268–269). The first would be the Athens Olympic Sports Centre (AOSC) in the northeast of the agglomeration, where the existing major sports pole—including the Olympic stadium—had hosted the European Athletic Championships in 1982. The second pole would be located at Faliro Bay, where another important stadium already existed, aiming at regenerating the seafront and “re-opening the city to the sea” (ATHOC, 2005, page 74). Finally, the Olympic Village would be located in a low-status suburb at the northern fringe of the metropolitan area (see figure 1).





**Figure 1.** Location of Olympic facilities. Spatial organization of the occupational structure of Athens (2001) (source: adapted from Arapoglou and Sayas, 2009; Moukoulis and Sayas, 2007).

---

The Olympic facilities would be accompanied by important infrastructure projects setting the ‘major works’ of the late 1970s again on the planning agenda. They included a ring road, the expansion of the metro system, the creation of tram lines, the relocation of Athens International Airport, and extensive rehabilitation works in the historical center (pedestrianization, refurbishment of facades, remodeling of central squares). Athens was chosen to host the 2004 Games when these projects were already underway, cofunded by the Greek state and the EU.

In the 2004 Bid File the concentrated scheme was mitigated by the dispersion of a small number of venues in periurban areas and low-status suburbs. These locations were chosen mainly because of the availability of low-cost space in a high-density city. However, the choice of low-status neighborhoods was also associated with the concern for socially spreading the benefits of the Games (Gold and Gold, 2007, page 275).

The selection of Athens for the 2004 Games has been followed by the partial reframing of the urban strategy associated with the event. The law enacted in 1999 (MEPPPW, 1999) for the preparation and organization of the Olympics defined as main goals the “improvement of the competitive position of the country at the international and European level and in its wider Mediterranean and Balkan environment” and the promotion of Athens “as a center of high-level service provision, entrepreneurship and innovation.” Thus, the preparation of the Olympic Games became explicitly the main tool for implementing the internationalization strategy that was gaining ground at that time.

## **5 The preparation of the Games**

The preparation of the 2004 Olympic Games became a serious policy challenge for both central and local government. The central government had to face its diachronic low capacity and the resulting deficiencies of urban policies in Greece. There was need to accelerate decision making, coordinate the activities of numerous public agencies, and circumvent various legal and sociopolitical constraints that could impede the timely completion of the project. The government established a number of administrative bodies and agencies and created a new legal framework for the implementation of public works, thus enabling the development of a new, autonomous institutional system.

### **5.1 Managing the preparation of the Games**

Two key bodies were involved: first, an interministerial committee chaired by the Minister of Culture (it included also the Deputy Ministers of Culture; National Economy; and Environment, Physical Planning and Public Works). The committee was responsible for decisions regarding the location of venues to host sporting and other Olympic activities; for selecting the appropriate method to finance other facilities; for monitoring, coordinating, and supervising the preparation and hosting of the Games. The General Secretariat of Sport of the Ministry of Culture was responsible for the construction of a number of sport venues. A second key agency was the Société Anonyme ‘Athens 2004 Organising Committee for the Olympic Games’ (ATHOC). The ATHOC monitored the adjustment to Olympic specifications and undertook the implementation of several major sport and infrastructure projects. The agency was responsible for all matters associated with the works (expropriations, geotechnical and environmental studies, acquisition of development permits, and funding) and was equipped with exceptional powers (modification of local land-use plans, acceleration of land expropriation, and formulation of special legislation). The members of ATHOC, designated by the government and changed several times, comprised experts (planners, economists, business executives, attorneys) and stakeholders (the mayors of the hosting municipalities of Athens and Maroussi, members of the International and the Hellenic Olympic Committees, and the Governor of the Bank of Greece). A third body was the ‘National Committee for the

---

Olympic Games—Athens 2004’ which was also chaired by the Minister of Culture and was composed of politicians (including the leaders of parties in the Parliament); representatives of local authorities of the region; the Church of Greece; members of the Council for Greeks Abroad; representatives of numerous professional, social, and sporting associations; and various personalities appointed by the Prime Minister. This body had an advisory and monitoring role and was intended to be a forum for consensus building amongst various political and social forces regarding the preparation of the Games.

The assignment of megaprojects to state-owned companies with private legal status was already implemented from the mid-1990s and was rapidly extended during the preparation of the Olympic Games. Several projects (construction of new metro, suburban, and tram lines; construction of the new Acropolis Museum; rehabilitation of the historical center) have been realized by companies owned and controlled in almost all cases by the Ministry of Culture and/or by the Ministry of Public Works.

Furthermore, an ‘exceptional’ institutional legal framework was established for the works associated with the Games (Delladetsima, 2003, pages 70–71) which exempted the central government and the ATHOC from legal restrictions related to urban and environmental regulations: modifications were introduced to the Athens masterplan; a common procedure for building permits was implemented; ‘special’ land-use plans were formulated for host localities of Olympic infrastructures, while local authorities were limited to an advisory role; and a stricter expropriation legislation was introduced to facilitate land acquisition. The purpose was to avoid bureaucratic restraints and to ensure completion of the works within schedule. To achieve this, the ‘exceptional’ legal framework increased central state’s powers at the expense of local authorities, public planning organizations, and civil society.

The central government also promoted PPP schemes in the implementation of Olympic venues. Already since the mid-1990s, under the influence of EU policies and the lack of national financial resources, all major new transport infrastructures countrywide were undertaken by the ‘build, operate, transfer’ method, whereby the contractor constructs and operates the infrastructure for an agreed period before transferring it back to the public sector. The effort to involve the private sector in the Olympic venues was a failure. The ATHOC designated a number of major projects (the Media Village, a part of the Olympic Village, and a number of sport venues) in order to attract private investment. However, the private interest in the first tenders launched by the ATHOC (as in the case of the Olympic Village) (Delladetsima, 2003) was limited. It also became rapidly clear that the lack of experience on such procedures and the inadequacy of the legal framework would entail long delays and might even lead to indecision (ATHOC, 2005, page 148). With the exception of one project (the Media Village), the government eventually decided, under time pressure, to abandon the PPPs and discharged ATHOC from the responsibility to construct Olympic venues. The projects were implemented by standard public works procedures and through public agencies (mainly the General Secretariat of Sports). Private sector involvement was limited to subcontracting.

Overall, the management scheme for the preparation of the Olympic Games had two major medium-term effects. First, it reinforced the central government’s powers without enhancing central state’s capacities in urban policies. The ‘exceptional’ legal framework and the special-purpose public companies increased the central government’s scope of action and efficiency in the short term. But, at the same time, no comprehensive urban planning structures (like the OPEPA) were substantially implicated in the process, and major administrative deficiencies (mainly regulatory and municipal fragmentation) were not addressed (Chorianopoulos et al, 2010, page 257). Central government’s choices did not allow public administration personnel



---

to capitalize on a major policy experience—the Olympic Games preparation—and acquire new skills and expertise in urban policies.<sup>(1)</sup>

Second, despite the use of PPP schemes and public companies operating under private law in the implementation of the works, the Olympic Games did not foster a new mode of governance that would really involve business elites in urban planning and in financing megaprojects. The private sector, especially construction firms, eventually participated as subcontractors, but not in the administration of the works, and the formulation of the overall urban policy strategy related to the Games because of structural constraints of the private sector itself (dominance of small and medium-sized companies) (Delladetsima, 2006). Construction companies lacked both the financial and organizational resources to participate as equal partners in the planning and the implementation of the Games.

Since the private sector's involvement in the preparation of the Games was a state project, the limited participation of business elites stemmed also from ambiguities in the state's strategies and capacities. Although the government has fostered the use of PPPs in megaprojects since the mid-1990s, a comprehensive legal framework had been enacted only in 2005—that is, after the completion of the Olympics. Until then, the Parliament ratified each PPP on an ad hoc basis (Getimis and Marava, 2004). Furthermore, although the central government supported the participation of the private sector in Olympic construction works and tried to use this participation to restructure the sector, it proved unwilling to share part of its planning authority. Unlike other European and US cities, where semiprivate organizations bring together private and public actors in urban planning, there was little participation of the private sector in the companies managing Athens' megaprojects. These companies were the tools to implement urban policies decided by the government, and their creation aimed at circumventing bureaucratic problems (especially overlapping jurisdictions of different public agents) and at dispensing with confronting citizens' opposition. When control over construction works was at stake, the government did not hesitate to collide with the private sector, showing that public–private relations also had a competitive dimension. The President of the Technical Chamber of Greece was replaced in 2000, only a few months after his appointment as a result of his disagreement with the Minister of Public Works regarding the supervision of Olympic projects by experts appointed by the Chamber.

## **5.2 Failures in the localization of the venues**

The Olympic venues location plan by the central government and the ATHOC faced severe difficulties that led to location changes for several venues from the initial masterplan. These difficulties were related to legal problems arising from existing zoning and town planning legislation as well as to the ambiguous public reception of the Games and their preparation. The idea that the Games were returning to their birthplace fuelled a widespread feeling of national pride underpinned by the media and inspiring volunteer citizen participation in the organization of the Games (Afouxenidis, 2006), while planners argued that the Games constituted an excellent opportunity for implementing an 'internationalization' strategy for Athens (Economou et al, 2001; Marmaras, 2003). On the other hand, critical planners, citizen movements, and NGOs (supported sometimes by rulings of the state court) were opposed to specific venue localization and the main guidelines of the masterplan following a proenvironmental rationale and supporting 'compact city' and 'sustainable development' perspectives. An influential group of planners from the National Technical University of Athens (Research Team 'Olympics 2004', 1998; Zifou et al, 2004) focused on three issues: the location of venues and the Olympic Village in the periphery of the Athens metropolitan area might trigger urban sprawl (Delladetsima, 2003); the location of Olympic venues in

<sup>(1)</sup>On the capacity-building benefits for urban and national governance of organizing megaevents or even of unsuccessfully bidding, see Benneworth and Dauncey (2010) and Bramwell (1997).

---

sites of high environmental interest (forested areas, wetlands, natural habitat area, periurban agricultural land, and archaeological sites) should be avoided; and the location of venues in sites designated for parks and recreation activities should be rejected as this would lead to the degradation of already densely built-up areas. The alternative location strategy put forward by this team included the dispersion of venues and facilities in cities outside Attica; the location of venues within poor districts of the metropolitan area as a tool for their redevelopment; the reuse of existing facilities instead of locating new venues in open and/or free spaces; and the conversion of the waterfront into a 'green island' and its 'decongestion' from large-scale sport facilities.

Eventually, the central government decided on three major changes.<sup>(2)</sup> Under the threat that citizen and environmental organizations would appeal to the Greek state court (Kroustali, 2001), it reduced the venues to be located in the Faliro waterfront from six to one. This meant the abandonment of the strategic goal to redevelop the seafront and reinforced the dispersion of the venues (Beriatos and Gospodini, 2004). Following a ruling by the state court, the localization of a venue in Schinias was rejected on environmental grounds. The localization of another venue in the protected forested area of Tatoi was also abandoned since the central government could not alter its legal status. The logic of relocation of the remaining venues was two-faced: many of the venues were finally located in the area of the old airport site in Helliniko, merely because of the availability of space, and others were located in low-income suburbs like Ilion and Peristeri. If the choice of Helliniko is characteristic of central government's proclivity for practical and ad hoc solutions dissociated from strategic planning concerns, the location of venues in working-class suburbs constituted a concession to the opposition of planners and citizen movements which called for a more 'even' distribution of Olympic venues in favor of deprived urban areas.

## **6 The post-Olympic use of venues and the challenges of the sovereign debt crisis**

During the first post-Olympic years, the central government adopted an analogous strategy to that of the preparation of the Games. It assigned the management of Olympic venues to a state-owned company, the Hellenic Olympic Properties (HOP) (supervised by the Ministry of Economy and Finance and the Ministry of Culture). HOP's (2007) main task was to seek private tenders in the sectors of culture, entertainment, sports, and urban tourism. The goal of reusing venues was to stimulate local demand for family entertainment and shopping, as well as to boost the city's competitiveness through the attraction of investment flows and tourism. The objectives concerning public benefits that could stem from the post-Olympic use of venues were rather minimalistic. The public sector aimed mainly at avoiding management costs and at getting indirect benefits through taxation by increasing profitability of the private sector. In fact, the absence of a clear strategy to spread the benefits of Olympic investment to the city's economy in a coherent manner through appropriate redistribution measures favored disproportionately private construction companies and neighboring landowners.

Until 2010, the process of reuse of Olympic venues was far from completed. Out of nineteen venues, five were still operated by the HOP and were temporarily rented for various activities (conferences and cultural, commercial, corporate, and sport events). Plans for these venues comprised the creation of an international convention center, a public art school, and an Olympic Games Museum. Three venues have been transferred free of charge to two ministries and a university. Three local and one international sports federations undertook the management of four venues, and another one was rented by a football club. Finally, only six were transferred by long-term leases to the private sector. Investors comprised mainly

<sup>(2)</sup>For a detailed presentation of changes in the location of Olympic venues see ATHOC (2005, pages 143–439).

---

construction companies (five), one real-estate developer, two entertainment companies, a car retailer, and one multinational shopping mall and amusement park developer. Among the privately run venues, one has been converted to a shopping mall and another to a theater and performing arts center. The rest were to be converted to leisure and commercial center, an amusement park, a tourist marina, and an open theater. However, these projects are still stagnant as the result of legal difficulties with licensing and citizens' appeals to the state court demanding either their cancellation for environmental reasons or their partial concession to the local communities. In sum, the reuse of the Olympic venues before the burst of the sovereign debt crisis reflected a similar political–economic approach as before the Games: the central state had difficulties in solving various legal problems linked to the reuse of the venues; citizens' movements were opposing the commercial exploitation of the venues; and the private companies that benefited from the reuse were mainly from the construction and real-estate sectors.

The advent of the crisis in 2010 changed dramatically the terms of reuse of Olympic venues and, overall, of urban policy making in Greece. Since March 2010, Greece lost access to the international financial capital markets and signed a bailout agreement with the IMF, the ECB, and the EU. The agreement (which was revised in February 2012 and again in November 2012) foresaw a four-year borrowing program of 110 billion euros from the IMF and the member states of the Euro area associated with a particularly austere program of fiscal adjustment (through cuts in public sector expenditure and increases in taxes, cuts in wages, pensions, and welfare services), support to the banking sector, structural reforms in the labor market and the social security system, and privatization of public assets and companies. The overall goal of the program was to redress the public sector deficit, restore confidence in the international capital markets, and regain national competitiveness through an export-oriented model of growth. In fact, however, this type of bailout brought an unprecedented recession and decrease of the GDP that made the debt untenable once again and led to two successive debt restructurings in February 2012 and December 2012.

The crisis and the IMF–ECB–EU bailout agreement entailed a severe blow to the Greek state's policy-making powers. The central government was left without financial resources. The international position of the country has deteriorated dramatically, and foreign creditors are in position to impose the main lines in all major fields of public policy, including urban policies. Local authorities are once again excluded from major decision-making processes, despite a new reform of local administration which enhanced autonomy and powers of subnational authorities, implemented metropolitan governance structures in Athens and Thessaloniki, transformed peripheries into political units, and amalgamated municipal authorities anew (Chorianopoulos, 2011, pages 341–342). Actually, the balance of power between the local and national state and the supranational level is changing in favor of the latter as supranational authorities acquire a more direct access to the management of urban assets, including Olympic venues (Souliotis, 2013). This occurs mainly in two interconnected ways.

The first way is through further deregulation of the process of direct investment in large-scale projects. A legal framework, enacted in November 2010, introduced a new set of 'exceptional' processes which exempted 'strategic investment' in infrastructures and networks in crucial sectors (industry, energy, tourism, transport, communications, health services, waste management, and high-end technology) from established regulations. Exemptions concern issues such as land expropriation, environmental constraints, and spatial planning regulations that could impose limitations and delays in the implementation of investment. These measures, dictated by crisis politics, extend and radicalize the logic of procedures that characterized the 2004 Athens Olympic Games (Delladetsima, 2003) as well as several

---

large-scale urban development projects in European cities during the 1990s and early 2000s (Swyngedouw et al, 2002).

Second, the integration of major urban socioeconomic assets (ports, airports, motorways, energy networks, and real estate) in a huge privatization program is anticipated to yield more than 10 billion euros in proceeds until 2016. This amount is intended to contribute to lowering Greek sovereign debt, given that the bailout program provides for the prioritization of the debt repayment over domestic obligations using proceeds from privatizations and other public revenues. Among the more important real-estate assets of this privatization program figure the whole area of the exairport of Helliniko, which was one of the main host sites of the Olympic venues, as well as other prominent Olympic facilities (Souliotis and Kandyliis, 2011).

## 7 Conclusion

The 2004 Olympic Games have been a catalyst for the implementation of urban policies of neoliberal orientation: selective investment in infrastructures and isolated flagship projects in the capital city of the country were meant to enhance its international competitiveness; promotion of business elites' participation in the implementation of the works and assignment of planning responsibilities to 'quangos' were meant to 'roll back the state'.

Nevertheless, these policies did not take a 'pure' form. The processes of planning and organization of 2004 Olympic Games illustrate very characteristically the inherent contradictions and opposing forces that are associated with the promotion of neoliberalism in the Greek urban context. The EU-funded public investment in transport and sport infrastructures, the introduction of an 'exceptional' legal framework, and the creation of quangos led to a rather successful organization of the Games and to high growth rates of the Athenian economy the years before and after 2004. But, to get back to Skocpol's criterion of public policies 'success', the preparation of the 2004 Olympic Games is a story of 'failure' to the degree that it did not contribute to the implementation of a durable, neoliberal urban strategy for Athens. First, the preparation of the 2004 Olympic Games failed to create the institutional conditions for their extended reproduction. The assignment of urban planning and policy implementation to purpose-made state-owned private companies was not conducive for the capitalization of expertise and, therefore, for the enhancement of capacity in urban policies of the public administration and public urban planning institutions. Second, while the organization of the Olympic Games per se was very positively received by public opinion as a national cause, the ideological appeal of the urban strategy linked to the Games remained limited to political elites and a part of academia (Stathakis and Hadjimichalis, 2004). The persistence of political elites to centralism cancelled prospects of building a broader consensus around the new urban strategy through the involvement of business elites, civil society, and local authorities in urban policy formulation and implementation. In addition, planning goals associated with the Games (the redevelopment of the seafront, the reuse of venues for high-end services) that could sustain a competitive urban economy were not achieved. Moreover, the new transport infrastructures in the periurban space of Athens in combination with the weakness of public mechanisms to monitor and manage land-use change (because of municipal fragmentation, among other things) reinforced existing urban sprawl tendencies which jeopardize future urban growth (Chorianopoulos et al, 2010; Sayas, 2006).

If the preparation of the Olympic Games and the reuse of Olympic venues mark a history of state ambiguities and failures on the road to neoliberalism, the advent of the sovereign debt crisis entailed a process of reboosting neoliberalization, this time under different political-economic circumstances and with a different balance of power between the supranational authorities, the central and local government, and the Athenian society. During the past fifteen years the Greek central government managed to improve considerably its policy-making and policy-implementation capacities because of the funds coming from



EU cohesion programs. Actually, interscalar relations within the EU change in favor of the supranational authorities. In a mechanism that Habermas (2011; 2012) calls ‘executive federalism’, policies are decided in bargaining processes between central governments of the Eurozone, the ECB, and the IMF and are imposed through typical parliamentary processes to the domestic (national and local) level. The bailout agreement resulting from this process appears as a new opportunity for the imposition of radical neoliberal strategies in all principal public policy domains. This mode of policy making is meant to be effective as it circumvents the ambiguities of Greek political elites, the low capacity of the Greek state, and national and local democratic control. However, there is a considerable risk of rupturing the balance of power between state, businesses, and citizens at the national and the local level and decomposing any political and social alliance around policy implementation.

### References

- Afouxenidis A, 2006, “Urban social movements in Southern European cities” *City* **10** 287–293
- Arapoglou V, Sayas J, 2009, “New facets of urban segregation in Southern Europe: gender, migration and social class change in Athens” *European Urban and Regional Studies* **16** 345–362
- ATHOC, 2005 *Official Report of the XXVIII Olympiad: Homecoming of the Games—Organisation and Operations* v. 1, Athens 2004 Organising Committee for the Olympic Games SA, <http://olympic-museum.de/o-reports/report2004.htm> (in Greek)
- Bassett K, 1996, “Partnerships, business elites and urban politics: new forms of governance in an English city?” *Urban Studies* **33** 539–555
- Benneworth P, Dauncey H, 2010, “International urban festivals as a catalyst for governance capacity building” *Environment and Planning C: Government and Policy* **28** 1083–1110
- Beriatos E, Gospodini A, 2004, “‘Glocalising’ urban landscapes: Athens and the 2004 Olympics” *Cities* **21** 187–202
- Bramwell B, 1997, “Strategic planning before and after a mega-event” *Tourism Management* **18** 167–176
- Brenner N, 2004 *New State Spaces: Urban Governance and the Rescaling of Statehood* (Oxford University Press, New York)
- Brenner N, Theodore N, 2002, “Cities and the geographies of ‘actually existing neoliberalism’” *Antipode* **34** 349–379
- Brenner N, Peck J, Theodore N, 2010, “Variegated neoliberalization: geographies, modalities, pathways” *Global Networks* **10** 182–222
- Chorianopoulos I, 2011, “State spatial restructuring in Greece: forced rescaling, unresponsive localities” *European Urban and Regional Studies* **19** 331–348
- Chorianopoulos I, Pagonis T, Koukoulas S, Drymoniti S, 2010, “Planning, competitiveness and sprawl in the Mediterranean city: the case of Athens” *Cities* **27** 249–259
- Committee for the Athens 2004 Candidacy, 1997 *The Athens 2004 Candidacy File* volumes I, II, and III, Committee for the Athens 2004 Candidacy, Athens (in Greek)
- Delladetsima P M, 2003, “The Olympic Village: a redevelopment marathon in Greater Athens”, in *The Globalized City: Economic Restructuring and Social Polarization in European Cities* Eds F Moulaert, A Rodriguez, E Swyngedouw (Oxford University Press, New York) pp 65–90
- Delladetsima P M, 2006, “The emerging property development pattern in Greece and its impact on spatial development” *European Urban and Regional Studies* **13** 245–278
- Economou D, 1988, “Land and housing system in postwar Greece”, in *The Problems of Welfare State Development in Greece* Eds T Maloutas, D Economou (Exandas, Athens) pp 57–113 (in Greek)
- Economou D, Getimis P, Demathas Z, Petrakos G, Piryiotis Y, 2001 *The International Role of Athens* (University of Thessaly Press, Volos) (in Greek)
- Fainstein S, 2008, “Mega-projects in New York, London and Amsterdam” *International Journal of Urban and Regional Research* **32** 768–785
- Getimis P, Marava N, 2004, “New relationships between private and public sector in the construction and function of large projects of infrastructures in Greece: trends and evolutions in 1980s and 1990s”, in *Proceedings of the 9th Scientific Conference of the Sakis Karagiorgas Foundation on Social Change in Contemporary Greece* Panteion University, Athens, pp 471–498 (in Greek)



- Gold M, 2007, "Athens 2004", in *Olympic Cities: City Agendas, Planning and the World's Games, 1896–2012* Eds J R Gold, M Gold (Routledge, London) pp 265–285
- GSPA, 2006 *Revised Regional Operational Program of Attica 2000–6* General Secretariat of Periphery of Attica, <http://www.pepatt.gr/pep.htm> (in Greek)
- GSPA, 2007 *Regional Operational Program of Attica 2007–13* General Secretariat of Periphery of Attica, [http://www.pepattikis.gr/20072013/?page\\_id=175](http://www.pepattikis.gr/20072013/?page_id=175) (in Greek)
- Habermas J, 2011 *Zur Verfassung Europas* (Suhrkamp, Berlin)
- Habermas J, 2012 *On Europe's Constitutions* (Pataki, Athens) (in Greek)
- Harding A, 1991, "The rise of urban growth coalitions, UK-style?" *Environment and Planning C: Government and Policy* **9** 295–317
- Harding A, 1997, "Urban regimes in a Europe of the cities?" *European Urban and Regional Studies* **4** 291–314
- Harvey D, 1989, "From managerialism to entrepreneurialism: the transformation in urban governance in late capitalism" *Geografiska Annaler, Series B: Human Geography* **71** 3–17
- HOP, 2007 *The Olympic Heritage: Achieving Sustainability, Increasing Citizens' Choices* Hellenic Olympic Properties, presentation to the IOC Executive Board and 119th IOC Session, Guatemala City, [http://www.olympicproperties.gr/mediaupload/pdf\\_files/20070606\\_IOC\\_Guatemala.pdf](http://www.olympicproperties.gr/mediaupload/pdf_files/20070606_IOC_Guatemala.pdf)
- Jessop B, 2008 *State Power: A Strategic-relational Approach* (Polity Press, Cambridge)
- Kantor P, Savitch H V, Haddock S V, 1997, "The political economy of urban regimes: a comparative perspective" *Urban Affairs Review* **32** 348–377
- Kroustali D, 2001, "The 2004 works then and now" *To Vima* 16 December (in Greek), <http://www.tovima.gr/relatedarticles/article/?aid=138922>
- Lehrer U, Laidley J, 2008, "Old mega-projects newly packaged? Waterfront redevelopment in Toronto" *International Journal of Urban and Regional Research* **32** 786–803
- Leontidou-Gerardi K (Ed.), 2004 *Strategic Framework of Spatial Development for Athens-Attica* Ministry of Environment, Physical Planning and Public Works; National Technical University of Athens, Department of Architecture, Section of Urbanism and Physical Planning, <https://courses.arch.ntua.gr/129900.html> (in Greek)
- Maloutas T, 2010, "Mobilité sociale et ségrégation à Athènes: formes de séparatisme social dans un contexte de mobilité spatiale réduite" *Actes de la Recherche en Sciences Sociales* **184** 2–21
- Marmaras E, 2003, "Searching the strategic goal of post-Olympic Athens" *Architectones* **39** 55–59 (in Greek)
- MEPPPW, 1999, "Law 2730 on the Planning, Integrated Development and Implementation of Olympic Projects and Other Provisions", Ministry of Environment, Physical Planning and Public Works *Government Gazette* **130** 25 June (in Greek)
- MEPPPW, 2009, "Press conference of the Minister of Environment, Physical Planning and Public Works G Souflias on the 'New Regulatory Plan of Athens and Attica'", Ministry of Environment, Physical Planning and Public Works, 13 April, <http://www.minenv.gr/download/2009%20neo%20rithmistiko/2009-04-13%20Diloseis%20Souflia.doc> (in Greek)
- Mossberger K, Stoker G, 2001, "The evolution of urban regime theory: the challenge of conceptualization" *Urban Affairs Review* **36** 810–835
- Moukoulis P, Sayas J, 2007, "Gentrification in Athens? The sociospatial reconstitution of central urban areas: tension and dynamics", paper presented in the Conference of the International Sociological Association Research Committee 21 on Sociology of Urban and Regional Development 'Urban justice and sustainability', 22–25 August, Vancouver, BC; copy available from N Souliotis
- MPUE, 1985, "Law 1515 on the Regulatory Plan and Program of Protection of the Environment of the Wider Area of Athens", Ministry of Planning, Urbanism and Enrichment *Government Gazette* **18** 18 February (In Greek)
- MPW, 1979 *Capital 2000* Ministry of Public Works, Athens
- Peck J, Tickell A, 2002, "Neoliberalizing space" *Antipode* **34** 380–404
- Peck J, Theodore N, Brenner N, 2010, "Postneoliberalism and its malcontents" *Antipode* **41** 94–116

- 
- Research Team ‘Olympics 2004’, 1998, “Urban and environmental dimension of Olympic Games 2004: alternative localization propositions”, National Technical University of Athens, Laboratory of Urban Environment, <https://courses.arch.ntua.gr/fsr/111935/7finalreport.pdf> (in Greek)
- Romanos A, 2004 *Athens: The Urban Question from Citizen’s Point of View Athens* (Potamos, Athens) (in Greek)
- Sayas J, 2004, “An exploration of the social and spatial division of labour in the Athenian urban space” *The Greek Review of Social Research* **113** 167–206
- Sayas J, 2006, “Urban sprawl in the periurban coastal zones of Athens” *The Greek Review of Social Research* **120** 71–104
- Skocpol T, 1985, “Bringing the state back in: strategies of analysis in current research”, in *Bringing the State Back* Eds P B Evans, D Rueschemeyer, T Skocpol (Cambridge University Press, Cambridge) pp 3–37
- Skocpol T, 1992 *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Harvard University Press, Cambridge, MA)
- Souliotis N, 2013, “Athens and the politics of the sovereign debt crisis”, in *Cities and Crisis: New Critical Urban Theory* Ed. K Fujita (Sage, London) pp 236–269
- Souliotis N, Kandylis G, 2011, “The neoliberalization dynamics of urban policies in Athens before and after the IMF–EU–ECB stabilization program”, paper presented at the Annual Research Committee 21 on Sociology of Urban and Regional Development ‘The struggle to belong: dealing with diversity in the 21st century urban settings’, 7–9 July, Amsterdam; copy available from N Souliotis
- Stathakis G, 2010, “The sovereign debt crisis of the Greek economy: a historical view” *Sinchrona Themata* **108** 5–9 (in Greek)
- Stathakis G, Hadjimichalis K, 2004, “Athens international city: from the desire of the few to the reality of the many” *Geographies* **7** 26–47 (in Greek)
- Stoker G, Mossberger K, 1994, “Urban regime theory in comparative perspective” *Environment and Planning C: Government and Policy* **12** 195–212
- Stone C, 1993, “Urban regimes and the capacity to govern: a political economy approach” *Journal of Urban Affairs* **15** 1–28
- Swyngedouw E, 1997, “Neither global nor local: ‘glocalization’ and the politics of scale”, in *Spaces of Globalization: Reasserting the Power of the Local* Ed. C R Kevin (Guilford Press, New York) pp 137–167
- Swyngedouw E, Moulaert F, Rodriguez A, 2002, “Neoliberal urbanization in Europe: large-scale urban development projects and the new urban policy” *Antipode* **34** 542–577
- Tarpagos A, 2010, “Technical constructions: from the ‘golden decade’ (1995–2004) to accumulation crisis (2004–2008) and collapse (2008–2010)” *Theseis* **113** 133–144 (in Greek)
- TEE, 1994, “Athens needs a vision”, presentation of the conference ‘A vision for Athens: perspectives and management of metropolitan areas’, Technical Chamber of Greece, 13–16 September *Bulletin of Technical Chamber of Greece* **1826** 6–35 (in Greek)
- Zifou M, Ioannou B, Serraios K, Tsikli A, Polychronopoulos D, 2004, “The 2004 Olympic Games: a non-planning paradigm?”, [https://courses.arch.ntua.gr/fsr/120493/AESOP\\_04.pdf](https://courses.arch.ntua.gr/fsr/120493/AESOP_04.pdf) (in Greek)