

[Privatise the Olympics](#) [1]

Written by [Jan Boucek](#) [2] | Friday 9 March 2012



I became a fully conscious taxpayer a couple of years before Montreal hosted the 1976 Olympic games. Those games are probably best remembered as the ones that started the modern era of over-blown, over-budget and financially disastrous Olympic games. With notable exceptions of the games in Los Angeles and Atlanta, all of them have been vanity sinkholes for taxpayer cash. For Montreal taxpayers, the last bond was finally paid off in 2006.

As London's moment approaches, yet another report suggests they'll be over budget, perhaps as high as £11 billion compared with the official budget of £9.3 billion. Security costs in particular are running way ahead of forecast. It doesn't really matter what the actual number is or why? everybody knew it was going to happen because that's the norm for these games.

And this is really no surprise because nobody actually 'owns' the games. The International Olympic Committee oversees them but doesn't fund them. Its 15 committee members of the great and the good include six princes and sheikhs and many former athletes who have glided up the ranks of assorted sporting federations. One member has a diploma in Gender and Development, a diploma in Gender Responsive Project Implementation and a certificate in Training of Gender Trainers. Another has been a big shot in the Jordanian air force. Only a couple have any extensive experience in the upper reaches of business.

The IOC's job is to con governments into thinking that hosting and, most importantly, paying for the games is a good idea. At that chore, they're hugely successful given the frantic bidding for the alleged privilege of hosting the games. Emerging market governments use them to promote their emergence. Mature economies tout them as a rejuvenation or a boost to sports participation.

Rejuvenation was key to London's bid? developing the city's decaying east end. Never mind that developments in the Docklands had already started that process decades earlier and that the sheer pressure from housing demand in London has seen a relentless gentrification of the area. If the government really wanted bang for the buck on this front, a few years suspension of business rates or bargain council taxes would have been far more effective.

But, no, politicians get caught up in the IOC's magic spell and most of them know they won't be around when the bills come due, some six years after they 'win' the games.

So how about just privatising the whole Olympic racket by making the IOC responsible for funding them? Bar the odd tax break here and there for facilities, this concept works fine for football, rugby, cricket, motor-sport, tennis, golf and many others. A really smart IOC would create a permanent site for the games, perhaps in the land of their origin Greece which could use the business without the drain on taxpayers.

Sadly, though, there's nobody to privatise the IOC as long as there's willing governments to stump up the cash. These have included despotic regimes like China and Cuba and arrivistes like Brazil and Turkey. But they have also included bids from governments with much clearer responsibilities to their taxpayers. For the 2012 games, final candidates besides the UK included Germany, France, Spain and the US - all of whom should have known better (and must be mightily relieved now that they 'lost?'). Radical reform of the Olympic games will be a slow process but would be speeded along if taxpayers just said no.

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