

## **BIDDING FOR THE OLYMPICS: A LOCAL AFFAIR ?**

Lessons learned from the Paris and Madrid 2012 Olympic bids

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In recent decades, many studies have called into question the dominating role played by the nation-state in Western societies. Some witness the end of the nation-state (Ohmae, 1995) as national governments have gradually lost their bargaining power. Others rather see a restructuring of intergovernmental relationships in which the state's role has turned to be more regulating (Majone, 1997; Eberlein, 1999). However that may be, such approaches emphasize the dramatic shift that occurred from the early 1980s in the position of European national governments. The reasons are threefold. First, globalization, and its resulting liberalization, deregulation and privatization movements, have eroded the distinction between domestic and foreign affairs thereby the role of states in promoting and protecting national economies. Second, European integration has played a significant role in reducing the capacity of states to regulate societies. Third, decentralization reforms have partly emptied state abilities by transferring many political, legal and financial resources to subnational governments. Such loss of autonomy and capacity on the part of states has therefore given rise to speculation about the end of state sovereignty, opening up new perspectives for cities.

Cities have indeed emerged as potential levels at which the regulation of interests, groups and institutions can take place (Harding and Le Galès, 1998). Following the example of the regions, but to a lesser extent, European integration has made it possible to give cities a new political legitimacy. The mayors of large cities have also seen their political weight increasing at national level. Furthermore, cities have gained ground in economic matters. As the state's role in national economic management has become less effective, urban local authorities have mobilized themselves in favor of economic development through many policies aimed at positioning themselves as competitors for transnational-company command centers, prestigious public bureaux or other forms of public and private investment as well as consumption centers (which means developing prestige, status, culture to attract visitors and tourist). Some of them – also known as world cities or global cities – have thus become world economic-command centers concentrating the head offices of banks and transnational companies, besides monopolizing the production of certain services (Sassen, 1991). The

economic logic of networks (e.g. for transport or information) have also turned the urban areas into the key nodes of the globalizing world. Such evolution has then led to entrepreneurial forms of urban governance in which local political leaders get closer to companies, local institutions and associations through public-private partnerships (Hall and Hubbard, 1998).

Moving further away from the hierarchical center-periphery model, cities in Europe have therefore grabbed the opportunity to rewrite their history free from states by carrying out their own strategies to enhance their competitive advantage. Among these strategies, hosting mega-events has emerged as a significant focus of global inter-urban competition. Indeed, nowhere is this competition revealed more dramatically than in the selection context for major international events, such as the Olympic Games. These high profile events have assumed a key role in achieving international prominence and national prestige as well as outward investment and capital accumulation. Whatever the motivations, the growing number of cities bidding for the Olympics indicates the perception of the importance of such mega-event in urban strategies. Even though the Olympic Games have already been considered as tools of government policy (e.g. the 1988 Seoul Olympic Games or more recently the Cape Town 2004 Olympic bid: Hiller, 2000) or even, in some ways, “national ideologies” (e.g. the Communist-showpiece objectives of the 1980 Olympics compared to the private-enterprise theme of the 1984 Los Angeles Games: Hill, 1992), only cities are in fact allowed to bid for and host the Olympic Games, according to rules established by the International Olympic Committee. One could therefore imagine that candidate cities would pursue the Olympics independently of state control or even national support. Nevertheless, such autonomy deserves careful thought.

Thus, the Olympic bids present a unique opportunity to examine the restructuring of intergovernmental relationships between local and national authorities insofar as they implicitly – or even explicitly – aim to contribute to the processes of urban legitimization and autonomization from national hold. The thrust of this paper, then, is to analyze and evaluate the role played by national government – or more generally national authorities – in such urban imaging strategies. Considering the intertwined links between urban imaging strategies and internationalization, we begin by tracing the history of cities’ involvement in the international arena, pointing out the receding of the nation-state in an area which was traditionally its reserved domain. Then, we examine this issue for two current Olympic bids – Paris and Madrid bidding for the 2012 Summer Olympic Games – focusing on intergovernmental relationships between local and national authorities in the bid process.

## **CITIES AS INTERNATIONAL AND TRANSNATIONAL ACTORS**

Recent years have seen an increasing reference to cities’ internationalization: terms such as “international projection”, “international image” or “international standing” haven’t stopped gaining ground in local governments, or at least in their discourse. Yet, the international order is not a new action line for local authorities. European cities have a long history of using international and transnational activities to gain recognition and competitive advantage under the watchful, besides recalcitrant, eye of sovereign states.

## **From transnational municipal networking to the twinning of the world**

Cities' involvement in the international arena is not new. It took its first steps in the last decades of the nineteenth century<sup>1</sup>, with the diffusion of technical knowledge and information through international conferences and exhibitions (Rasmussen, 1989, 1990, 1996). These gave rise to exchanges of experiences between a few local notables through Europe, most of them involved in a modern town planning movement. These socialist movements gave birth in 1913 in Gand to the International Union of Local Authorities (IULA), an international network structured in order to spread innovative know-how from experiences carried out by local administrations. Its activity probably influenced municipal administration during the first decades of the twentieth century by introducing some social standards – i.e. the “*régies municipales*” – coming into conflict with state control (Saunier, 1999).

Just after the Second World War, cities' foreign action increased considerably. Cities' leaders became aware of the need to strengthen peace through reconciliation and understanding between communities, and this led to a theoretical effort as well as various political initiatives: Franco-German “*rapprochements*”, official municipal visits through Europe, friendship pacts, sister cities agreements, etc. These were cities' first attempts to achieve international recognition and play a role in the international scene insofar as they widely involved municipal institutions, and not only a few local leaders. In the early 1950s, the twinning of the world started (Zelinski, 1991). Yet sovereign states regarded it as a threat to national sovereignty and integrity, besides an intrusion into an area which was traditionally their reserved domain, namely their exclusive competence in legal matters. As the Cold War set in, local administrations came into conflict with state foreign policy by asserting municipal legitimacy in choosing their twin cities. Even though the city twinning movement did not eventually lead on its own to cities recognition as full international and transnational actors – sovereign states brought transnational relations back in through control measures (Risse-Kappen, 1996) – it resulted in eroding the old distinction between domestic and international affairs and also in generating potentialities of relative urban autonomy in foreign policy.

### **Recognition from supranational governments**

While cities tried to free themselves from state control through transnational networking or city twinning, European integration gave them opportunities. Indeed, the Council of Europe, the first post-war European political organization set up in 1947 as a consequence of the activity of federal political movements for European unification, considered the promotion of substate governments as a further dimension of the Europe of Democracy and Human Rights which it promoted (De Castro, 1999). Thus, local authorities realized the key role the European institutions could play in giving them the attention they claimed. As the decades went by, urban demands had found their way. In 1957, the Council of Europe integrated local representatives in its work and organizational structure, giving birth to the Conference of Local and Regional Powers of Europe, a consultative committee of experts<sup>2</sup> involved in promoting urban stakes in European policy. In the early 1980s, it provided a legal framework to local authorities' international cooperation through two major treaties ratified

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<sup>1</sup> Strategic alliances in the Middle Age and Renaissance periods – for example the Hanseatic league developed to facilitate trade between European cities – pre-date what is regarded as the modern European city.

<sup>2</sup> Initially the Conference included only local representatives and only later it was extended to include the regional level.

by most of the member States: the European Framework Convention for Transborder Cooperation of 1980 with its two additional protocols, and then the European Charter of Local-Self Government of 1985. The latter also recognized local self-government by promoting political, administrative and financial autonomy for local authorities, besides defending the principle of subsidiarity. Thus, such European recognition resulted in a widespread institutionalization of local authorities' international activities in most member States' constitutional law. After decades of alternating between ignorance, indifference and conflicts, sovereign states legitimated such urban activities through a legal yet restrictive framework (Borret, 1990). In the early 1990s, the European Commission, through several General Directions, undertook a series of actions, co-financing programs, such as POLIS, RECITE or URBAN, directly or indirectly related to cities (Camhis and Fox, 1992). Moreover, in 1994, the Conference of Local and Regional Powers of Europe experienced a significant reform transforming it into a true political organ, renamed as the Congress of Local and Regional Authorities of Europe, at the same level as the Parliamentary Assembly and the Committee of Ministers (De Castro, 1999).

Such legitimization by the European institutions of the role played by cities would certainly have not occurred without European urban networks' lobbying. For instance, the Eurocities movement developed through successive conferences in Barcelona in 1989 and Lyon in 1990 put forward such legitimization as its main objective. It manifested the intention of cities to ensure that urban affairs were placed high on the European Union's policy agenda. Thus, it took the lead in making local voices heard, even bypassing state and, to a lesser extent, regional control (Borja, 1992). Likewise, other transnational urban networks, such as Metropolis or United Towns Organization, got deeply involved in challenging the monopolistic role that States had had until then in specific international affairs such as North-South cooperation, namely decentralized cooperation, and, in some ways, environmental issues. Local authorities, driven by the same ideals which had led them in the postwar period into the twinning of the world, aspired to have their say in such matters. Hence, besides obtaining international funding for technology and policy transfers to Third World cities from most cooperation sponsors – the World Bank, the United Nations, the European Economic Community and the Organization for Economic Cooperation and Development – such associations played a key role at the 1992 Rio summit of the United Nations Conference on Environment and Development leading to local authorities' involvement in the sustainable development program Agenda 21 through transnational networking. Later, the Habitat II United Nations Conference on Human Settlements held in Istanbul in 1996 – also known as the City Summit – gave the go-ahead to the integration of local representatives into the UN's work and organization.

### **Towards a global inter-urban competition**

In the early 1990s, local authorities' international activities were eventually legitimated, and also destined to embark on the internationalization of their territories, and particularly their economies. Indeed, globalization and the growing inter-dependency and opening up between economies, European integration and the expansion of a common European market, decentralization processes and the resulting transfer of powers and responsibilities to subnational authorities, all contributed to enhancing competition among cities. Faced with such new perspectives, local authorities had increasingly sought to develop more proactive forms of urban policies, in which international projection became a question of life or death. Thus, carried away on a rather prescriptive mimetism movement, they started

acquiring the strategic features of internationality: multinational companies' headquarters, outward-looking supporting services network, international research and development centers, agencies' head offices, foreign consulates, direct transportation links with foreign countries, transnational networking, major international sporting or cultural events, etc ( Dommergues and Gardin, 1989 ; Soldatos, 1991). Such functionalist practices led to copycat programs providing the city with amenities, independently of its history or social equation. Applied research played a key role in this “new international cities era” through urban hierarchies and media inter-city rankings (Brunet, 1989 ; Bonneville, 1991).

But gradually, local governments came away from such prescriptive practices to a new internationalization approach aimed at linking the city through its specific characteristics and identity to the new globalizing reality. Local actors took over international stakes through developing specialized strategies peculiar to their local resources, technical competences and organizational abilities. Thus, such a market-type approach placed a great deal of emphasis on diagnosis – by identifying urban clusters to be inserted into international competition – but also on consensus-building and coordination. Indeed, it required collaborative and negotiating practices, often encapsulated in terms of governance practices, including the local authorities but also giving greater privilege and status to the private sector and civil society. Such collective and local, besides incremental and territorialized, expertise asked for local organizational capacity. In other words, internationalization had as many promotional stakes as organizational ones insofar as it federated urban actors systems on a shared view of city resources and vocations (Pinson and Vion, 2000). Strategic plans, for example, had been initially developed in the early 1990s in most European cities as mere tools of international projection. Some of them had not gone much further than establishing a diagnosis. Yet others gave birth to a consensus-building process including all urban actors. The Barcelona strategic plans are a particularly outstanding case in point. Indeed, the strategic urban planning process began in Barcelona in 1988 while the site was nominated to host the 1992 Summer Olympic Games. Even though the first strategic plan aimed at consolidating Barcelona as a European metropolis by making sure the Olympic Games went smoothly, it resulted in institutionalizing a relationship between the city council and the city's key economic and social institutions, such as the Chamber of Commerce, industry and shipping, the Economy Debating Society, employers' organizations, trade unions, etc. It established a general council, a coordinating office and several special committees involved in creating a coherent, besides consensual, design for the international city in terms of its economic expansion and identity, its transportation and communication networks and its quality of environment (Garcia, 2003). Such coordinated process would never stop, giving birth to two another strategic plans<sup>3</sup> feeding on increasing human capital. Paradoxically, international strategies turned from subjecting urban actors to the strategic features of internationality into protecting them from such globalization pressure through developing territorialized strategies.

In fact, internationalization and its inherent competition among territories have forced cities to develop their own strategies *vis-à-vis* the international, besides national and regional, environment. Such urban mobilization, often related to entrepreneurial practices, is particularly evident in Europe's larger cities, where its influence has been clearly discernible in patterns of institutional change as well as in the redefinition of urban planning policies (Harvey, 1989). It also represents, in some ways, a tool of cities' autonomization insofar as it results in “building a local society” through strong identity processes (Pinson and Vion, 2000). Indeed, internationalization – namely a major international event in the Barcelona case

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<sup>3</sup> A fourth strategic planning process has also started in March 2002, in which the ambit of analysis will be the metropolitan region .

– acts as a catalyst to involve all urban actors in a common project in which the identity of the city become symbolically merged with the identity of the urban actors. Some local governments have explicitly asserted such a link between international projection and its resulting expertise process on the one hand, autonomization and local-self government on the other hand. In any case, most of them have taken over international stakes through territorialized and collective strategies, rather independently of state control.

At the end of this first section, such an overall yet kaleidoscopic picture shows that cities' involvement in the international arena has gradually eroded the state bargaining power *vis-à-vis* international affairs. As the decades go by, local governments have acquired legal, political and also economic resources to achieve their recognition, besides legitimacy and relative autonomy, on the international scene. Thus, such picture gives rise to speculation about the end of the nation-state in an area which was traditionally its reserved domain. Nothing is less certain. To understand the phenomenon properly, we focus on Olympic Games bids as tools of local governments policies in the contemporary period of global competition among cities.

## **BIDDING FOR THE OLYMPIC GAMES**

Mega-events, such as the Olympic Games, have emerged as a significant feature of post-modern urban policies. They have assumed a key role in urban imaging strategies, their primary function being to provide the host community with an opportunity to achieve high prominence in the international tourist and business marketplace. Besides aiming at attracting short-term tourism expenditure, they are useful in urban long-term economic development by giving rise to corporate sponsorships, media audiences and inward investment (Hall, 1992). Whether mega-events do indeed produce on their own such net effects is debatable and difficult to measure (Compton and McKay, 1994). Furthermore, they have often been associated with urban transformation through the construction of new facilities and infrastructure or through the renewal of rundown city areas. Particularly in postindustrial cities, they are often linked to inner-city renewal programs, such as the extensive urban waterfront developed in Barcelona for the 1992 Olympics (Botella and De Moragas Spa, 1994).

Recent studies have indeed emphasized the growing role of such high profile events in urban strategies. Yet mega-events are usually assessed in terms of their tourism and economic impacts or their landmark legacies (Hall, 1997; Hiller, 1998; McKay and Plumb, 2001; Metropolis, 2002). What has received much less attention is how they are related to cities' organizational capacity and autonomy insofar as they bring local governments to bid for and host them, rather independently of state control. Such investigation needs to focus, for methodological reasons, on mega-events sprung from local authorities' initiative – and not state initiative like for Football World Cups – besides lied within an institutionalized global inter-urban competition – unlike events such as Rio Carnival or Barcelona Universal Forum of Cultures. Then, the Olympics Games are a particularly outstanding case in point. Indeed, according to rules established by the International Olympic Committee (IOC), only cities are allowed to bid for and host the Olympics.

Thus, this section is drawn from a comparative analysis<sup>4</sup> of the empirical experiences of two western European cities – Paris and Madrid– involved in the 2012 Summer Olympic Games bidding. Of course, Paris and Madrid are rather different cities in terms of size, economic base, financial and human resources, political history. Despite these relative differences, meaningful comparisons can be drawn by focusing on the political processes in each city that are central to bidding for the Games. By comparing how these cities pursued the Olympics, we seek to identify key features of the relationships between local and national authorities.

Before presenting our research first results, it is worth rescaling the constraints to which cities bidding for the 2012 Olympic Games are submitted. According to IOC acceptance procedure governed by the Olympic Charter<sup>5</sup> (Rule 37 and its bye-law), no city is regarded as a “candidate city” until it is accepted as such by the IOC Executive Board by mid-June 2004. Therefore, all cities involved in the 2012 bid process are considered to be “applicant cities”. As such, they paid a US\$150,000 non-refundable fee, and also completed by January 15, 2004 a detailed questionnaire – also known as the “mini bid-book” – aimed at providing the IOC with an overview of their project to host the Olympics. Applications will be assessed by the IOC administration and experts, and then the IOC Executive Board will determine which cities get accepted as “candidates cities”<sup>6</sup>. Those cities will go through to a second phase – the candidature phase – during which they will be required to submit a candidature file to the IOC. The final election will be held July 6, 2005 in Singapore.

Finally, only cities are allowed to bid for and host the Olympics, but that doesn’t mean they pursue such events totally independently of national authorities’ control. First, throughout the entire bid process (applicant and candidature phases), IOC acceptance procedure places great emphasis on the role and responsibilities of National Olympic Committees (NCOs). Indeed, according to the Olympic Charter, “only a city the candidature of which is approved by the NOC of its country can apply for the organization of the Olympic Games” (IOC, 2003a). Moscow, for example, had announced it was bidding for the 2012 Olympics but the Russian Olympic Committee had first refused to officially apply for the Games. Thus, the Russian capital would never have pursued the 2012 Olympics Games if its NCO hadn’t gone back over its decision. Then, the application has to be made to the IOC by the applicant NOC/City for the latter to be accepted as an applicant city. Moreover, “the NOC shall supervise and shall be jointly responsible for the actions and conduct of its city in relation to the city’s candidature to host the Olympic Games” (IOC, 2003a). Once the IOC elects the host city, it “enters into a written agreement with the host city and the NOC of its country, which agreement specifies in detail the obligations incumbent upon them” (IOC, 2003a). Close cooperation is therefore required between the city and its NOC.

Second, applicant cities has to provide a state covenant confirming that the government guarantees the respect of the Olympic Charter and also free access to and free

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<sup>4</sup> This comparative analysis comes within the scope of both a doctoral dissertation and an European Science Foundation research network, currently at the fieldwork stage, examining case studies of cities’ transnational and international activities, through three major areas of investigation: city networks, paradiplomacy and relationships with EU policies and programs.

<sup>5</sup> The Olympic Charter is the codification of the Fundamental Principles, Rules and bye-laws adopted by the International Olympic Committee. It governs the organization and running of the Olympic Movement and sets the conditions for the celebration of the Olympic Games (IOC, 2003a).

<sup>6</sup> There were nine applicant cities: Paris, Madrid, London, Havana, Istanbul, Leipzig, Moscow, New York and Rio de Janeiro. In January 18, 2004 only Paris, Madrid, London, New York and Moscow were accepted to bid for the 2012 Games.

movement within the host country for all duly accredited persons holding the Olympic identity card. In addition, the government has to guarantee that “it will take all the necessary measures in order that the city fulfils its obligation completely” (IOC, 2003b). It has also to be noted that in the candidature phase cities will be required to provide “a guarantee from the relevant national authority confirming that the Olympic Movement Anti-Doping Code in effect at the time will be implemented and fully respected” (IOC, 2003b). Indeed, IOC President, Jacques Rogge, issued a warning on March 2003 asserting that “any country whose government does not accept the Code couldn’t expect to become a host country for future Olympic Games”.

Finally, even though IOC acceptance procedure sets cities a few guarantees and commitments from national authorities, cities, and most particularly European cities, have now acquired legitimacy, besides legal, political and also economic resources, to pursue such events, seemingly rather independently of national control. What requires careful thought is then to examine if cities have really acquired enough organization capacity and autonomy to free themselves from state hold. Indeed, the way in which an Olympic bid bearing the city’s name is conducted can reveal a great deal about who the crucial political players are, and how urban policy initiatives are undertaken.

### **The Madrid 2012 Olympic bid**

The Madrid bid was initiated in the late 1990s by the city council and the former mayor, José María Álvarez del Manzano. In 1997, the General Urban Development Plan established the 2012 Olympic project as its emblematic objective, having reserved 250 hectares of public land, near the airport, with provided transport connections. From the very beginning the Madrid bid committee had to submit to national control while running for the Spanish Olympic Committee’s approval. Indeed, Seville had also announced it was bidding for the 2012 Games. According to the Olympic Charter, “should there be several candidate cities in one country for the organization of the same Olympic Games, it rests with the NOC to decide which one will be proposed for election” (IOC, 2003a). Thus, the Spanish Olympic Committee (COE) created a monitoring commission aimed at asserting the Madrid and Seville bids through visiting the bids proposed venues and infrastructure. Meanwhile, the two “pre-applicant cities” were asked to complete a detailed questionnaire – such as the IOC “mini bid-book” – before September 30, 2002. Then competition started. Even though Madrid was the clear favorite because of its superior infrastructure for sports facilities, transportation and hotels, Seville had more than one ace up on its sleeve: it had strong experience of such high profile events (e.g. the 1992 Universal Exhibition or the 1999 World Athletics Championships), besides it had previously bidden for the 2004 and 2008 Olympic Games – it had yet failed to be selected as a candidate city – and had also created an unprecedented structure, the Sports Promotion Institute, to support the sporting aspirations it hoped to further. Nonetheless, the COE finally selected, on January 21, 2003, Madrid – by a vote of 157 to 103 for Seville – as Spain’s candidate in its bid to host the 2012 Summer Olympic Games. Such decision resulted in widespread doubt insofar as the Madrid city council, unlike Seville, was in the Popular Party’s hands, just like the Spanish Government. The Madrid bid was therefore believed to have gotten power’s votes while Seville liking ones.

Once Madrid won the COE endorsement, the bid committee started organizing its campaign while getting from its national authorities the guarantees and commitments required by the Olympic Charter. Thus, in July 2003, the Spanish Olympic Committee and the Madrid

City Council submitted to the International Olympic Committee the documents, besides the covenant from the Spanish Government, expressing their commitment to respect and comply with all the obligations set out in the Olympic Charter. Furthermore, through the approval of a Council of Ministers decision dated July 8, 2003 – proposed and presented by the Minister of Education, Sports and Culture – the Spanish Government committed itself to ensuring that the Olympic Movement Anti-Doping Code in force would be fully applied and respected. National authorities had therefore fulfilled the obligations strictly required by the Olympic Charter. Nevertheless, their involvement in the Madrid bid went even further.

While the Madrid bid committee pushed ahead with the bid, it gradually negotiated with the national government to limit the city's financial responsibility in staging the Games. Thus, the Spanish Government, through the Council of Ministers aforementioned decision, committed itself financially, should Madrid be selected as the 2012 Olympics host city, by undertaking the following measures, among others: it committed itself to establishing a subsidy plan for the Organizing Committee; it ensured to make, within its authority field, the required investments in sports facilities, transport (e.g. the AVE high-speed train connections between Madrid and the cities hosting the soccer tournament), accommodation and telecommunications; it took it upon itself to cover a potential economic shortfall of the Organizing Committee. The agreement also set out that the Spanish Government would be permanently represented by its sports body, the Higher Sports Council, in the organizational committees constituted for such purposes (Madrid 2012, 2004). Yet such financial and infrastructure commitments from national governments are not required by the Olympic Charter. According to the Olympic Charter, "any candidate city shall offer such financial guarantees as considered satisfactory by the IOC Executive Board. Such guarantees may be given by the city itself, local, regional or national public collectivities, the State or other third parties. At least six months before the start of the IOC Session at which such Olympic Games will be awarded, the IOC shall make known the nature, form and exact contents of the guarantees required" (IOC, 2003a). In fact, IOC acceptance procedure requires financial guarantee, particularly coverage of a potential economic shortfall of the Organizing Committee, without specifying the entity to provide such guarantee. US cities, for example, use to pursue the Olympics with no guarantee of financial support from the state or federal government. The Los Angeles 1984 Olympic Games, or more recently the Atlanta 1996 Games, are particularly outstanding cases in point (Andranovich, Burbank and Heying, 2001). It has to be noted that the Madrid's Regional Government, through a Council of Government decision dated December 18, 2003, and the Madrid City Council, through a Government Commission decision dated November 24, 2003, also committed themselves financially...a few months after the Spanish Government did it.

The National Government, through the aforementioned agreement, also committed itself to participating in the future Games Security Plan by providing to the Organizing Committee all the necessary human and material resources to guarantee maximum security. Security is considered as a prominent criteria by the IOC. According to the IOC President Jacques Rogge keeping in mind the Salt Lake City scandal, while assessing the 2012 applications, "technical qualities would receive full attention, security being the main issue". And as ultimate responsibility in the field of security rests, as in most countries, with the national government, through the Ministries of the Interior and Defense, the Madrid bid couldn't do without state involvement, especially with ETA terrorism, or more recently Al-Quaida bomb attacks.

State involvement can also result in implementing new laws, as suggested in the Madrid mini bid-book, aimed at facilitating the organization of the Olympic Games, e.g. improving the city financial capacity. For example, the legislation under which the 1992 Barcelona Olympic Games were organized particularly encouraged companies to provide the Organizing Committee with private funding and donations, by granting them additional tax deductions. Yet, such special measure required a legal defined procedure under state discretionary power to qualify the event as “*evento de extraordinaria importancia*”.

It has also to be noted that a wide-ranging parliamentary consensus maintained by all political parties was established in favor of the Madrid bid through two unprecedented motions unanimously approved in the Spanish Congress on November 17, 2003 and in the Spanish Senate on November 25, 2003. While aiming at “making the Madrid bid into a bid of all the Spanish”, the parliamentary initiative was also to ensure its contribution to the organization of the Games, should Madrid be selected as the 2012 Olympics host city, given that such organization would “mean a first level event with very positive effects not only for Madrid but for the rest of Spain”.

Such national involvement in the bid process obviously resulted in integrating representatives from national institutions in the Madrid bid committee. According to IOC acceptance procedure, only NOC representatives, and also IOC members of the country should they so request, must be members of the candidature committee. Yet, after winning the COE endorsement, the bid committee reorganized its structure as part of a campaign to solicit support from national authorities that provides useful assets to lobby the IOC. Thus, the Plenary Session of the Madrid City Council unanimously approved on September 26, 2003 the constitution and the statutes of the Madrid 2012 Foundation, in which representatives from national authorities took part. Even though this non profit structure aimed at preparing and promoting the Madrid bid for the 2012 Olympic Games is presided by the Mayor of Madrid, the governing, representative and administrative body of the Foundation includes the President of the Spanish Olympic Committee as its first vice-president and the Secretary of State for Sport as a vice-president. The Regional Sports and Culture Minister representing the Madrid’s Regional Government is the other vice-president. The Spanish members of the International Olympic Committee, representatives from the Spanish Olympic and Spanish Paralympic Committees and the General Secretary of the Higher Sports Council are also forming part of the Trustee Board, as well as the city councilor of the Institutional Coordination, the vice mayor of Madrid, the spokespersons of the capital’s municipal groups and a few representatives from civil society. Alberto Ruiz Gallardón, the current mayor of Madrid and former President of the Madrid Autonomous Community (i.e. the Regional Government), argued that “through the Madrid 2012 Foundation it had been tried to involve all the Spanish society”. Nonetheless, such composition gives away the role played by national authorities in the Madrid bid process.

Closed to the Madrid 2012 Foundation, aimed at defining and deciding the bid strategy, the Madrid 2012 Corporation – previously the Madrid 2012 Executive Office – gets down to prepare the proposal of venues’ geographic establishment and to elaborate the documentation required by the IOC acceptance procedure. It also aims at handling relations with international and Spanish sports federations as well as with the athletes. Representatives from society at large and Olympic and Paralympic movement are present in its respective management bodies and advising commissions. What is worth pointing out is the career profile of its chief executive, Feliciano Mayoral. Mayoral has been named as the chief executive of the Madrid 2012 Corporation in July 2003 after Ignacio del Río, the former

chairman of the Madrid bid committee – and also the former deputy mayor of Madrid –, resigned insofar as the newly-elected mayor of Madrid, Ruiz Gallardón, decided not to re-elect him as deputy mayor. Once Del Rio's resignation was accepted, the Madrid City Council decided to entrust Mayoral with overall responsibility of the Olympic project. Such choice marks the arrival of an experienced man into the leading ranks of the bid committees. He therefore combines experience in three different branches of the Olympic Movement: sporting competition, federations and national committees. This is thanks to his position of Secretary General of the Association of National Olympic Committees (ANOC) since 1994, through which he has attended all the IOC and continental federations meetings, and has represented ANOC in bodies such as the World Anti-Doping Agency. He also formed part of the Organizing Committee of the Barcelona 1992 Games, participated in the Coordination Commission at the Olympics Games in Sydney and is now involved with Athens. He was president of the federation of volleyball between 1984 and 1987 and from then until his incorporation in the Madrid bid committee occupied the position of secretary general of the Spanish Olympic Committee. While naming Mayoral as the new chairman of the Madrid 2012 Corporation, the Madrid City Council has therefore shown rather few organizational capacity and autonomy to free itself from national level. It has also to be noted that Mayoral had previously been working as the Managing Director of the Madrid 2012 Executive Office since its first steps in February 2001. Such information has to be related to the widespread doubt about the NOC endorsement insofar as Mayoral was still, at that time, secretary general of the Spanish Olympic Committee.

### **The Paris 2012 Olympic bid**

Unlike Madrid, Paris has strong experience of bidding for the Olympic Games. It bid for the 1992 Games and more recently failed in the final election for the 2008 Games. Even though these bids were unsuccessful (Barcelona hosted the 1992 Summer Olympics Games and Beijing was selected in July 2001 to host the 2008 Games), it indicates the will and the deep desire from Paris to host the Olympics as well as the growing perception of the importance of such high profile event in the French capital strategies. Thus, the mayor of Paris, Bertrand Delanöe, officially announced in May 2003 that Paris would bid for the 2012 Games. Yet such decision had not followed naturally. After losing in the 2008 Games running, the city council was overcome by doubt. The French Olympic Committee (CNOSF) played therefore a key role in urging Paris to launch a campaign to host the 2012 Olympic Games. In November 2002, CNOSF and also IOC member Jean-Claude Killy told the newspapers *Le parisien* that “if we bid last time, it means the desire was there to host the Olympic Games in France, and particularly in Paris, and I am ready to lead such a bid”. In the early days of December 2002, Delanöe finally decided to begin consultations to determine how to approach a bid for the 2012 Games and get all concerned parties involved. The French Olympic Committee quickly made it clear that it wanted to bring the Summer Olympic Games back to Paris and committed itself to supporting a bid, should the Paris city council decide to launch a campaign. It also played a key role in urging Paris to a 2012 Olympic bid by arbitrating between other French cities bids. Even though Paris had no rival for the 2012 Games running, both French cities Annecy and Grenoble had expressed strong interest in bidding for the 2014 Winter Games. Particularly Annecy had already begun a strong marketing campaign locally and on the Internet. But the French Olympic Committee indicated that they would prioritize the Summer Games over an Olympic Winter Games option and therefore asked the two cities to remain quiet while the 2012 campaign was underway. Indeed, given the IOC implicit rule of alternating between the host continent (thus the host

country), it was highly likely that a French 2014 bid would mortgage a Paris 2012 victory. Even for the French government the Paris bid remained a priority. An Annecy delegation, led by its mayor and a French Parliament member, was told by Jean François Lamour, the French Sports Minister, that an Annecy candidacy would only be studied and presented to the international sports institutions once a final decision has been made on the 2012 host city. Then, Delanöe received strong personal assurances of support from the President of the Republic Jacques Chirac after meeting him in April 2003. In May 2003, he finally announced at a ceremony in the city hall the Paris 2012 Olympic bid in the presence of the Sports Minister, the President of the French Olympic Committee and the President of the Ile-de-France Regional Council.

Such sequence of events tends to prove that the Paris 2012 bid received from the outset the active backing of the French Olympic Committee, the French government and also the President of the Republic. Those national authorities even urged the mayor of Paris to launch such campaign. On the regional level, the project has also been supported by the Ile-de-France Regional Council. Thus, even though “Paris is bidding for the 2012 Olympic at the initiative of the mayor of Paris, Bertrand Delanöe, with the full backing of the municipal council” (Paris 2012, 2004), such project arises from a common will, enthusiastically supported by all public authorities on national – and regional – levels. Such support is therefore clearly demonstrated by the composition of the bid committee. Indeed, the French Olympic Committee and the State along with the Paris City Council and the Ile-de-France Regional Council set up in July 2003 the “Paris – Ile-de-France 2012” government-based interest group aimed at supporting and promoting the Paris bid on the national and international scene. Presided by the mayor of Paris, the group involves the CNOSF President and the Sports Minister as vice-president. The President of the Ile-de-France Regional Council is the last vice-president. Besides these Paris 2012 Group’s founding members, the “Founding Committee” includes four CNOSF and also IOC members – Jean-Claude Killy, Guy Drut (former Sports Minister), Alain Danet and Maurice Herzog (former Minister) – and a technical advisor to the President of the Republic as well as the Prefect of the Ile-de-France Region and the President of the Lagardère Group, a French firm. Such composition gives away the role played by national authorities in the Paris bid’s decision-making process. Indeed, the “Founding Committee” aims at adopting decisions designed to ensure that the objectives pursued by the Paris 2012 group are achieved. In particular, it is responsible for drawing up the candidature documentation required by IOC acceptance procedures and defining the communication strategy. It has also appointed to supervise the bid a chief executive officer, Philippe Baudillon, leading a team of permanent staff – recruited from the public and private sectors – experienced in preparing and organizing major international sporting events. This team has been working in close cooperation with the various departments of the founding members, through permanent workings groups. Such collaboration results in taking into consideration at an early stage the ambitions, motivations and preoccupations of all concerned parties.

Besides the composition, the nature of the bid committee points out state involvement in the Paris campaign. Indeed, the bid committee “Paris – Ile-de-France 2012” is a government-base interest group, a legally defined form of organization institutionalized in the early 1980s to entitle the State to partnerships with other public – or even private – persons. Such hybrid structure, often encapsulated in terms of administration’s struggle against its asset-stripping (Moiroud Réchard, 1994), is managed like private firms, but is also subject to special provisions for the monitoring of their actions by public authorities, and particularly the State. First, a government-base interest group needs to be officially created state approval,

through a ministerial order signed by both the ministry in charge (i.e. the Sports Minister in the “Paris – Ile-de-France 2012” case) and the Ministry of Finance. Such approval is therefore under state discretionary power. Second, the State maintains strict control over the actions pursued by a government-based interest group through a government commissioner designed by the Ministry in charge. The government commissioner has full access to documentation related to the group, attends all its decision-making sessions and has also a right of suspensive veto. Third, government-based interest groups are subject to state economic and financial control carried out by a state auditor first, and then, as every public entity, the Revenue Court. Such control is the compensation of the financial autonomy granted by the law to these hybrid organizations. However that may be, state supervision results in legitimating such structures by conferring on them the credibility that failed other partnerships like associations or foundations (Muzellec and Nguyen Quoc, 1993).

Finally, the Paris 2012 committee, with its established “state label”, furthers state involvement in the Paris 2012 Olympic bid. Such involvement is translated into financing the candidature. The “Founding Committee” adopted on December 2003 a US\$ 27,600,000 global budget for the bid of which the French Government has undertaken to provide 25%. The Paris City Council and the Ile-de-France Regional Council has also committed themselves into financing 25% of the estimated budget, besides the last quarter will be covered by private sponsorship (i.e. major national firms, such as Renault, and mainly former public – and more accurately national – entities like France Telecom, EDF, etc). Such financial support from the national government shows how the Paris bid is closely linked to national levels. The Madrid 2012 budget, in comparison, is guaranteed by the commitment of both the Madrid City Council (up to 15%) and private sponsorship (up to 85%). Furthermore, the French government also committed itself, should Paris be selected to host the 2012 Games, into taking every necessary step, particularly with regards to financing, to ensure the successful organization of the Games. Moreover, it guarantees cover for any shortfall of the Organizing Committee. The very strong guarantees on financing and any shortfall provided by the State are therefore constitutionally binding on all Ministries. No further legislation is thought to be necessary but the French government confirms that legislation will be presented to Parliament if the need arises (Paris 2012, 2004). Concerning the Games security system, it would be based on the State providing security in the city, on transport and at the Olympic sites with the OCOG coordinating the service at the sites. All necessary manpower, police and emergency services will be available with a clear single command center under the single control of the Prefect of Police in Paris whose authority is extended to cover the whole region. Besides such support and guarantees, the French government has finally fulfilled the obligations required by IOC acceptance procedure regarding the respect of both the Olympic Charter and the Olympic Movement Anti-Doping Code.

In short, the Paris bid is a city and NOC campaign with strong state involvement. Such closed relationships between local and national levels are particularly pointed out by the Paris City Council through its mayor, Bertrand Delanöe, sometimes overdoing it. Indeed, the Paris bid went in hot water after comments about the London bid were made by Mayor Delanöe just a few days before all nine applicant cities have to submit their mini bid-books to the IOC. “I have made it clear that the French consensus, especially between Paris city authorities and the State represented by the President of the Republic, is stronger than that between the mayor of London and the British Prime Minister” Delanöe said. While he received warnings from the IOC – and unofficially from the CNSOF – such announcement reveals the importance of state involvement in pursuing high profile events such as the Olympics Games.

## CONCLUSION

What does our analysis of the Paris and Madrid 2012 Olympic bids tell us about intergovernmental relationships between cities and national authorities? The manner in which these bids are conducted raises serious public policy concerns, particularly with respect to the part of access and accountability in such policy making process. Even though these case studies deserve further scrutiny, it appears that the Paris and Madrid 2012 Olympic bids share common features regarding the role played by national authorities. Their role is twofold. First, national authorities - National Olympic Committees and, to a lesser extent, the State - legitimate candidate cities in the bid process by fulfilling the obligations strictly required by the International Olympic Committee. Second, legitimacy problems aside, their involvement goes even further insofar as national governments provide the bid committee with legal or financial commitments, such as the crucial guarantee of covering a potential economic shortfall of the Organizing Committee. Hallmarks events, such as the Olympic Games, seem in fact to be rather dependent, in most European countries, on the large outlay of public monies. Most commonly a city wanting to upgrade its infrastructure or its political image would therefore use a large-scale event as a tool to generate funds from higher levels of government. Finally, although only cities are allowed to bid for the Olympics, and thus play out their own strategies rather independently of national authorities, this is not necessarily in their best interest as the State, in most European countries, plays a significant role in public services, infrastructures, security, etc. Even if the withdrawal, albeit relative, of the State opens up new opportunities for cities, yet it does not result in giving cities enough legitimacy and autonomy to pursue alone such high profile events. Even worst, according to some bid consultants, “the main point to keep in mind is that the state’s role in dealing with such issues must be dominating”.

However that may be, Olympics bids give rise to negotiated relationships not only between local and national authorities but also between all subnational governments (i.e. local and regional authorities) and private actors. These questions remain then to be examined. The interplay between cities, the market and the State in the bid process deserves indeed careful thought. Such mega-events often succeed in involving the private partners, who can take over from public investments. Yet, it seems that this question is too frequently tackled from an Anglo-Saxon point of view, especially American, which tends to emphasize the role of private actors in the entrepreneurial strategies of cities. Even though this point has not been taken up, it appears that private sponsorships generally play a less important role than American urban business leaders – through urban regimes and growth coalitions – use to play in Olympic bids. Olympic bids finally remain in the Madrid and Paris cases largely a public-public affair. Regarding the restructuring of relationships between local and regional authorities, the Olympic bid process also presents a unique opportunity to assess it insofar as such mega-event often leads European over-urbanized cities to develop Olympic sites in the periphery and thus requires town-planning management at the regional-metropolitan level.

Nevertheless, such questions require increasing investigation even though they are difficult to examine, since cities use to be rather discreet on this matter. Indeed, the overarching compelling rationale of bidding for the Olympics generally tends to minimize opposition and controversy thereby display collective support and consensus-building. Yet, even though this point has not been thoroughly demonstrated, we are witnessing that bidding for such high profile events needs unprecedented forms of cooperation between public authorities and private actors, which may even result in changing territorial leadership thereby the way of governing the city.

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