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## **The legacy costs of delivering the 2012 Olympic and Paralympic Games through regulatory capitalism.**

[Abstract]

The governance structure of the 2012 Olympic Games illustrates characteristics of ‘regulatory capitalism’ in which government awards an initial contract to deliver a project to a private-sector umbrella organisation. To deliver the 2012 Games, the London Organising Committee for the Olympic and Paralympic Games (LOCOG) is estimated to have awarded over 75,000 (sub)contracts to private companies (Girginov, 2012). The government’s ability to make political interventions after an initial contract is awarded is sacrificed to maximize the likelihood of the project being delivered on time. This paper shows how, as a consequence of this structure, the separation of the delivery of the Games from its volunteer legacy responsibilities (Evans, 2012) prevented the adoption of a strategy for generating more community volunteers from the Games (Nichols, 2012). It prevented synergy being maximized between LOCOG’s Games Maker programme and Sport England’s Sport Maker programme, which aimed to generate 40,000 new sport volunteers. Further, legal protection of the sponsor’s interests prevented Olympic events such as the Torch Relay, and even certain words, being employed by local government to promote sports participation. A further consequence of LOCOG’s status as a private company has been the restrictions imposed by the ‘non-disclosure agreement’ its employees and contractors were required to sign, which has limited a knowledge transfer legacy — a liberty cost of regulatory capitalism. Delivery by regulatory capitalism is shown to have had significant hidden costs in relation to legacy aspirations with implications for future mega-sports events such as the 2014 Commonwealth Games.

Key words: Olympic, legacy, 2012, regulatory capitalism, volunteer

### **Introduction**

It has been argued that the most significant legacy of the 2012 Olympic and Paralympic Games (hitherto referred to as the Olympic Games) was its demonstration of delivery through regulatory capitalism, with the attendant flow of contract-based revenue to private corporations and the liberty costs of the barriers to openness (Raco, 2012a). These insights are drawn upon to understand how the governance structure of the 2012 Games limited the degree to which legacy could be achieved in relation to knowledge transfer, volunteering and sports participation. This paper draws on the authors’ experience of researching volunteering at the Games, researching a sports participation legacy through Sport England’s Sport Maker programme, and contributing to edited volumes on the Games (Nichols, 2012; Nichols and Ralston, 2013, in press). One of the authors was initially engaged in a Podium supported project to generate a knowledge transfer legacy from the Games but was prevented from doing so by the potential restrictions of

LOCOG's non-disclosure agreement. One author has contributed to an independent review of the Sport Maker programme (Nichols et al, 2013), and both have made an independent study of volunteers at the 2012 Games (Nichols and Ralston, 2012a). This paper is based on the authors' personal experience, including interviews and the analysis of secondary sources in the course of this research.

### **Responsibility for legacy delivery**

The London Organising Committee of the Olympic and Paralympic Games (LOCOG) was a private company limited by guarantee (Girginov, 2012, p.136) 'with responsibility for the delivery of all Games-time operations'. LOCOG was in place to outline London's legacy ambitions to the International Olympic Committee (IOC) in the first bidding process conducted under the revised IOC Olympic Charter, in 2005, which had been 'amended to emphasise the importance of promoting positive Games' legacies (Weed, 2012, p.87). Thus, the London bid stressed the potential legacies from the 2012 Games, especially that of promoting sports participation among young people. This raised the public's expectations of potential Games legacies, although LOCOG was only responsible for delivery of the Games, not creating legacy. This paper focuses on potential legacies of knowledge transfer, promoting volunteering and promoting sports participation.

So who was responsible for legacy and how was it to be funded? Weed (2012, p.94) chronicles a series of documents produced by the Government's Department for Culture, Media and Sport (DCMS) between 2007 and 2010 which lacked clarity on both these points, and culminating in his conclusion that, 'as the clock ticked past the two-years-to-go landmark in August 2010 there were no politically legitimate legacy plans in place'. Coincidentally, in examining planning for a volunteering legacy from the 2002 Commonwealth Games we found that 'from about two years before the event, "the momentum just becomes so huge that the steam roller sort of tramples you, unless you've got a way of working with it". The over-riding priority by 2000 was to run the event successfully. There was neither time nor resources to discuss legacy plans' (Nichols and Ralston, 2012b, p.179). Thus while it was clear that LOCOG were not responsible for delivering a legacy it was not clear who was. A legacy was a lower political priority than delivering the Games, and getting lower as the nation approached 2012. This situation was further complicated by the change of government in 2010 from Labour to a coalition of Conservative and Liberal Democrat parties; which came in with a policy of reducing public expenditure. As a consequence the 'Regions and Nations group', which the DCMS had established in 2008 (DCMS, 2008) with legacy responsibility, was disbanded and the previous administration's legacy targets were dropped. All of these factors would have limited legacy effects; however the thrust of this paper is on the consequences for a legacy of delivering the Games through a governance structure which reflects regulatory capitalism. It is not asserted that personnel in

LOCOG were uninterested in legacies generated by the Games, rather than the governance structure for delivering the Games limited the potential for the three legacies discussed in this paper.

### **Regulatory capitalism and the governance of the 2012 Olympics**

Regulatory capitalism describes a process in which the government facilitates the frameworks through which services are delivered rather than delivering them directly. This involves an increased provision by the private sector of services formerly provided directly by the public sector, paralleled by an increase in regulation. Regulation may occur through regulatory bodies, such as quangos; for example those regulating the energy industries. Regulation may also be through a contract between the public and private sector. The contract may cover a period far longer than the lifetime of any government and include clauses which protect the interest of the contractor. Raco (2012b) illustrates these two general features of regulatory capitalism using the examples of National Health Service Hospitals built through private finance initiatives (PFIs) and public transport delivered by a monopoly private company within a complex Franchise Agreement, both in South London. The 30 year long PFI contracts for hospital building and management have bound local Health Authority Trusts into schedules of repayment over this period. This has meant that when Trust income has not increased at the same rate as the back-loaded repayments of the PFI contract, cost savings have had to be found by reducing the services offered by other hospitals in the same trust. Thus decisions over patient welfare over a 30 year period are constrained and influenced by the terms of the original contract. In the second example the extreme complexity of the 303 page long Franchise Agreement under which a train company provides a service in South London includes clauses protecting the company from as many financial risks as possible, for example, the possibility of increases in the price of electricity or industrial action by its employees. In either case the company would be compensated. Thus all the risks in the contract are taken by the public sector and the role of specialised contract writers and lawyers becomes extremely important in enshrining the fine detail in the contract and ensuring it is adhered to. These examples illustrate how regulatory capitalism restricts the expression of democracy through political intervention and transfers financial risks to the public sector and user-communities. A further characteristic is that strong corporate interests have a role in both delivery and regulation. For example, in writing contracts, the state draws on the expertise of private companies, and awards contracts to private companies in which those who advised on the contract might also have an interest. The process is therefore likely to serve the interests of large corporations as much as or more than those of the state. A recent example in the UK is the role of the four big accounting firms who second employees to the treasury and thus have an intimate knowledge of tax regulations. The same companies offer 250 specialist staff who advise on transferring profits between different countries sell advice to clients on how to pay less tax

(Grice, 2013). The title of Braithwaite's book (2008) *Regulatory Capitalism: How it works, ideas for making it work better* implies that regulatory capitalism might not produce the optimum outcome for society at large. He argues that it redistributes wealth to the rich, and 'markets in vice are always one step ahead of regulatory intervention' (Braithwaite, 2008, p. 199).

Raco (2012a) illustrates how the 2012 Olympics provided major contract revenues to large corporations who were involved in both delivering the Games and providing the expertise to determine how the Games were delivered. For example, it was anticipated that the accountancy company Ernst & Young, acting as consultants for the Games between 2005 and 2009, would earn over £12m in direct payments for being commissioned by the DCMS and the Olympic Delivery Authority (ODA) to assess the costs of running the Games soon after the bid was won in 2005. This followed PricewaterhouseCoopers' initial (under)-estimate of between £0.9 billion and £1.3 billion as the cost of the Games, which had been commissioned by the DCMS. LOCOG also employed Deloitte to act as the 'Official Professional Services Provider to the London 2012 Games'. At the same time Deloitte published a strategy for Olympic procurement (Deloitte Touche Tohmatsu Limited, 2011), advising companies interested in tendering for Olympic contracts. LOCOG is estimated to have awarded over 75,000 such contracts (Girginov, 2012). Not only could Deloitte advise potential contactors, but it had also seconded over 130 staff to LOCOG – including the Chief Financial Officer – and 'waved its secondment fees as part of its sponsorship deal with LOCOG' (Raco, 2012a, p.455). The breadth of Deloitte's secondee programme was advertised on its webpage as being able to 'ensure full-time access to people with the skills they need'. It is not clear from Raco's account if 'they' refers to LOCOG or the potential contractors — however it is clear that Deloitte were in a position to both influence LOCOG policy and sell advice to its potential suppliers. Of course, although a characteristic of regulatory capitalism is the interchange of staff in key positions between different organisations this does not necessarily imply that they will continue to promote the interests of their previous employer/s and such an interchange might be necessary to employ people with the highest qualifications for the job. For example, the CEO of LOCOG was a former Chief Executive of Goldman Sachs, a leading global banking and investment firm, and the Head of Strategy had worked for KPMG for 7 years and Goldman Sachs for 20 years (Girginov and Gold, 2013).

The recent development of the theoretical framework of regulatory capitalism; Levi-Faur (2005) and Braithwaite (2008) being the seminal texts; means it has not previously been applied to the delivery of the Olympic Games. One of Raco's (2012a) conclusions is that more research is needed to 'follow the money' (p. 459) – to find out exactly who has benefited from the large amount of public funds spent on the Olympic Games. But, as he points out, it is very difficult to trace the flow of funds through tax havens around the world. A point more

relevant to this paper is that the privacy associated with commercial contracts restricts public accountability and many more such contracts are involved in delivery under regulatory capitalism. Thus, as a private company, LOCOG is not required to comply with the Freedom of Information Act. It has published annual reports and accounts, but other 'Games documentation' (Girginov, 2012, p.136) is under a 15-year embargo.

Access to information about contracts between public companies and private ones is also restricted. For example, although the Olympic Delivery Authority is a public company that might be expected to comply with Freedom of Information requests, the ODA will not reveal details of its contracts with private companies because public disclosure of these would provide a commercial advantage to the company's contractual counterparties. That is, 'it is (deemed to be) in the public interest not to know how public money is being spent' (Raco, 2012a, p.456)!

As implied above, a particular criticism of regulatory capitalism is that it has a 'liberty cost', not only in respect to the flow of information and public accountability, but also in the 'transformation from representative democracy to indirect representative democracy' (Levi-Faur, 2005, p.13) in which public agencies have to rely on technical advisors to write contracts and ensure contractors' compliance with them. An implication is that if the initial 'umbrella' contract to a private supplier does not enshrine the delivery of social objectives, neither will any sub-contracts awarded by that supplier. Thus the 75,000 sub-contracts cascaded out of LOCOG will not have incorporated any social objectives additional to those LOCOG was originally obliged to meet; for example, objectives related to the development of volunteers or sports participation. Any attempt by government to intervene in these sub-contracts would have an associated cost, and delay delivery of the project. An advantage of this way of delivering the Games is that it is more likely to deliver one of the world's most complex projects on time, which was the political imperative: 'Take the politics out of the process and it will be more effective' (Raco, 2012a, p.457).

The rest of this paper explores the implications of delivering the Games through regulatory capitalism for three aspects of its legacy: knowledge transfer, volunteering and sports participation.

### **Legacies – knowledge transfer**

In Autumn 2010 Vassil Girginov, a researcher at Brunel University, UK, invited contributions to a two-volume edited collection on the London 2012 Olympic Games on behalf of Routledge Publishers. The aim was to 'produce a comprehensive account that will cover all the main aspects of the Olympics and will serve as the ultimate reference source for members of the academic community and general public, the Olympic family – the International Olympic Committee, National Olympic Committees, .... This ... will be in line with the London 2012 main trust of leaving a lasting learning legacy' (V. Girginov, personal communication, October 17, 2011). The invitation stated that 'The

London 2012 Collection will be ... an officially licensed book by LOCOG. However, this does not pose any constraints on your academic freedom to express your views. The main reason for seeking the “official Olympic product” badge was to ensure access to key LOCOG officials ....’. Negotiations between the editor, Routledge and LOCOG had taken over a year to reach this point, with the strong support of one of Routledge’s Senior Commissioning Editors. At the same time a separate Knowledge Transfer project had also been arranged by Girginov. Funding had been gained from Podium to support the expenses of 10 academics who would each be paired with the manager of one functional area of LOCOG and conduct a series of interviews from Autumn 2011. Podium is funded by the Higher Education Funding Council for England (HEFCE) and the Skills Funding Agency (SFA) and aimed to make links between higher education and the Olympics. The book and Podium report are the only knowledge transfer legacies from the Games, apart from the Official Games Report which the local organising committee is contractually obliged to produce for the International Olympic Committee. The limited information conveyed by the reports from previous committee’s to the IOC was a justification for the Podium report which was to give far more detail of the knowledge obtained and how it was used by LOCOG. Girginov (forthcoming, p. 5) reports that LOCOG’s initial reaction to this project was very positive, as the prevailing feeling within LOCOG was that ‘the Official Games report was serving no real purpose other than to be a piece of expensive corporate propaganda’. One of the authors of this paper was the only person to be involved in both the book chapters and the Knowledge Transfer project. At his first appointment with the head of volunteering in LOCOG it was made clear that only a limited discussion of LOCOG’s work could take place until the author signed a ‘non-disclosure agreement’ (NDA). LOCOG’s requirement for an NDA does not appear to have been clear from the outset to Vassil Girginov or to Routledge. In January 2012, Routledge’s commissioning editor asked all authors who had agreed to contribute to the first volume of the book to sign LOCOG’s standard non-disclosure agreement, which Routledge had themselves signed. Sections of this NDA are reproduced below with problematic sections highlighted in bold:

‘In this Undertaking:

**Confidential Information** means any and all information concerning or relating to financial, legal, marketing, sponsorship arrangements, partners and partnering arrangements, relations with partners, sponsors and stakeholders (including without limitation public authorities), relations with the International Olympic Committee and communications with any of them, contracts, relations and communications with developers, contractors, service providers, suppliers or others involved in or concerned with the construction, creation, delivery or development of services, arrangements or facilities for the 2012 Olympic and Paralympic Games, technical, operational, commercial, staff, management and other information, data and know-how, including without limitation any such information You acquire during the course of Your work with us;

**You** and **Your** means and includes, as appropriate, natural persons, firms, partnerships, limited liability partnerships, companies, corporations, unincorporated associations, local authorities, governments, states, foundations and trusts (in each case whether or not having separate legal personality) and any agency of any of the above;

In consideration of the Company agreeing to make available Confidential Information to You, You undertake to us that both during and **following** the performance of **the Work** You will:

not, without the prior written consent of the Company, disclose or communicate any Confidential Information to any third party;

not use (for Your own benefit or that of any other person) any Confidential Information for any purpose **other than for the Work**;

keep confidential and not disclose or use for any purpose other than the Work Confidential Information belonging to any third party in relation to which the Company or its affiliates or subsidiary companies owe a duty or obligation to keep such information confidential;

in each case for as long as such information remains confidential to the Company or any third party to whom the Company owes a duty of confidentiality.’

Sheffield University contracts office sought clarification from LOCOG over definition of ‘the work’ – it was unclear if this referred to the Podium Project or to the book chapter, or both. Clarification was also required over the duration of the agreement – would it end after the Games in 2012, after LOCOG had been completely disbanded in the late summer of 2013, or was the agreement for an indefinite period? Without clarification on these points the agreement would potentially have meant the researcher could write nothing about the Olympics

using information gained from LOCOG without LOCOG's permission, and for an indefinite period of time. LOCOG did not respond to several requests for clarification so the author did not sign the agreement as potentially its conditions were incompatible with his academic role. This type of 'agreement' is common in the private sector to protect commercial confidentiality. LOCOG might have argued — if they had made a response — that the agreement was necessary to protect the interests of its commercial contractors. For example, in researching the training of volunteers at the Olympic Games it would have been interesting to find out more about the agreement with McDonalds, who provided the training (Nichols and Ralston, in press), but McDonalds' commercial interests would have prevented this. Another potential justification is that before the Games LOCOG felt it was very important to 'ensure that all members were singing off the same hymn sheet' as part of achieving a sense of unity in an organisation brought together for a relatively short period of time (Girginov and Gold, 2013, p. 13) and with a rapid change in staff numbers. A further motive might have been a desire to avoid any alternative to the view of a legacy engendered by the 'notion of an inherent inspiration' which Bloyce and Lovett (2012) found dominated virtually all the 102 official publications they analysed.

Further correspondence with Routledge and Girginov established that the author was not required to sign the agreement for the book chapter if the material in it had not been gained from LOCOG. Subsequently, however, Routledge were unable to agree the book content with LOCOG, so took the decision to continue with publication but no longer as an 'official' account of the Games. It would have been interesting to know the content that LOCOG disagreed with or did not want to be made public, but Routledge were unable to give further details – as they had signed the NDA. Despite repeated attempts it was not possible to arrange a programme of interviews with LOCOG's volunteer manager, although it is not clear how important not signing the NDA was in influencing this: perhaps he was just too busy delivering the Games. Once the book became a project independent from LOCOG, LOCOG's officials were no longer obliged to co-operate with the research team.

Only three of the ten original academic researchers associated with the Podium project finally contributed to the Podium report and the final report, produced in May 2013, was only authored by two (Girginov and Gold, 2013). None of the three were asked to sign the NDA (V.Girginov, personal communication, April 25, 2013) so the request to do so was inconsistent. It is not known how many of the remaining seven did not contribute because of refusal to sign the NDA or because they just could not arrange the necessary meetings.

Here we see a clear instance of the structures within regulatory capitalism hindering a knowledge transfer legacy in two ways: the NDA prevented at least one researcher gaining access to information and disseminating it; and LOCOG's primary remit to deliver the Games

meant discussing that delivery and its management with researchers was not a priority. In further research on the volunteering programme some potential interviewees withheld information because they had signed the NDA. On the other hand, LOCOG allowed representatives from the Glasgow 2014 Commonwealth Games access to the 2012 Games so they could learn how the volunteer programme was managed. Unfortunately an implication of the researchers' restricted access to LOCOG is that details in this paper could not be corroborated with LOCOG staff.

The IOC already has its own 'in house' arrangements for knowledge transfer. In 2002 it established an independent company called Olympic Games Knowledge Services (OGKS) to perform this function and in 2005 it brought the transfer of knowledge function fully in house, calling it Olympic Games Knowledge Management (OGKM) (IOC, 2012). At London 2012 an observer programme included 50 visits to approximately 15 competition venues and 37 non-competition sites, in addition to 5 roundtables over 21 days. This was followed by a seven day seminar in Rio, held in November 2012; where LOCOG staff shared their experience with representatives of the next summer Games, the next two winter Games and the three candidate cities for 2020. Thus the IOC has its own knowledge transfer arrangements. These contribute to the production of technical manuals which are confidential to organising committees, and to knowledge transfer which is tightly controlled. Even if LOCOG was willing to engage in a potentially more critical and open process represented by the Podium Knowledge Transfer project it is very unlikely that the IOC would have co-operated with this. Thus even if Giginov and Routledge felt they had reached a satisfactory arrangement with LOCOG staff it is possible the IOC would have vetoed this. In Girginov's (forthcoming, p 5) view 'a great opportunity to produce an original and detailed account of the making of the London Games was compromised'.

### **Legacy — volunteering**

That the Olympic Games could not be conducted without the involvement of tens of thousands of volunteers was never in doubt. During 2005–6 a strategy for attracting Olympic Games volunteers was developed by a group chaired by Richard Sumray, who had been one of the original advocates of a London bid for the Games in the late 1980s (Evans, 2012). The strategy group comprised six paid staff and over 100 representatives of various organisations. As a local councillor in London, Richard's vision was of a social legacy from the Games as much as a physical one (R. Sumray, personal communication, April 27, 2012).

A document describing London's volunteering capacity had initially been produced to give to the visiting IOC delegation inspecting London in 2004. At the end of 2006 the volunteering strategy prepared by Sumray's group and written by the then deputy director of

Volunteering England was presented to LOCOG. This strategy drew on the experience of the volunteer development organisation established after the 2002 Commonwealth Games (Nichols and Ralston, 2012b) and the similar programme in Newham, one of the London host boroughs (Nichols and Ojala, 2008). It recognised that three phases — pre-games, Games and post-games — had to be connected if a legacy effect was to be achieved. The aim was to generate a regional sense of identity by recruiting volunteers in the regions. Up to 25,000 community volunteers would be mobilised working on local projects during the run-up to the Games. They would volunteer locally, accumulating a record of experience (a volunteer passport). Of the 70,000 volunteers required for the Games itself, 30% would be recruited from the nations and regions, proportionately according to population. Regional volunteers would go to London together and return to their region motivated by the collective experience. Again, this strategy built on experience of the 2002 Commonwealth Games and the post-games enthusiasm of the volunteers at the Sydney Olympics (Cashman, 2006). The strategy included recruiting carefully selected young volunteers aged 14-16 and 16-18 years old. LOCOG would fund all of the Games-time volunteer programme, but funding for the pre-games initiatives would need to come from other sources. By 2007 it was clear to Richard Sumray that LOCOG's focus was purely on delivery and they would not adopt the volunteer strategy. It was not that LOGOC did not want a legacy, but that it was not their obligation to be concerned about enabling it. This coincided with the appointment of staff that had experience of the Sydney 2000 Olympics and a new director of human resource management (LOCOG, 2007) who was previously a group human resource management director with Marks and Spencer and had a career in the private sector. The press release accompanying her appointment said her 'remit is to ..... recruit staff to make the London Organising Committee a world class delivery organisation', but made no mention of a legacy. By 2011 there were no volunteering legacy plans (R. Sumray, personal communication, April 27, 2012).

Research into the experience of volunteers before and at the Games — called 'Games Makers' — found practically no mechanisms to promote a volunteering legacy (Nichols and Ralston, in press; Nichols and Ralston, 2012a), although up until Spring 2012 a tab was available on the Games Maker web site labelled 'get involved locally'. This allowed Games Makers to connect to a region and then to a volunteering opportunity in their region. What opportunity was available appears to have reflected which organisation had made a case to their local Nations and Regions group. The Nations and Regions groups were established by the DCMS to enable each region to develop legacy plans based on sport, culture, volunteering, skills, business and tourism in 2008 (Weed, 2012, p. 89) although in 2010 the new government announced it would abolish the nine regional development agencies serving the English regions, which 'undermined the ability of the groups to deliver Olympic legacies' (Weed, 2012, p. 93). For example,

the Suffolk 2012 Volunteering Legacy Project; a jointly funded initiative between the Suffolk County Council, Suffolk Sport, Young Suffolk and the Suffolk Volunteering Federation, was able to be accessed via a tab from the Games Maker site to the 'East' region, because the Suffolk project had made itself known to the East Region group. Making this link required Games Makers to take the initiative to use this tab.

From the 240,000 volunteer applicants, approximately 90,000 were interviewed and 70,000 recruited as 'Games Makers' (DCMS, 2012). By February 2012 around 95% of offers had been accepted by volunteers, but LOCOG nevertheless held a reserve pool of 15,000 to 20,000 applicants in contingency to allow for attrition (Degun, 2012). The lack of an active attempt by LOCOG to promote other volunteering opportunities to this reserve pool might have been because LOCOG did not want them diverted to other opportunities and thus not available as a contingency resource. This reserve was never used. In another clear reflection of the effects of delivery through regulatory capitalism, McDonalds, the fast-food company, was contracted to design and conduct the volunteer interview process and training. This was the first time in the history of the Games that a commercial partner had taken this role (McDonalds, 2012). Although interviews for roles as Games Makers were held in regional centres there was no evidence of other elements of the 2005/6 volunteering strategy in place in the three phases — before, during or after the Games.

Thus the management of volunteers at the Games was focused purely on delivery of the Games. Modifying the approach to develop a volunteering legacy; in ways suggested by the 2006 volunteer strategy; would have diverted from this focus, been more complicated, and cost more. The inclusion of the Games Maker programme as a volunteering legacy in the DCMS interim-meta-evaluation of the Games (DCMS 2012, p. 1240) is therefore misleading as it was not designed to achieve a legacy.

However, unpublished research into Games Makers attending practice events for the 2012 Olympic Games has found that although their initial motivation was to be part of the Olympics, the satisfactions gained from volunteering had made them more likely to volunteer for similar events in the future. They were particularly inspired by the feedback from young competitors. So in this way the Games Maker programme has encouraged further volunteering by allowing those motivated by being part of the Games to experience the more general rewards for volunteering, but there is no evidence that this 'inspiration' effect was planned for.

Of course, while the 2006 strategy was drawn up by experts in volunteer management with the objective of maximising an increase in volunteering from the Games one can never be certain that it would have achieved this. Research into Olympic Games volunteers has shown that one of the main motivations is to take part in a 'once-in-a-

lifetime' experience, associated with the status of the Olympics (Green and Chalip, 2004), suggesting that volunteering effort and enthusiasm may not be easily transferred to a different context. Structures were not in place to channel the post-games euphoria of volunteers into further opportunities after Sydney, 2000 (Cashman, 2006) although such structures did enable a pool of event volunteers to be established after the 2002 Commonwealth Games in Manchester (Nichols and Ralston, 2012b) and the promotion of volunteering, and sport, might be able to capitalise on a 'festival' effect of general goodwill (Weed, et al., 2009). It is still impossible to state conclusively that the total number of volunteers and amount of volunteering activity in Manchester was greater after the 2002 Games, and volunteering effort was not merely diverted from other activity. However, adopting elements of the 2006 strategy was probably the best opportunity for an Olympic volunteering legacy.

The 2006 strategy involved regional development and recruitment of volunteers and might have achieved a more balanced Games Maker profile than LOCOG's programme. In an online survey of Games Makers distributed by LOCOG's Research Department, of the 11,451 responses 80% were of a 'white British' ethnic group; the figures for all Games Makers are not available. Four per cent of all Games Makers had a disability – a figure well below the approximately 19% of Great Britain living with disability. Thirty four per cent of Games Makers were from London, and a further 21% from the South East; so these areas of the country were over-represented (Dickson and Benson, 2013).

### **Legacy – sports participation**

#### Use of LOCOG's data base

As noted above, promoting sports participation was one of the government's most prominent legacy aspirations of the Games. Sport England's *Places, People, Play* programme aimed to attract 40,000 new sports volunteers, who would attend an orientation workshop and be deployed to give 10 hours of volunteering each; with 20,000 of these 'Sports Makers' to continue to volunteer after the initial 10 hours (Sport England, 2011). The programme started recruiting in October 2011 and was originally due to finish in March 2013. It has currently been extended to September 2013.

Sport England did not have access to the LOCOG Games Maker data base — controlled by LOCOG's marketing department — to promote Sport Makers directly, although LOCOG had agreed to promote Sport Makers through the Games Maker web site. But it is not clear how strongly this was done: such promotion was not mentioned by any of the 53 prospective Games Makers we interviewed prior to the Games (Nichols and Ralston, 2012a). As noted above, details of the 15,000–20,000 reserve Games Makers being held by LOCOG in February 2012 might have helped Sport England reach their new-volunteer creation targets, but these potential volunteers could not be directly accessed. In October 2012, 2 months after the Games, Sport England reported that they had created a web page linking Games Makers to Sport Makers

(Sport England, 2012). By then LOCOG would not have been concerned that volunteering as a Sport Maker could be a substitute for volunteering as a Games Maker. So effectively some 15,000 - 20,000 potential volunteers were lost to the legacy effort.

At the end of February 2013 LOCOG (2013a) announced that, through a competitive tendering process, a partnership of Sport England, UK Sport and London & Partners would own and manage LOCOG's data base of 5.3m individuals, including both volunteers and people who bought a ticket for the Olympics. London & Partners (2013) are a public-private partnership that aims to increase leisure and business visitors and bids to secure major events in London. The new partnership will use the data-base to send a monthly newsletter alerting recipients to

‘a whole range of opportunities within their local community, ticket offers before general release and the latest information on upcoming events such as UK Sport's Gold Event Series including the forthcoming World Championships Triathlon, and Rugby League World Cup. There will also be opportunities to win “money can't buy” competition prizes like access-all-areas passes to world famous sporting events, sessions with sporting heroes and fantastic sporting merchandise’ (LOCOG, 2013a).

Sport England plans to send out targeted, segmented newsletters that promote sports, culture and volunteering across the UK, promoting specific opportunities and events regionally. At the same time London & Partners will generate content that promotes leisure and cultural opportunities across the UK. Thus the legacy data-base will be used to achieve a combination of public and commercial objectives. It does not appear possible for those on the data-base to opt out of London & Partners promotions, while still being informed about opportunities to volunteer. As a name on this list one of the authors has so far received at least four advertisements for sports and leisure events in London. The latest communication from this source (personal communication to the author, August 30, 2013) included advertisements to buy tickets for 13 events and enter a draw to take part in one. Promoted events included: ‘Shop London month with a host of events from a Fashion Film Festival, to a men's fashion night’ and ‘A three week city-wide celebration of London restaurants and chefs with fabulous events and special menus’. A footnote confirmed that, ‘Be Inspired is sent by Sport England, which is responsible for promoting and developing community sport’ however only one event might be regarded as ‘community’ and there was no mention of volunteering opportunities. Thus so far the data-base has been used to manage Games Makers and to promote the commercial interests of private partners. The data-base was not available to Sport England to recruit more volunteers in sport at the time of the Games when Olympic enthusiasm would have been at its height. The Sport Maker programme is predicated on the assumption that the Olympic Games would provide a catalyst for sports volunteering but it was unable to take maximum advantage of this

opportunity. Thus the separation of delivery and legacy has prevented the impact of the Olympics being maximised on the largest volunteer programme aiming to benefit from it. Once Sport England had access to the data-base its use could have been more precisely targeted, if it was possible to disentangle this from also serving the interests of London & Partners.

#### The Torch Relay

The torch relay is a ‘highly commercialised programme, with corporate partners dominating presentation styles. Coca-Cola, Lloyds TSB and Samsung are the three London partners for the relay and they have led the promotional strategy, enacting UK-wide torch showcases and encouraging “torch bearer nominations” by the general public’ (Garcia, 2012, p. 210).

The DCMS interim meta-evaluation of the Games legacy cites the torch relay as part of a legacy of ‘promoting community engagement and participation’ (DCMS, 2012, pp. 122-123). Similar to this report’s treatment of Games Makers as part of a community engagement legacy, its characterisation of an estimated 15 million spectators having watched the torch relay as a legacy is equally misleading. This is because the torch relay lost the opportunity to genuinely engage those 15 million in sports participation because it was conducted ‘under strict commercial and branding guidelines to maximise the visibility of official sponsors’ (Garcia, 2012, p. 201). This illustrates ‘a tension between protecting the commercial rights vested in the Olympic Games to an extent that enables LOCOG to raise sufficient funds to stage London 2012; and the impact that these protections will have on society as a whole ....’ (James and Osborn, 2012, p.76). This protection was enshrined in law by the London Olympic Games and Paralympic Games (Advertising and Trading) (England) Regulations 2011. As James and Osborn point out, while these regulations protect the commercial interests of the sponsors by preventing any suggestion of an association with the Games that has not been officially sanctioned, the cost of investigating any infringement and protecting the sponsors is borne by the state. The torch relay sponsors were Coca-Cola, Lloyds TSB and Samsung. It could be argued that such commercial partners should be able to protect their own rights, although Lloyds TSB is over 40% owned by taxpayers, so the state had a considerable interest. The festival effect of the Games might have been able to stimulate lapsed or new participants into activity (Weed, Coren and Fiore, 2009). Thus torch relays offered the potential, for example, to be combined with mass fun-runs to stimulate active participation — if local sports development teams had been able to gain access. Sheffield International Venues (the Trust which runs the majority of public sports facilities in Sheffield) was unable to distribute a leaflet promoting a free session at any of its facilities to the 30,000 members of the public viewing the torch relay in Sheffield, as that would have contravened the statutory protection given to Coca-Cola, Lloyds TSB and Samsung (personal communication, Sheffield International Venues, July 6, 2012). In a similar way Rotherham Sports Development were not able

to bask in the afterglow of the torch having passed through a local park at 8 o'clock one morning. On the afternoon of the same day and in the same park the local sports development team ran a sports event for school children, but it had to be called 'A Festival of Sport' to avoid use of the forbidden words 'torch' or 'Olympic' (personal communication, Rotherham Sports Development, January 10, 2013). Thus while the torch relay did attract large crowds in the morning it was not possible for the local sports team to create a tie-in to stimulate active participation in the afternoon.

There might also have been some relationship between the 'Join In Local Sport' programme, launched by the Office of Civil Society, and the torch relay. The Join In Trust contacted sports clubs and community groups, just after the Olympic torch had passed through their area, to encourage them to register sports events held between the Olympics and Paralympics, over the weekend of 18<sup>th</sup>/19<sup>th</sup> August 2012. The Trust ran a web site which allowed prospective volunteers to find local sports events (Join In, 2012). However it is not known if Join In promotion was permitted at the torch relay itself – this seems unlikely if the Trust could contact groups only after the relay.

In its final accounts LOCOG (2013b) reported that it had made a surplus of £0.03 billion and that 'This final result now means that LOCOG will make payments to the British Olympic Association (BOA) of GBP 5.3 million and the British Paralympic Association (BPA) of GBP 2.6 million to honour its contractual obligations under their respective Joint Marketing Plan Agreements'. Further, 'as part of an agreement with the National Lottery, royalties of GBP 1.3 million received but not required to fund the operation of the Games will be donated to Games legacy projects, with GBP 1 million going to the International Inspiration charity and GBP 0.3 million going to the Join In Trust; while, over its lifetime, LOCOG has donated GBP 7.4 million to UK Sport in royalties it received from the Team 2012 joint venture.' Thus LOCOG has made a financial contribution towards a sporting and volunteering legacy, although it is not clear if this was conditional on it making a surplus and has to be put in the context of its original operational budget of £2.4 billion and its real operational budget of £3 billion (see Girginov, forthcoming, p.8 for a more detailed discussion).

## **Conclusion**

Expectations of an Olympic legacy were raised by the 2005 bidding process, but delivery of the Games through regulatory capitalism has inevitably restricted the three legacies considered by this paper. Richard Sumray, who had initiated the idea of a London bid in the 1980s and led the 2005/6 volunteer strategy group, thought that 'legacy had too easily become separated from the remit to build an Olympic Park and stage the Games' (Evans, 2012, p. 55). Clearly the separation of delivery and legacy responsibilities restricted the potential legacy. But was this a necessary 'liberty cost' (Levi-Faur, 2005, p.13) of delivering such a complex and politically important project on time,

if not on the original budget? While some of the confidentiality around contracts was a consequence of the ‘need’ to protect commercial interests, some of it might reflect an ever increasing pre-occupation with fear of terrorism (Toohey and Taylor, 2010), and some was created by the general veil of secrecy drawn across proceedings by the International Olympic Committee (Martyn, personal communication, October 15, 2012). Some guarding of information was probably to ensure a consistent message of ‘inspiration’ and possibly reduce critical debate (Bloyce and Lovett, 2012). A changed economic climate and government between the bid and delivery stages may have exacerbated cost-cutting concerns and strengthened the hand of commercial interests in providing sponsorship with protected rights, such as sponsorship of the torch relay.

Overall, the analysis above confirms that among the legacy implications of delivering a massive public project through regulatory capitalism, with its associated distribution of benefits, were restricted knowledge transfer, a lost opportunity for increasing volunteer participation and for sport development. Of these, the most important loss is knowledge, not only because it limits public accountability but also because it restricts learning for future mega-events. A benefit of dividing responsibility for delivery and legacy were that LOCOG could just focus on delivering the biggest profile sporting event in the world effectively, although this does not mean that LOCOG staff had no concern for legacy – it was just not their job. However, once LOCOG’s remit was clear, interventions to achieve other public objectives were not possible. A deeper understanding of these processes could help the 2014 Commonwealth Games in Glasgow and other major events realize their legacy potential as an awareness of potential conflicts between delivery and legacy generation could help them to be anticipated in the remit of the delivery organization. Possibly a contingency fund could be set aside for supporting interventions to achieve social objectives. On the broader question of wresting back the influence of local democratic structures from the grip of corporate interests, Raco (2012b) advocates giving local authorities and / or other government agencies the powers to dismantle the existing contractual relationships. Without this the political process becomes a ‘government of shepherds focusing on the resolving the problem but at the cost of eliminating politics’ (Raco, 2012a, p. 458). And before this happens political debate will have to consider the liberty costs of regulatory capitalism (Levi-Faur, 2005).

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