In July 2005, the International Olympic Committee (IOC) announced that London had been chosen as the successful candidate city to host the 2012 Games, some 54 years since it last hosted the event. One of the underlying arguments for hosting the Games was to harness the project’s potential to regenerate one of East London’s most deprived boroughs – the London Borough of Newham. The Games would be hosted in an Olympic park built in the Lower Lea Valley, 13 km east of central London. It was argued by the proponents of the bid that hosting the Games would enable the transformation of 200 ha of degraded land into a new park, stretching north to the Lea Valley Regional Park. It would also lead to the creation of new sporting infrastructure (e.g. a new 25,000-seater Olympic stadium, an aquatics centre, a velopark for cycling, a hockey centre and an indoor sports centre) and an Olympic village to host 17,800 athletes and officials. These would be a lasting legacy for the community. A funding package from the government and Greater London Development Authority of US$3.8 billion (£2.375 billion) was agreed upon to underpin the project, and the London hotel sector and London universities guaranteed they would make 40,000 guestrooms available for the event.

It is estimated that this development will create 12,000 new jobs as well as 7,000 construction jobs while accelerating investment in major infrastructure projects such as the £1.25 billion East London tube line extension south to Crystal Palace and West Croydon and north to Hackney, connecting the area with the Channel Tunnel rail link at Stratford. Some analysts forecast this could boost tourism by £2 billion, with the example of the Sydney Olympics cited as a case of how the Games can increase tourism. Sydney saw a £5 billion boost to tourism in the five years after the Games, while the benefits to ‘Brand Australia’ are estimated at AU$6.1 billion (see Chapter 10 for more discussion of branding). However, in 2007 the Tourism Alliance, an industry lobby group pointed to the fact that not one Olympic Games in the last two decades had seen a Post-Olympic boom in tourism. To the contrary, a Post-Olympic slump occurred because the Olympic Games displaced tourists.

Critics of hosting the Games in London point to the UK public sector’s history of failing to manage large infrastructure projects to budget (e.g. the Millennium Dome) and to consider the long-term viability of mega-projects (as discussed in Chapter 9 in relation to Millennium-funded visitor

Continued
attractions that subsequently failed as businesses). Critics point to the prospect of £1.5 billion of the total revenue coming from lottery tickets and £551 million from London council tax revenue – if the project stays on budget. By 2008, the projected costs of the Games had quadrupled to an estimated £9 billion. Apart from the Los Angeles Olympics, no Games has ever made a profit, and in the case of Sydney the projects are estimated to have cost twice the initial prices set out in the bid document. Similar overruns also occurred in Athens when it hosted the Games.

There is also considerable scepticism among researchers that investing these large sums of money in physical projects as part of a regeneration strategy run contrary to stated government policy on regeneration. If government objectives are to strengthen community cohesion and community pride, it will also breach its own government guidelines on how lottery funds should be used. Likewise, some estimates predict that if the funding overruns occur the London council taxpayers could be footing a bill of £1300 for each household. The view that the Games would create 4000 new affordable homes on the Games site for local people is a costly legacy, even if local people will be able to afford them. Newham has a high proportion of council-tenanted accommodation and high levels of long-term unemployment despite the efforts of other regeneration schemes. If one looks to the impact of the Millennium Dome and its impact on social, economic and cultural regeneration, it is clear that few long-term benefits have accrued to the area. Even in the case of the Manchester Commonwealth Games, the government had to provide an additional £105 million for the project to be completed.

While the hosting of any mega event like the Olympic Games will bring a short-term tourism benefit (and even a lasting benefit, as has happened for Sydney according to the claims to have added to its brand values), it comes at a massive public cost. We should also not lose sight of who benefits from the economic boost – primarily businesses and corporations. East London remains an area with major pockets of deprivation. Under a simple cost-benefit analysis, the forecasts of benefits always look hopeful, but to include a social rationale for hosting the event to regenerate local communities is to run counter to the experience of previous hosts of the Olympic Games. In some cases, social dislocation has occurred to make way for redevelopment. If £2.3 billion is available to regenerate East London, then the investment in iconic projects such as sports stadia and a new city park may not necessarily be the best use of public resources. An interesting comparison can be drawn with London’s hosting of the 1908 Olympics in London at short notice due to the cancellation of Rome as a venue after the eruption of Mount Vesuvius. The Games cost £250000 to stage, largely funded by donors and sponsors, with 22 nations competing. In 2012, 201 nations...
will compete with around 10,500 athletes over 16 days at a £9 billion cost. Only time will tell if the 2012 Games and the forecast impacts trickle down to local people and provide much-needed local employment. Hosting the Olympic Games is more about London raising its profile internationally as a world city and an attraction for inward investment and business – part of the desire to compete as a major destination – rather than about the lasting economic benefits that may accrue if the Games are a financial success.

Where sport or event tourism exists, the motivation to travel is the attraction of the activity, festival or special event. Structured around the sporting dimension are a wider range of tourism functions that might include an extended holiday after the event. In each case, such events or activities have profound economic impacts on the locality or area in which they are hosted due to the demand for accommodation, food and beverages, attendance at the event and other ancillary services as well as associated tourism activities such as sightseeing or touring. One further area of growth in the new millennium, which linked together activities and tourism, is the rise of adventure travel.

**Activities as a focus of tourism: Adventure travel and tourism**

Adventure tourism has been variously defined as a leisure activity which is undertaken in unusual, exotic, remote or unconventional destinations. The defining characteristic of adventure tourism is the heavy emphasis on outdoor pursuits, usually encompassing high levels of risk, adrenaline rushes, excitement and personal challenge. Adventure tourism is normally viewed as a continuum (as shown in Figure 4.2) that ranges from ‘soft’ experiences such as snorkelling to ‘hard’ experiences such as climbing Mount Everest.

The size of the adventure tourism market, comprising travelers who have booked a package from an adventure tour operator, is estimated to be four to five million trips a year, or 1 per cent of the international outbound tourism market. The major generating market is North America with two to three million trips a year.