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A Gold Medal for the Market: The 1984 Los Angeles Olympics, the Reagan Era, and the Politics of Neoliberalism

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The 1984 Summer Olympic Games in Los Angeles are widely viewed as a transitional moment when the Olympic movement retreated from the idea of government-supported organisation in favour of a new model of private–public partnerships, built heavily on corporate sponsorship. Olympic supporters have viewed this transition as a story of success and salvation. The market-oriented approach introduced in Los Angeles is said to have ‘saved’ the Olympics by lessening the financial burdens on host cities and increasing the economic attractiveness of the Olympic Games as an international event.¹ The years since 1984 have seen the continued growth of revenues for Olympic sport as the IOC has evolved into a sophisticated corporate organisation with a clear understanding of how best to commercialise the Olympic ‘brand’.

In recent years there have been numerous discussions of the economic aspects of the 1984 Los Angeles Olympics. There has also been a great deal of research describing the growth of Olympic sponsorship and television revenues since the 1984 LA Games, with particular emphasis on the strategies used by the International Olympic Committee to strengthen its global financial position and extend its political influence.² Researchers have also examined the prominent role that the Olympics have come to play since the early 1980s in the economic development strategies of cities around the world and in changing forms of urban governance.³ However, in our view, there has been insufficient attention paid to the complexity of economic and political conditions leading up to the 1984 Los Angeles Olympics, nor do we believe that the political and ideological dimensions of the 1984 Los Angeles Games have been studied in sufficient depth.

In this chapter we take up these issues by examining the changing economic and political dynamics that shaped the Olympics after the Second World War and created the conditions for an Olympics led by private enterprise in Los Angeles in 1984. We argue that the Los Angeles Games were not only a pivotal moment in the evolution of the Olympics, they also helped to legitimate

a sweeping neoliberal political project in the United States, with repercussions that have been felt across the globe. To develop the argument we examine how the Los Angeles Games dovetailed conveniently with the Reagan-era Republicans' program of deregulating US public institutions and public services, in addition to promoting a philosophy of hyper-individualism, tax cuts and more flexible approaches to economic accumulation. For Ronald Reagan the success of the 1984 Los Angeles Summer Games provided common-sense evidence of the superiority of the private sector over the ability of governments to solve problems and provide important services, and Reagan used the example of the Los Angeles Games repeatedly in his successful re-election campaign in the Fall of 1984. Many of the connections established between neoliberalism and the Olympics in 1984 have evolved over the past 25 years, but in our view neoliberalism remains one of the most significant legacies of the Los Angeles Games.

The Olympics and the long postwar boom

For nearly 30 years after 1945 the world's industrialised nations experienced a period of remarkable economic growth based on the principles of centralised mass factory production, mass consumption, managerial innovation and unprecedented state investment.⁴ Much of this growth was due to the maturation of powerful postwar industries associated with cars, steel, petrochemicals, rubber, plastics and construction materials.⁵ In North America and Europe, in particular, workers in these industries were heavily unionised with nearly full employment and incomes large enough to support a growing demand for a wide range of consumer goods and services. The postwar boom was also driven by 'state-sponsored reconstruction of war-torn economies, suburbanization particularly in the United States, urban renewal, geographical expansion of transport and communications systems and infrastructural development', and an expanding consumer market driven by the entertainment industries of film, television and recorded music.⁶ The capital for such growth was coordinated through a range of national public institutions in individual industrial societies, as well as through a web of interlinked financial centres around the world, with the United States, and especially New York, leading the way.⁷

In the political realm, a rejection of the *laissez-faire* policies which were seen to have caused the Great Depression opened the door to increased state intervention in the market to promote economic growth and social welfare. Notably, the British economist John Maynard Keynes attacked the free-market fundamentalism of neoclassical economics, arguing that building and maintaining aggregate demand in modern societies, and eliminating financial instability, were the keys to economic prosperity.⁸ In the grip of Keynesian thinking northern governments enacted capital controls, corporate tax rates rose, government regulations proliferated, and fiscal and monetary policies