

The Rio de Janeiro Olympics Were Not a Disaster. Now What?

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Jonathan Levin

It wasn't perfect, but Rio de Janeiro pulled off the Olympics.

For all the hand-wringing, the problems that affected Olympians and tourists were relatively benign. Olympic pool water turned green. Some stadiums were largely empty. A few visitors were mugged, but the most harrowing tale -- four U.S. swimmers pulled from their taxi and robbed at gunpoint -- turned out to have been fabricated. And as for the Zika-virus paranoia, it will take time to figure out whether tourists contracted it at the games.



Spectators take a selfie picture during the Olympics closing ceremony in Rio de Janeiro on Aug. 21.

Photographer: Ed Jones/AFP via Getty Images

For many of Rio's residents, Sunday night's closing ceremony signals a return to rising levels of crime and a country-wide recession. The massive investment in infrastructure and the hospitality industry that helped blunt the local effect of Brazil's rising unemployment is finished. The 85,000 soldiers and police who flooded Rio to safeguard the sporting event will eventually return to their usual posts.

"Robberies of high-profile athletes -- real or imagined -- were in many ways distractions for many of us who live here from the real story," said Robert Muggah, a security analyst at the Igarape Institute in Rio de Janeiro.

Reality Shock

While Rio's murder rate is still low compared with a decade ago, violence is growing in the poor hillside

communities known as favelas, and petty crime is on the rise from Copacabana beaches to the historic downtown. Rio's next mayor and governor face hard decisions about the so-called pacification program in the favelas and charges of over-aggressive police tactics.

Back in 2009, when Rio won the right to host the games, the Olympics were expected to showcase Brazil's emergence as a major economic force. Much has changed since then. The economy collapsed and improvements in security and poverty reduction were partly reversed. Even so, and in marked contrast to games held in other cities, the venues and infrastructure needed for the Olympics were completed largely on-time and with minimal drama, save for a subway expansion finished just days before the opening.



Thomas Bach

Photographer: Felipe Dana-Pool/Getty Images

"These improvements in the infrastructure in Rio de Janeiro were desperately needed," International Olympic Committee President Thomas Bach said Saturday. "All of this created thousands and thousands of jobs. Imagine where Rio would be without this long-term development program."

Bill Sweeney, chief executive of the British Olympic Association, said Rio did a "great job" in light of the circumstances. "They've hosted a brilliant games given the challenges they faced since they bid for this," he said. "They've had a really challenging environment."

A report published by Fundacao Getulio Vargas economist **Marcelo Neri**, who served as a minister under suspended President Dilma Rousseff, also praised the impact of the Olympic investments. In particular, **Neri** found that Rio's real household income experienced outsized gains in the seven-year runup to the Olympics.

'Strategic Mistake'

That may be so, but James P. Moore, Jr., managing director of the Business, Society and Public Policy Initiative at Georgetown's McDonough School of Business, says it is too soon to judge.

"I predict that Rio will have been seen as a strategic mistake," Moore said by e-mail. "This will not be a universal consensus, but I will guarantee that it will give developing countries food for thought in pondering the principle of 'buyer beware' for years to come."

Light, a Brazilian electricity utility, said it has asked regulators to allow it to raise fees on consumers in part because of investments brought forward because of the Olympics.

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There are yet some important questions that will linger after the end of the games, in which Brazil won a record number of seven gold medals. The Rio 2016 organizing committee is facing a serious budget crisis that will affect the execution of the final stage of its hosting responsibilities, the Paralympic Games, which begin Sept. 7. The committee is scrambling to fill the shortfall with cash injections from federal and local governments and new corporate sponsorship. Part of the operating budget comes from ticket sales, and Mario Andrada, a spokesman for Rio 2016, said only 12 percent of Paralympics tickets had been sold.

Jose Mariano Beltrame, Rio state security secretary, on Sunday asked the federal government that the massive deployment of security forces stay in place through the Paralympics and until at least municipal elections in October, according to Globo.



The Olympic park in Barra da Tijuca, Rio de Janeiro.

Photographer: Dado Galdieri/Bloomberg

Then there's the massive Olympic Park in suburban Barra. The government says it has a plan to transform it into a park and training area, but many question how much use venues such as the velodrome -- an indoor bicycle track -- will ultimately get in the years to come.

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As for the Aug. 5-21 Olympics, Rio Mayor Eduardo Paes will win praise for its execution as he looks ahead to his political future, according to Thiago de Aragao, a partner and director of strategy at political-risk consulting company Arko Advice. Paes said Friday that he was "certain" that it was good to have brought the Games to Rio. He praised the organizing committee for a "fantastic job."

"It's going to be seen as a success for him," said de Aragao, speaking in a phone interview from Brasilia. "But these days of success and joyfulness are, to a certain extent, an island within an environment of public security problems, of very serious issues."

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