

The Olympic Games prevented the social decline of Rio de Janeiro

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Rio de Janeiro, Jul 31 (EFE) .- Organizing the 2016 Olympic Games allowed Rio de Janeiro to reverse the trend of decline in its social indicators and improve the income of its population, according to a recently released book, whose authors believe risky that Another Latin American city now tries to emulate the Brazilian one.

“The research we did established that in the period of preparation for the Olympic Games there was a favorable reversal in most social and economic indicators compared to the previous period, when Rio de Janeiro suffered a marked decline,” he said in an interview with Efe Marcelo Neri, economist at the Getulio Vargas Foundation (FGV) and organizer of the publication.

Despite the fact that five years later, the Rio Olympic event, which had a cost of 40,000 million reais (8,000 million dollars at the current exchange rate), continues to be criticized for the diversion of resources, the abandonment of the facilities and the white

elephants that he left, the legacy was not entirely negative, the publication concludes.

“The local impacts of the experience have to be better understood,” said Neri, one of the 13 authors of the book “Evaluating the Local Impacts of the Rio Olympics”, launched this month by the FGV in conjunction with the start of the Olympic Games in Tokyo

Despite negative aspects such as mobility and sanitation, still in deficit despite investments in the metro, in buses in exclusive lanes and in the decontamination of Guanabara Bay, the event generated improvements in areas such as employment, income and the fight against poverty, said the director of the Center for Social Studies of the FGV.

RECESSION, OIL CRISIS AND CORRUPTION PRECEDED RIO 2016

The economist recalled that Rio had to organize the event amid enormous economic challenges and persistent inequalities, since Brazil experienced the largest recession in its history in 2015 and 2016, which triggered unemployment and plunged the population's income.

In addition, the fall in oil prices, one of the most important sectors for Rio's economy, further aggravated conditions and forced the government to declare bankruptcy and suspend its payments a few weeks before the Olympic Games.

Rio was also hit before the event by various corruption scandals, including allegations of diversion of resources for the 2014 World Cup and 2016 Olympics, which still have the two governors of the time in prison.

“Unlike all previous Olympic events, Brazil faced the biggest economic recession in its history during preparation. If for Seoul (1988) and Beijing (2008) the experience allowed them to present their economies to the world, and for London (2012) and Sydney (2000) to confirm themselves as powers, for Rio it served as an anti-cyclical policy,” said the economist.

18 OF 24 ANALYZED INDICATORS IMPROVED WITH GAMES

Between 1992 and 2008, almost all the 24 social and economic indicators analyzed suffered a deterioration, which was reversed between 2009 and 2016. After the announcement of Rio as an Olympic venue, 18 indicators, such as access to housing, education, use of technology, income and garbage collection, improved significantly.

Between 2008 and 2016, the income of the 5% of the poorest population in Rio jumped by 29.3% and that of the richest 5% by 19.96%, which allowed the poverty index to fall from 5.71% up to 2.09% of the population.

While the per capita income of Rio families jumped by 30.3% between 2008 and 2016, that of Brazil in general only rose by 19.6%, which made the Olympic city register an inclusive growth in the period and the rest of the country a social deterioration.

According to Neri, the improvements justified the decision of the International Olympic Committee to award the Games to Rio, compared to the candidacies of Chicago, Madrid and Tokyo, arguing that the existing infrastructure did not matter so much but the potential that the event would mean for a city of a developing country.

This does not mean that the experience can be repeated in other Latin American cities with the same results, says Neri.

The economist explained that the preparation period coincided with the dissemination of the use of social networks and large protests in Brazil, with the population on the street demanding an immediate response to their demands and without taking into account the long-term legacy.

“The protests that occurred in 2013 in Brazil occurred later in other countries, such as Chile, Colombia and Peru. Any initiative to carry out mega-events today in the region is much more risky,” said Neri, referring to the risks that the rejection of the use of public resources in the event generates protests and the risk that the desired legacy will not be achieved.

“The two risks matter because they interact with each other. There is a physical legacy, that of objective achievements, which are not only sports infrastructures but also education, employment, tourism ... In the case of Rio, objective achievements did not go hand in hand with the subjective ones,” he said.

And currently, he added, “quite successful countries on the continent in economic terms, such as Chile and Colombia, are experiencing a crisis similar to the one that occurred in Brazil in 2013. EFE

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