

Lasting Impact of the Rio Olympic Games

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INTRODUCTION

In this study, I dived into the economics behind the Rio Olympic Games of 2016 to determine what kind of overall effect they have had for Brazil, including such information as costs of building infrastructure and running the games, as well as what was left behind in their aftermath.

Upon beginning research, there was a lot of public information pertaining to these Olympics and how Brazil had spent years preparing for them, with seemingly countless workers being brought in to build everything from lodging for the athletes to the various stadiums where events would be held. All of this work cost an enormous sum of money for Brazil and Brazilian taxpayers in Rio de Janeiro, from which they hoped to gain enough revenue from the games and associated tourism to make up for what was spent, in addition to using the infrastructure for new purposes. All of this was coming off the heels of the worst recession in the country since the early 20th century.



Olympic Stadium by BBC

COSTS

Cost of the 6 biggest building infrastructure projects combined- More than \$700 Million

Final Projected Cost- More than \$11 Billion

Final Projected Revenue- More than \$9 Billion

Deficit- More than \$2 Billion

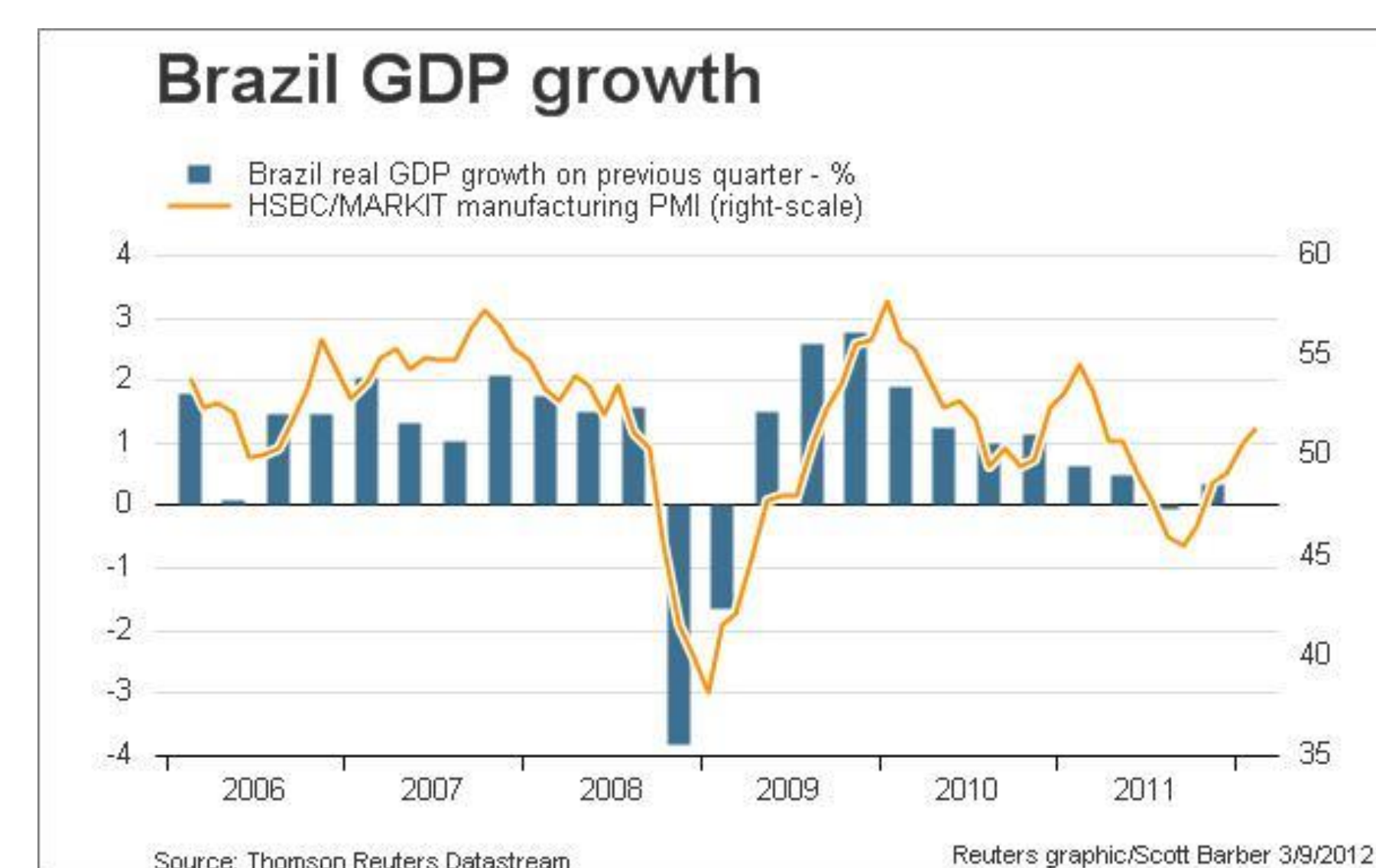
With the costs of building exceeding initial plans, shortcuts were taken in an effort to save money during the final months before the games. These shortcuts led to many issues in such areas as plumbing being incorrectly completed or unfinished.



Stadium Construction by NPR

GDP

When it was announced Brazil would host the 2016 games back in 2009, the country seemed to be doing quite well economically. However, a short while later, they fell into a recession that has proven to be quite lasting. Their economic growth has since been mostly increasing, but not at previous, fairly-consistent levels due in part to uncertainty left from what effect the Olympics might possibly have. This in addition to ongoing government corruption caused doubt due to investigations of fraud from the World Cup.



Infrastructure

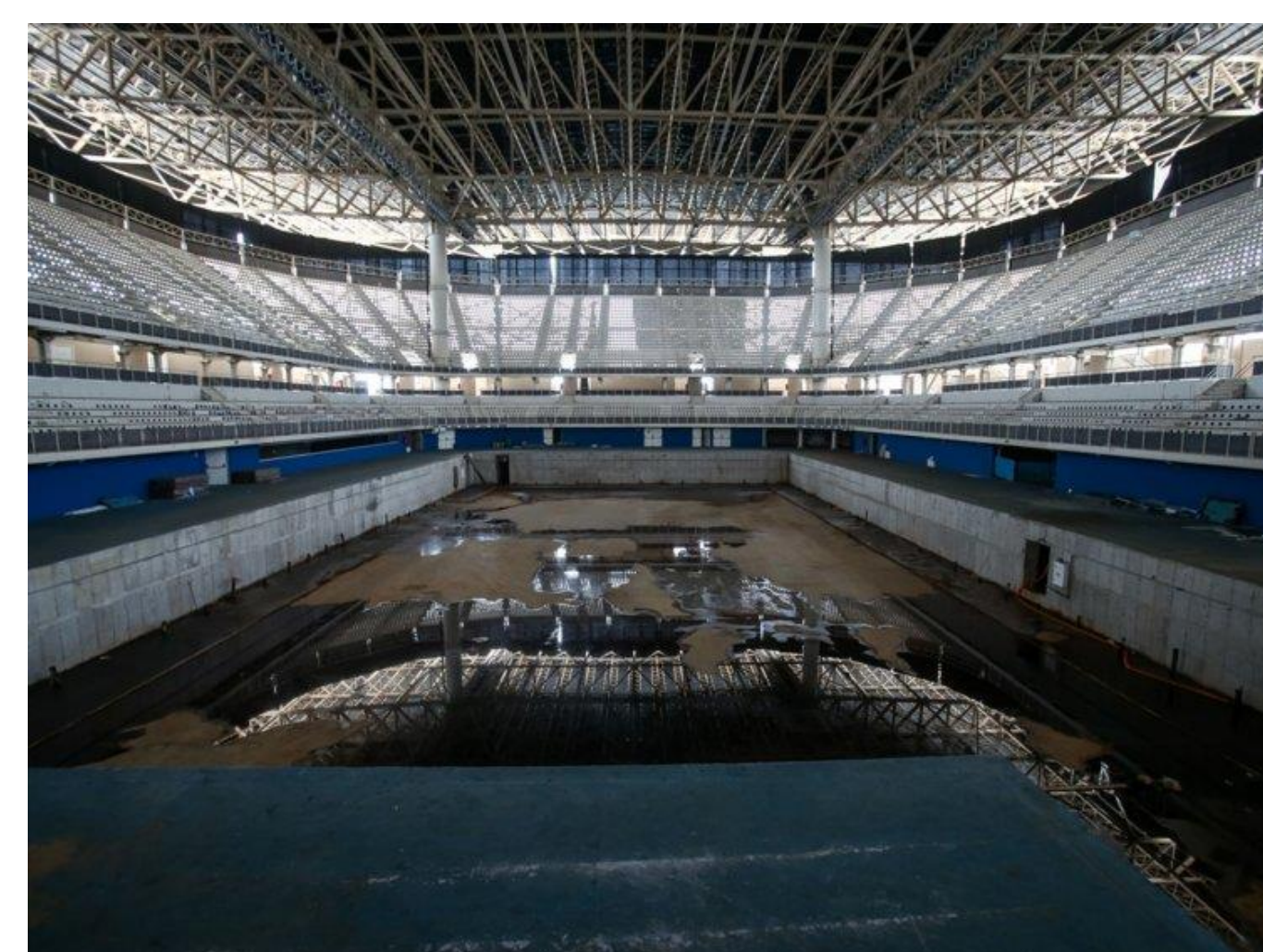
In Rio, space had to be cleared and many families had to be moved from their homes in order to have sufficient space for the Olympic infrastructure being built. Everything that was built for the Olympics had a plan for what it would become after the games were over, including the following:

Carioca Arenas- School combining academics and sports training

Future Arena- 4 schools housing 500 students each

Olympic Tennis Center- Part of Olympic Training Center and available for international sports competitions

The majority of stadiums and buildings such as these, however, quickly have fallen into neglect in their disuse. This does not account for vandalism beginning to be of growing concern to these facilities, resulting in abandoned infrastructure that had the potential to greatly benefit the citizens of Rio de Janeiro, which now instead detracts from the city.



Olympic Aquatic Center in May, 2017 by Buda Mendes

TOURISM

Rio de Janeiro has long been the city to go to in Brazil for all of its touristic activities, and before the Olympics there were a good number of tourists drawn to the city year round. With the added publicity given to the city from television coverage which highlighted several of the main locations that tourists could go to while showing sponsors on the screen before and after commercials, such as Christ the Redeemer and Copacabana Beach among others, the resulting increases in tourism were extraordinary.



Copacabana Beach Rio Olympics by NBC



Brazilian Tourist Data by Trading Economics

The most interesting aspect of this project for me was learning that from 2015 to 2016, Brazil experienced an increase in tourism of 6.2 percent, which was the biggest by any host nation for the Olympics. When compared to Britain, the previous host nation, that number is an astounding 5.2 percent higher than the increase of 1 percent there. Many factors played into the different increase in tourism, with one of the main ones being the increased exposure to the outside world, which is one of the main benefits that has come out of the Olympics for Brazil. Many of the other nations previously hosting the Olympics were already in the spotlight of the world and thus did not hold the same sense of newness and intrigue that Brazil held, causing many viewers of the Olympics to begin making plans of their own to see this place that appeared to be so unique from their T.V. screens. A survey was issued to those people who came to visit just during the Olympics and more than 95 percent of them stated they intended to return to what many now understand is the most popular destination in Latin America.

CONCLUSIONS

The Olympics in Brazil have left the state of Rio de Janeiro in debt with many buildings from the events in a state of neglect where they were supposed to be repurposed for the benefit of Rio's citizens, which is the opposite effect from what was originally expected.

However, it is my opinion that the debt is merely a short-term effect, as the Olympics in Rio brought the city and country as a whole into the spotlight of the world. This, in turn, has already increased the amount of tourism to Rio de Janeiro to levels well above previous highs, which will allow the state of Rio de Janeiro to come out of debt from the Olympics, in addition to the country of Brazil as a whole seeing an upturn towards sustained economic growth while it goes through its current period of economic recovery.

Upon visiting Rio, it was my impression that the only immediate change from what it was has been an increase in tourism. This experience has allowed me to have a better appreciation for different cultures, and after completing the trip I have a better understanding of how I fit into the world as an individual.

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