## CANADIAN BUSINESS

## Brazil's 2016 Olympics already face hurdles and critics

Organizers must disprove Brazil's reputation for building shoddy and expensive infrastructure.

Aug 13, 2012 Matt Lundy



The Maracanã Stadium undergoing renovations in Rio de Janeiro. (Photo: Felipe Dana/AP)

When Beijing hosted the 2008 Olympics, some viewed the event as a proxy for China's arrival as the next global superpower.

The same might be said in four years, when Rio de Janeiro hosts the next Summer Olympics, the first held in South America. By then, Brazil should have the fifth-largest economy in the world, having already overtaken the United Kingdom for sixth position last year. The Summer Games will also come two years after Brazil hosts the 2014 World Cup, a rare mega-event double-header that will bring loads of exposure to South America's largest country.

But those events will also bring Brazil under greater scrutiny. Already, critics are saying the Brazilian government must shed its laid-back reputation with respect to event planning and infrastructure. Last year, a *Time* magazine article described the country's public programs as being "routinely late, over budget and subpar." Given that Rio 2016 organizers have already pledged roughly US\$12 billion for infrastructure projects, there's some concern that Brazil will waste billions on its lofty Olympic plans.

Part of that fear stems from the Pan American Games, a major sporting event that Brazil hosted in 2007. To secure their bid, Brazil's Pan Am organizers made ambitious promises, including 50-plus kilometres of new metro lines, a new state highway, and a clean-up of Guanabara Bay, notorious for its pollution.

None of those plans came to fruition.

However, organizers *did* build an athletes' village, whose units were sold to the public. But it didn't take long for the complaints to start flooding in. Less than a year after sale, parts of the building and surrounding roads caved in, the result of hurried construction. Even with shoddy planning and broken promises, the Pan Am Games are believed to have cost at least six times the initial budget.

With less than two years until the World Cup, there's mounting fear that Brazil will repeat its Pan Am performance. Officials were hoping a high-speed rail link between Rio de Janeiro and São Paolo would be finished before the soccer tournament, but the bidding process passed three times without sufficient interest from builders. Brazil's transportation minister now expects the roughly \$20-billion project to be completed by 2022. Further, World Cup stadium preparations are running over budget and behind schedule.

Budget overruns for the Rio Olympics would be crippling. When Brazil submitted its bid for the 2016 Summer Games, organizers presented a \$14.4-billion budget to the International Olympic Committee. The combined budget for the three other finalists—Tokyo, Madrid and Chicago—was only a shade higher at \$14.8 billion. If Rio 2016 manages to go over budget—and over the past half-century, every Olympics has underestimated costs—Brazilian taxpayers would be hit hard.

But some Brazilians will be affected in more immediate ways. Activists believe that up to 170,000 people nationwide could be evicted from their homes, or already have been, to make room for the World Cup and Olympics. One of the more contentious property battles is over Vila Autódromo, a community that lies adjacent to Rio's planned Olympic Park. The community's estimated 4,000 residents have mounted a campaign to keep their land and are working with experts from two federal universities on a development plan for the area.

To Rio's credit, officials have started to address the city's crime and security concerns. Since 2008, the government has infiltrated crime-ridden areas with "Pacifying Police Units" (UPPs), which are around-the-clock police units serving hundreds of thousands in Rio's favelas, or shantytowns. The city has also addressed its famously poor responses to emergency situations by hiring IBM's "Smart Cities" initiative. The program will alert city officials and emergency personnel to flood and landslide forecasts using mobile technology, facilitating quicker and more effective response times.

But despite these bright developments, the IOC is already concerned with progress on the 2016 Olympics. As of now, ground has yet to be broken on the Olympic Park site. In June, an IOC press release noted that "timelines for delivery are already tight and the amount of work to be completed is considerable."

To add insult to injury, the IOC's president, Jacques Rogge, said Brazil needs to bolster its athletic program by 2016. In London, Brazil won 17 medals, but managed only three golds. Rogge said in a press conference that Brazil needs gold medals because it's "important for the mood of the public and the general atmosphere of the Games."

Over the next four years, Rogge and Brazilians might have bigger concerns than the country's medal prospects.