

# Olympic rings and inequality

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What has the classical world of antiquity to show us about the dangers of hosting the Olympics and the quest for social justice? I will show you.



We all know that the ancient Greeks began the Olympic Games. The key elements were already there - competition between the islands (a sublimation of war-like tendencies?); the spectacle showcasing greatness; as well, of course, of the excitement of winning and glorying in fit young bodies. The Romans had a cynical strategy for keeping the public happy – 'bread and circuses'. The Olympics remains the ultimate 'five ring circus' of the technical age – what 'better' way to leave grim daily reality than catching up on some strange sport in a stadium on the other side of the world and ignoring the suffering of Syria for a while?

There is a typical shadow story behind the national prestige project of hosting a worldwide sporting tournament: social cleansing and bulldozing the homes of the poor before the games; and a legacy that promises urban regeneration, but even if it works, the area becomes a sought-after residential area with the local poor priced out of the market.

Every so often in the run-up to the Brazil Olympics, the TV news has featured information about the political crisis in Brazil, and even shown protests against the cost of the Games. Why, for example, in a sport mad country did the Olympic flame need a heavy security guard?

## Inequality in Brazil – what has been happening?

Researcher [Ricardo Santos](#) returned to IDS recently [to collect his PhD](#) and also to update us on [new research on inequality in Brazil](#) (conducted with Naila Kabeer, London School of Economics).

Some of the main contours of the story presented by Ricardo are as follows. The time period is 2002-13, so it stops short of the recent and present upheavals in Brazil. The Gini coefficient has reduced, but is still high. The poor have become better off and closer in living standards to the middle class – but the rich have – in their telling word 'escaped'. There remains a considerable gap in income and 'life worlds' of those with degrees and those who have not completed basic education; so a 'dual society' remains. Race, gender and place/type of residence feed into, compound or reinforce the division.

There are some signs of reduction in race-based income inequalities. Those in the favelas and in the rural areas have little in common with the urban elite. The formal or semi-formal economy is also stratified. With agriculture and

domestic services at the bottom; trade and repair work slightly higher, and white collar industrial, public administration, education, health and social work above that. Of course, above them are the super rich doing whatever it is they do. Right at the bottom are those completely in the informal sector and without any kind of regular paid work. Regional inequalities prevail. In brief, much of the worst poverty is in the North-East, and political and economic power is focused in Brasilia, Sao Paulo and Rio de Janeiro. The well-known cash transfer programme Bolsa Familia has been successful in reaching the poorest.

This story chimes well with a September 2014 presentation on Inequality in Brazil – [measurement, trends, impacts and policies](#), by [Marcelo Neri](#) who was, at the time a minister in the Brazilian government.

Neri's is a fantastic presentation drawing on the official data used by Ricardo Santos, but also wider source material. This is Neri's story:

- the income of the poorest 5 per cent grew over 5 times as fast as that of the richest 5 per cent from 2001 – 2012
- the Gini coefficient, the standard measure for inequality, improved
- there was significant improvement in human capital.

Neri uses a four-part scheme to look at equality, prosperity (growth), sustainability,(assets), and perceptions (subjective wellbeing). He highlights the significant contribution of the Bolsa Familia cash transfer scheme and other transfers and social security measures – particularly for the poorest. His [conclusion](#) is that Brazil represents a 'bad photo, but a good movie'. There is still a high level of inequality, but the situation was improving.

## Comparison with South Africa

Ever since I first visited both countries in 1983, I have felt that the best economic and political comparison for Brazil is with South Africa (and vice versa). The structural challenges of both countries were remarkably similar.

Charismatic leaders (Lula and Mandela) were associated with vanquishing authoritarian governments (military dictatorship in Brazil and apartheid in South Africa).

Hosting international sports competitions is a form of 'branding' both have used to show on a world stage that the host country is a rising power and a force to be reckoned with. The comparison reaches far beyond acting as hosts for the 2010 and 2014 World Cups.

Material from a [study by South Africa economist Murray Leibbrandt and colleagues](#) illustrates some comparable features. Their chapter is contained in the book on [Growth and Poverty in Sub-Saharan Africa](#) edited by Andy McKay of Sussex University and others detailing the mixed results on the continent since the turn of the Millennium.

Mandela's post-apartheid government, like Lula's Brazil, inherited a situation of 'very high inequality and high poverty' (p. 412). As Leibbrandt et al say: 'Most obviously, the markers were strong racial and spatial (rural) disadvantages associated with apartheid.' (p. 412)

In the past 20 years there have been significant improvements in multidimensional poverty (p. 413) However, the labour market has been very static. (p. 413)

Most of the South African economic models which seek to make inroads into inequality begin from an argument that sustained growth of 5 per cent per annum is required – that has not been achieved.

In Brazil today the economy has been and is contracting at about 4 per cent per annum. Quite apart from the political difficulties, this makes financing redistributive policies more and more difficult. The [Economist](#) has asked whether the situation is 'irredeemable' and whether Brazil faces a 'lost decade'.

Against the background of a [shrinking Brazilian economy and bad growth projections for this year](#), in a recent poll (Data Folha April 2016) 63 per cent said that Dilma's government was bad or terrible. South Africa's ANC government has recently been [punished in municipal elections](#).

### **Bread and circuses – or long-term commitment to social justice?'**

Both the Brazilian and South African political projects are at a critical juncture – for similar reasons. The long-term projects of commitment to social justice of the Workers Party (PT) in Brazil and the African National Congress (ANC) are facing crisis.

Scandals have centred around corruption, and the growing sense that leaders are 'in it for themselves' and looking after their own interests – the 'car wash' (lava jato) in Brazil and President Zuma's private residence (Nkandla) in South Africa. It is not good for one party to be in power for too long.

The real problem goes even deeper. There are genuine questions whether an opposition party in either country would want to advocate the interests of the poor in the way which the PT and ANC have historically been seen to do.

People's expectations cannot be controlled forever by promising over and over again that the country has a great future. Both the South African and Brazilian political leaders are finding that their poor citizens want more than bread and circuses (or minimum social safety nets and the Olympics/World Cup). The eradication of extreme poverty and the reductions of social inequality are long-term projects. It is really hard for a movement to sustain commitment to such goals for the decades it takes to do this.

This is a marathon not a sprint.