

ANALYSIS

How to turn an Olympics profit

By Tim Harford

Rio de Janeiro is currently hosting the Olympic Games. Good luck to it. Brazil is burdened by a political struggle that has seen President Dilma Rousseff impeached, a sharp economic downturn and a public health crisis in the form of the Zika virus. On top of that, Rio is staging the Olympics.

Don't get me wrong: I loved the London 2012 Olympics. It was a superb spectacle and there's an impressive legacy - some great sporting facilities, a lovely park and new housing in a city that desperately needs it. I just doubt that it was worth what it cost. Very few Olympic Games are.

This shouldn't really be a surprise: hosting the Games is not unlike building a church for one single, glorious wedding celebration. The expensive facilities will only be fully used for a short time. They will then either be underutilised or, at best, cleverly reworked at some expense. It's possible to adjust and dye a wedding dress so that it can be worn again, but this is a pricey way to get a posh frock.

A new survey by economists Robert Baade and Victor Matheson provides a good starting point to understand the problem. Every host of the summer Olympics from Seoul in 1988 to Rio in 2016 has spent many billions of dollars on the Games. The cheapest by some margin was Atlanta in 1996, which cost the equivalent of USD3.6 billion in today's money; the most expensive was Beijing in 2008, a national vanity project that cost a staggering \$45 billion. A reasonable assumption is that today it costs at least \$10 billion to host a summer Olympics - the last to be cheaper was Sydney in 2000. (These numbers are collated by Baade and Matheson.)

Given likely costs of more than \$10 billion, an Olympic



In this Tuesday, July 19, 2016 photo, Stone Mountain Tennis Center, home of the 1996 Summer Olympic Games tennis events, sits vacant in Stone Mountain

Games is all but guaranteed to lose money. A host city might expect roughly \$4 billion in revenue: \$1 billion from ticket sales, \$1 billion from sponsors, \$1 billion from local broadcast rights and \$1 billion as a share of the International Olympic Committee's global broadcast deals.

How on earth to make the numbers stack up, then?

The answer is simple: fudge them. The London Olympics and Paralympics provide a shining example. Afterwards, the government reported that the final cost of £8.77 billion (around \$13 billion) was more than £500 million "under budget" - which is true after a fashion, since the budget had been revised to £9 billion several years before. But the original estimate for the games, back in 2005, was £2.4 billion. If you can say an event that

cost almost four times the original estimate was "under budget", you can say anything you like. At least London's organising committee didn't emulate its counterpart at Nagano, the host of the 1998 Winter Olympics, and burn its financial records after the event.

Organising committees are always sure to hire consultants to produce enormous estimates of the spillover benefits of hosting the Games. These consultant reports generally ignore substitution effects - for example, that a dollar spent on an Olympic ticket might well be a dollar not spent on some other local attraction. They also gloss over the risk of "crowding out", where, fearing crowds and high prices, some tourists avoid Olympic cities. The UK had fewer visitors during July and August in 2012 than in

the same months in 2011; Beijing's hotels suffered a fall in occupancy during the 2008 Olympics.

Faced with PR fluff, the rule of thumb among serious economists is to divide all such benefits by 10 to get a more realistic figure. Most rigorous studies have found very modest spillover benefits at best.

In the case of the Sydney Olympics, researchers concluded that the wider Australian economy had actually been damaged by hosting the Games.

But what if it's not enough just to claim that hosting the Games makes sense? What if the host city actually hopes to turn a profit, rather than merely forecast one - or, at least, to produce broader benefits that justify the expense? That's a tall order, but here are three suggestions.

First, make sure the Games take place during a recession, so that the spending can boost aggregate demand. Rio did get this one right but, of course, nobody can forecast recessions even eight months ahead of time, let alone eight years.

Second, be a hidden gem, so that the Games serve to spotlight your qualities and boost tourism for many years afterwards. Rio, London, Beijing, Athens and Sydney hardly qualify here but Barcelona did: in 1990 the city was half as popular as Madrid with tourists - but by 2010 it had outstripped its rival. The Olympics can perhaps take some credit. Utah, similarly, enjoyed greater success as a destination for skiers after the Salt Lake City winter games. (Candidates for 2024 include Paris and Rome, not exactly well-kept secrets - and Budapest,

which is a more plausible candidate to earn a lasting boost from tourism.)

Third, and most importantly, launch a cut-price bid in the wake of a disastrous Games. Los Angeles in 1984 achieved the near-impossible and turned a profit because, after the ruinously expensive Montreal event of 1976, LA was the sole bidder for the Games. They were hosted in the Los Angeles Coliseum, an ageing stadium that had been second-hand even when it first hosted the Olympics in 1932.

The best way to host a profitable Olympics is to do it twice, both times on the cheap.

Tim Harford is the author of 'The Undercover Economist Strikes Back'.

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Sexism still rife in asset management

By Madison Marriage
and Attracta Mooney

A lot has changed in the asset management industry over the past four years, but one aspect has remained the same: the high number of women reporting sexism or sexual harassment in the workplace.

Findings from FTfm's third Women in Asset Management survey show that two-thirds of female fund staff have regularly experienced sexism at work, up from 65 percent in 2014.

A quarter of female respondents have experienced sexual harassment at work, up from a fifth in 2014.

The feedback from the 460 respondents to the survey supports findings from previous years, which have undermined the notion that asset management represents the softer side of financial services.

A senior male employee at a US investment boutique, who participated in the survey, says: "I worked for 12 years as a trader and portfolio manager. Sexism was always rampant. The habit of male bonding at strip bars is pervasive.

"One could argue that, strictly speaking, these are extracurricular activities. But when they routinely happen after a desk dinner, or after the closing dinner of a conference, it becomes clear that the camaraderie affects professional relationships in the office as well.

"Those men who choose not to participate in those male-bonding exercises are disadvantaged just as much as the women who have to deal with the more typically discussed sexist prejudices that exist in the office."

The findings from the survey, which polled male and female staff globally, also show that nearly a fifth

of women have felt pressured to exploit their sexuality in a professional context. Nearly two-thirds of women also say they believe men are paid more in similar roles.

Many executives at the top of the industry say they are saddened by such feedback but insist it does not reflect their own experience of the sector, which they believe has improved significantly over the past decade.

Elizabeth Corley, vice-chairwoman of Allianz Global Investors, one of Europe's largest asset management companies, says she has not experienced sexist behaviour in the industry "for years".

But she acknowledges she may be shielded from the worst behaviour due to her seniority. "The more senior you become, the more you are accredited gender-free status. If you are relatively senior in your [company], you may not see everything that is going on," she says.

Brenda Trenowden, chairwoman of the 30% Club, an organisation that campaigns for greater gender diversity on boards, and head of the financial institutions group at ANZ, the Australian bank, is less surprised by the findings.

Ms Trenowden, who has worked with asset management companies throughout her career, says: "I do think the culture in some of the asset managers is old style and I know anecdotally a lot of women who have found the culture has not suited them and ended up leaving the industry.

"The old client-entertainment culture that was so big years ago was often quite masculine and did not suit lots of women. It is changing, but it is not changing fast enough."

Many women who participated in the survey flagged problems around

sexism and discrimination they feel cannot be discussed openly with senior management or in a public forum.

Nearly a third of the female respondents say they have considered leaving the asset management sector as a result of how women are treated.

A senior woman in the industry, speaking on condition of anonymity, says: "I have seen every part of the asset management industry during the past 20 years. As time has gone on, I have [become] more and more cross about how it treats women.

"When I started out, I accepted it was a male environment. You get to your mid-30s and people assume you are going to have kids and not take work seriously. At meetings, women get ignored. There are practices that make the job for a woman twice as hard. If I ever spoke out publicly, I would be unemployable."

The head of marketing at a mid-sized European asset manager adds: "I am expected to do more administrative tasks, such as booking rooms and setting up calls. I have been introduced as 'the girl who makes the tea' and asked to attend meetings to 'add some glamour'. This kind of behaviour undermines my work and reduces the respect I receive."

Asset management companies are not blind to these problems, and are beginning to take steps to address them.

Last week FTfm revealed that seven of the world's largest fund houses, including BlackRock, Fidelity International and Capital Group, have for the first time agreed to share data on how many women they employ at different levels. This marked a breakthrough for the industry in terms of its willingness to publicly recognise the lack of women in se-

nior roles, and commit to tackling the issue.

A number of asset management houses have also introduced initiatives to support women, such as unconscious-bias training for managers, which aims to eliminate prejudices in decision making; mentoring schemes for talented female employees at a junior level; and support networks for women returning to work after maternity leave.

Despite such efforts, 42 percent of female fund staff say there has been no progress for women in the industry over the past five years. Only a quarter of female asset management employees say the situation has improved.

Dozens of asset management employees highlight the significant hurdles facing women returning from maternity leave as a big problem.

A senior employee at a large UK asset manager says: "I have seen multiple cases of female fund managers being made redundant around the period in their life when they get married and have children, cutting their careers short. It is awful and unnecessary."

Another female asset manager adds: "My experience of being pregnant, taking time off and then returning after having a baby changed the way I viewed my employer. They told me it was clear that I was no longer ambitious or fully capable and made me redundant as a result, and kept on the more junior [male] contractor they had hired to cover my maternity leave."

Daniel Godfrey, former chief executive of the Investment Association, the trade body for fund managers in the UK, believes adopting more flexible working initiatives should help women in the industry, although that

alone will not go far enough.

He says: "There are many initiatives that could be implemented in asset management to make it a more woman-friendly career. And these, like more flexible working, are relatively easy to do. But the real hard miles are going to be how the industry changes the unconscious biases that can create an unpleasant environment for women, sometimes on rare occasions, but sometimes as a matter of unpleasant routine."

One of the solutions supported by more than half of the female respondents to the survey is the introduction of quotas to get more women into senior roles at fund houses.

The diversity statistics published last week in FTfm showed women often account for nearly half of the workforce at the world's largest asset managers, but typically only represent a quarter of senior staff.

A senior employee at a small UK asset manager, who believes quotas should be introduced, says: "Overtly sexist behaviour and harassment is much less frequent now. Many organisations have made a huge effort to reset the culture so that this is now seen as unacceptable.

"However, the overall culture remains problematic. Men still recruit other men and engage in alpha-male behaviour as a way to progress. Women's abilities are virtually irrelevant in this context."

Another senior woman with decades of experience in the fund industry says women who want to rise to the top in the fund industry have to be prepared for both overt and covert sexism. "I have cranial fractures from bashing on that [glass] ceiling," she says.



Rafaela Silva celebrates after winning the gold medal



Residents move about the slum "Cidade de Deus," or City of God, in Rio de Janeiro

By Mauricio Savarese, Pauline Arrillaga

Olympics feel far for those in the infamous City of God slum

IT is one of Rio's most renowned favelas, the Cidade de Deus made infamous in a film that helped cement a stereotype of the other side of the "Marvelous City" that is host of the Olympic Games — one where ghettos are ruled by drug lords and baby-faced criminals shoot to kill.

The City of God of today, located mere miles from Olympic Park, is not so easily defined. It is a place of contrasts that defies oversimplification, where poverty and violence persist alongside modest programs that aim to get some kids off the streets and offer a path that keeps guns out of their hands.

It is also the former home of Brazil's first gold medalist of the Rio Games. Judo champion Rafaela Silva grew up in Cidade de Deus. If not for the sport that helped her climb up and out, "I could still be living in City of God now," she said through tears after winning last week.

The shantytown of nearly 50,000 people became globally known after Paulo Lins' novel "Cidade de Deus" was made into a critically acclaimed movie by Brazilian film director Fernando Meirelles, who also helped create the Olympic opening ceremony that featured a segment depicting the city's favelas. Lins lived in City of God, and both the book and the movie tell a tale of poverty and violence and of youth faced with choices that could lead to an early death — or a fresh start.

While much of Rio was transformed for the Olympics, City of God is a community left behind and still mired in the many problems that were the basis of the movie that introduced its brutal realities to the world. Where other neighborhoods can take advantage of improvements in transit, housing and security, the only thing "Olympic" in this slum is the painted lane for accredited vehicles to drive past it as fast as they can.

"Here at City of God, our feelings about the Olympics are like a famous hip-hop song," said one local, Sergio Leal, known as DJ TR. "Look at the

Children in the roughest parts of Cidade de Deus often become what the traffickers call 'avioezinhos,' or little planes

black kid watching it all from the outside.' We are all watching it from the outside here."

In some ways, Cidade de Deus is unlike the hundreds of other favelas in Rio. On the western edge of the city, it's far from the beaches where tourists soak in the sun and spreads horizontally across a maze of streets rather than vertically up a hillside. It originally was a housing project, built in the 1960s during Brazil's military dictatorship when the government evicted residents from favelas in tony Ipanema, Leblon and Lagoa, and destroyed the shacks to make way for visitors.

"At that time, not too different from today, the state was determined to 'beautify' Rio de Janeiro by eliminating favelas from attractive areas of the city and moving the poor to isolated locations," said Mariana Dias Simpson, a researcher at the Brazilian Institute of Social and Economic Analyses (Ibase) who has studied Rio's slums for more than a decade.

City of God, she said, is what local leaders call a "re-favela" — a settlement created to house evicted families that kept on growing until it became a favela again.

The community was among the first where the government dispatched its so-called poli-

ce pacification units, or UPPs, which were created in 2008 to curb violence in favelas dominated by heavily armed drug gangs. Police set up local stations, took over territory once controlled by criminals and confiscated weapons, while the state of Rio invested in community centers for children and worked to expand basic services for residents.

In the lead-up to the Olympics, the UPPs were expanded to hundreds of favelas across Rio, and many say it felt as if authorities had succeeded in restoring the peace. President Barack Obama, along with the first lady and their two daughters, even paid a visit to Cidade de Deus in 2011. The president rolled up his sleeves and played soccer with some local kids as his family looked on.

"Here was President Obama coming to this community that once was a symbol of violence," said Juliana Barbassa, a former Associated Press reporter and Brazil native whose book, "Dancing with the Devil in the City of God," examines Rio's many challenges. She recalled one jubilant store owner's reaction: "We used to go to them [the U.S.] to ask for money, to try to establish a relationship. And now they come to us."

Despite that high point, with police forces spread too thin among too many places, the lawlessness that had diminished in City of God and other slums has regained strength.

In the most violent section of Cidade de Deus — a place called Karate — criminals shot at police just one day before last week's Olympic opening ceremony; no officers were injured. Several residents interviewed as part of a study by the Ibase group reported that shootings between dealers and the police happen on almost a daily basis, sometimes when children are

walking home from school.

"Violence levels were better all over for a few years [...] we had no incidents for months," Leal said. "Now, every week, there is a shootout somewhere in City of God. It is not what we saw in the movie, but it is not promising either."

Children in the roughest parts of Cidade de Deus often become what the traffickers call "avioezinhos," or little planes. Avioezinhos keep watch and alert the drug bosses when police are near. It's considered a first step into the organization, like an entry-level job. It's not unusual to see thugs pointing guns at visitors to the neighborhood even as schoolkids come and go, unflinching because it's all customary to them.

Still, Dias Simpson and others noted that the vast majority of those living in City of God and other favelas have no involvement in crime at all. "Go to the most dangerous favela on a weekday, and you'll see ... moms going to work, guys dressed up for their construction jobs," Barbassa said. "This is essentially home to the working class of Rio."

"The film," added Dias Simpson, "is a good entertainment piece, but it's a fictional film. The reality of City of God is a lot more complex than that."

Leo Sagat lived in the neighborhood for 28 years before finally moving out. But he still comes back three days a week, morning and evening, to teach boxing to 270 people, mostly kids, out of a donated room with no air conditioning and three broken fans in one of the safer parts of the slum, appropriately called "Switzerland." Even still, next door, is a "boca de fumo" where dealers sell cocaine and other drugs, and some hang around to use them.

Sagat doesn't get paid; he gives his time because he knows

sports could help inspire some to find a way out of the slum. His proof can be found in Judo champion Silva. "The legacy that I want is to stop kids like these from becoming criminals," he said.

In December, amid Olympic preparations, the government donated some boxing equipment to the community, a few gloves and bags that Sagat uses at his gym. But to those here, the gesture is meaningless given all that could have happened these past several years.

"People of City of God were promised more mobility, more investment in sport and security. They were also promised to be part of a tourism program that would help people in the region become tour guides for Rio, just like in other communities," said Christopher Gaffney, a University of Zurich researcher who spent six years in Brazil studying urban development. "But none of those materialized. The rapid-transit bus that could have integrated that region to the rest of Rio doesn't have any stops in City of God. With no integration, there is even more segregation."

Despite their beloved Silva's victory, the people of City of God will tell you the revelry surrounding these Olympic Games is not really felt by them. Jessica Santos is just 12, a resident of the shanty for two years who already dreams of more. Standing next to a creek tinged gray with pollution, she spoke wistfully about becoming an environmentalist maybe one day.

"Look at this creek here, it is completely dirty — and the water is being more treated than when my family arrived, but people throw their sofas, plastic, a lot of toxic things here.

"People wanted the Olympics to change things here, too," said the girl. "But they did not change much." **AP**

Wandering moose inspires 400-mile cross-border trail

Mary Esch

THE 400-mile trek of a radio-collared moose named Alice is the inspiration for a proposed hiking trail from Ontario's forested Algonquin Park to the heart of New York's Adirondack Mountains.

Planners of the A2A — Algonquin to Adirondack — Trail liken it to Spain's famous Camino de Santiago pilgrimage route, with the added benefit of preserving an important wildlife migration corridor between two vast wilderness regions.

"This is one of last great migration routes. It's an area where wildlife can regenerate itself," said Emily Conger, chair of the trail committee for the A2A Collaborative, the Ontario-based nonprofit conservation group behind the project.

Still in the planning stage with no definite route, the A2A will combine existing trails and roads following the general track taken by Alice, a moose radio-collared by New York wildlife workers in 1998 and released in a remote forest area in the central Adirondack town of Newcomb.



Huntington Wildlife Forest seen from the top of Goodnow Mountain in New York's Adirondack Mountains

For two years, researchers tracked Alice as she swam across lakes, traversed the U.S. Army's Fort Drum, swam the St. Lawrence River and loped across Canada's busy Highway 401 before eventually reaching the 3,000-square-mile Algonquin Park, where she died of

unknown causes. Her remains were found in 2001.

"We want to create a trail system that is not only a destination, but also elevates the concept of wildlife corridors and connectivity of landscapes," said Sarah Walsh, with New York's Department of En-

vironmental Conservation who serves privately as A2A's volunteer president. "People will be able to experience the way Alice made this journey."

The Adirondack section of the trail will most likely start in Newcomb at the Adirondack Interpretive Center, a nature center where the College of Environmental Science and Forestry tracked Alice. From there, it will meander through hardwood and evergreen forest interspersed with bogs, streams and lakes.

A tentative plan includes 192 miles of existing hiking trails, 56 miles of rail-trail, 60 miles of main roads and 115 miles of back roads. Coordinators plan to engage communities along the route to provide amenities for trail-walkers.

Conger envisions something similar to the 375-mile stretch of the Camino de Santiago trail in Spain that she walked in 2014, starting in the rugged Pyrenees and traveling through villages, vineyards, farms and forests. Along the way, pilgrims were welcomed into cafes, shops and inns in communities that had a thriving tourist in-

dustry because of the trail.

"The A2A can bring a similar economic boost for small towns in northern New York and eastern Ontario," Conger said.

A series of trail-promoting events is in the works along the Canadian section starting this fall, with a goal of seeing the full route completed in five years, Conger said.

Neil Woodworth, executive director of the Adirondack Mountain Club, which has been building and maintaining trails in the region for more than 90 years, said the A2A Trail is feasible but will take considerable resources. The club hasn't been asked to work on the A2A, but for the next few years, Woodworth said his organization is committed to building the Adirondack leg of the 4,600-mile North Country National Scenic Trail that stretches from North Dakota to Lake Champlain.

Walsh concedes that the A2A Trail has many obstacles outside the park boundaries, but the organization will work with civic groups, greenways, land trusts and others to design a route that communities will embrace. She said the Appalachian Trail, maintained by 31 trail clubs and many partnerships from Georgia to Maine, provides inspiration.

"It took decades to complete the Appalachian Trail," she said. "We've only been working on this for less than two years." AP

ASK THE VET

By Dr Ruan Du Toit Bester



COMMON QUESTIONS ABOUT FOSTER CARE KITTENS

TAKING in Foster care kittens is a wonderful experience, but it can be nerve wracking, particularly the first time. Kittens are tiny and fragile, and a new foster parent may be worried about inadvertently harming or neglecting their kitten. Learning as much as you can before you start can help.

WHY ARE THERE FOSTER CARE KITTENS?

Sometimes a mother cat dies or abandons her kittens. In that case, you may have found a young kitten that still needs milk feeding. Or, a cat shelter may not have room for all the kittens they are given, and ask people to care for them temporarily. In this case, the kitten is usually already weaned.

I'VE FOUND A KITTEN, WHAT SHOULD I DO?

If you find an abandoned kitten, first make sure that the mother isn't coming back. If there is no sign of her, you should keep the kitten as warm as possible, preferably putting it against your own skin until you can get it to a heated place. Take it to the vet as soon as possible, particularly if you have no experience with fostering kittens. It may need worming, flea treatments re-hydration, or other care.

Your vet can also advise you on how old your kitten is and how to feed it.

HOW DO I FEED MY KITTEN?

If it is a very young kitten, you may have to feed it with an eyedropper, or a special kitten nursing bottle. Buy kitten milk formula (if you can't find any quickly, call on your local vet or cat shelter and ask their advice). One week old kittens need feeding ten to twelve times per day, while two week old kittens need four to six feedings per day. Once they are three weeks old, you can reduce it to three feedings per day. At four weeks you can continue with three feedings but begin to give them solid food as well (either canned, or soaked dry kitten food). Usually, if you are caring for a shelter kitten, they will provide you with some food, and instructions.

The amount of milk your kitten needs will depend on how large it is, and this is generally noted on the milk container. Hold the eyedropper or bottle at 45 degrees so the kitten doesn't suck in any air with the milk, and allow him to suckle, rather than squirting the milk into his mouth.

WHAT ABOUT THE LITTER BOX?

Kittens can be encouraged to go in the litter box at around four weeks. Put them



in there when you see them begin to go, and they will soon get the idea. Before that time, you should act as the mother cat would, and stimulate the kitten by rubbing gently on its bum, to encourage it to go.

WHAT IF MY KITTEN GETS SICK?

Kittens can die very quickly once they get sick, particularly if they weren't raised on their mother's milk with its natural antibodies. Immediately take your kitten to a vet if your kitten shows:

- lethargy
- loss of appetite
- discharge from eyes, nose or mouth
- excessive sneezing
- other abnormal behavior

Fostering a kitten is a wonderful experience,

allowing you to make a difference in a young cat's life. It can be labour intensive, particularly with very young kittens, but the reward of a happy, healthy cat is worth it.

Hope this info helps
Till next week
Dr Ruan

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