

## THE OTHER SIDE OF THE MEDAL



**HEINRICH BÖLL STIFTUNG  
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VOLUME 39**

# **The Other Side of the Medal**

Major sporting events in Brazil in the web of urban planning, speculation and the right to the city

**By Dawid Danilo Bartelt**

**Edited by the Heinrich Böll Foundation**

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Volume 39 of the Publication Series on Democracy

By Dawid Danilo Bartelt

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Cover photo: Maracanã Stadium and neighboring buildings, including a swimming facility, in Rio de Janeiro. [Erica Ramalho – wikimedia (cc BR by 3.0, <https://creativecommons.org/licenses/by/3.0/br/deed.de>)]

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○ 2016 Olympic Games – Rio de Janeiro (venues)

- (1) **Deodoro** (Hockey Centre, Shooting Centre, Deodoro Stadium, Deodoro Aquatics Centre, Youth Arena, Mountain Bike Centre, BMX Centre, Whitewater Stadium, Equestrian Centre)
- (2) **Maracanã** (Maracanã Stadium, João Havelange Stadium, Sambódromo, Maracanãzinho)
- (3) **Copacabana** (Lagoa Stadium, Beach Volleyball Arena, Fort Copacabana, Marina da Glória)
- (4a) **Barra** (Barra Olympic Park: Rio Arena, Aquatics Stadium, Carioca Arena 1–3, Future Arena, Tennis Centre, Rio Velodrom, Barra Aquatics Centre; Riocentro: Pavilion 2–4, 6; Golf Course)
- (4b) **Barra** (Pontal)

Source: own depiction

## FOREWORD

Let's not mince words: the lofty promises of how the 2014 Men's World Cup would improve the lives of Brazil's people were empty. On the contrary – not only was the most expensive World Cup of all time a bitter letdown for the country's sports fans, the economic and social costs will weigh heavily on Brazil for a long time to come.

The tournament cost at least €8.5 billion – more than twice as much as the World Cup in South Africa in 2010. Around 85 percent of that amount was not financed privately as promised, but consisted of public money and loans. The expenditure did not generate economic growth momentum, however. Brazil's economic growth for the whole of 2014 is estimated to be well below one percent – and how much of that can be traced back to the World Cup remains unclear.

The social costs, by contrast, were high. Various estimates put the number of people displaced or threatened with eviction at up to a quarter of a million. The human right to adequate housing was systematically violated. The promised development of public transportation infrastructure largely proved to be a chimera. The funds mainly went toward the expansion and conversion of airports and access routes, offering no benefit to the majority of Brazilians. The major protests in 2013 showed what they really need: schools, clinics, functional and reliable public transportation, ideally up to «FIFA standards», as could be read on the protesters' placards.

And now? By hosting the 2016 Summer Olympics, Brazil has a new opportunity to learn from its mistakes and show that sporting mega-events can benefit the general public. Once again, the promises are tantalizing: a new tram in the port zone, bus rapid transit routes, new and longer metro lines and sewage treatment for the entire city. Rio's waters are to become cleaner: in its bid for the games, the city promised to cut pollution in Guanabara Bay by at least 80 percent. The private sector is slated to cover a significant share of the financing.

Some mistakes are certain not to be repeated: the airports are already built and we can expect some enhancements to the infrastructure of the parts of the city that will host the Olympic Games that will benefit the population as a whole. The four planned bus rapid transit routes will not only link the important sports venues, but also various parts of the city to each other, and to the center and the airport.

At their core, however, the Olympics are continuing a development started with the World Cup: the – generally vulnerable – population is being displaced from districts that are being made more attractive to entrepreneurs in order to attract investors to Rio. The Olympic Village is part of a plan to develop the west of the city as an area in which the elite will live and work. The investor of the Olympic Village, Carlos Carvalho, calls the project «Pure Island» (Ilha Pura). Unlike areas in southern Rio and elsewhere – where favelas squeeze between the homes of higher-income

families – Ilha Pura will be a truly exclusive residential area. Carvalho is one of the big winners of this urban restructuring. Not only does he own the land on which the Olympic Village is being built, as the main investor and contractor, he is set to profit from the sale of the newly-built luxury apartments as soon as the athletes depart and further residential blocks are built on the land.

The Olympic Games are certainly exciting sporting events. Unfortunately, however, they often exacerbate social inequalities by displacing, excluding and violating the rights of the local people. A process that started in the run-up to the World Cup is now continuing. The police are increasing their efforts to «collect» street children and other homeless people, and more young people are being detained. The goal is to keep these groups out of the sight of tourists. Instead of fighting the causes of poverty and violence, the police recently began denying young men believed to live in favelas – and who are thus deemed potential thieves – access to the city's public beaches. Buses from poorer neighborhoods no longer follow their usual routes and are stopped for checks. In early October 2015, the UN called on Brazil to investigate the increasing number of extrajudicial killings of minors from low-income neighborhoods by police officers.

The Brazil office of the Heinrich Böll Foundation, in cooperation with our Brazilian partners, has monitored the preparations and impacts of the two sporting mega-events critically from the outset. In the course of our investigations, it has become apparent that such major contests have long since come to serve entirely different needs than those dictated by sports. Mega-events have established themselves as a business model designed to benefit the economy of the host country. The sporting competition is becoming secondary to the economic battle for the best starting position in a globalized world. The losers in this regard are democracy and human rights.

Berlin, November 2015

Barbara Unmüßig  
*Co-President, Heinrich Böll Foundation*

Ingrid Spiller  
*Head of Department, Latin America*

# 1 Sporting contests as mega-events

The President jumped and wept with joy: in October 2009, the International Olympic Committee selected Brazil to host the 2016 Olympic Games. Two years earlier, Brazil had prevailed in the race for the 2014 FIFA World Cup; the Colombian Football Federation had previously withdrawn its application, stating that the requirements of football's international governing body FIFA were prohibitively expensive.<sup>1</sup> Luiz Inácio Lula da Silva described the day as «perhaps the most important of my life»; in his view, the world had recognized that it was now «Brazil's turn».<sup>2</sup> It was the culmination of an eight-year presidency in which Lula not only claimed to have turned Brazil into a middle-class society, but also established it as the seventh largest-economy in the world, a creditor of the International Monetary Fund, and a regional hegemon entitled to a voice in the club of world powers. The Economist published a special on Brazil's «take-off»: the cover showed the Christ the Redeemer statue in Rio as a rocket soaring into the sky.<sup>3</sup> The collapse of the international financial system had hardly dented the Brazilian economy, which grew by 7.5 percent in the following year.

It was precisely in this context that Brazil applied to host the FIFA World Cup and the Olympic Games. Like the Beijing Olympics, Brazil's mega-events must be seen as a reflection of the new role in world politics and the world economy that Brazil has assumed in the new millennium, as perceived by itself and others. The events are intended to consolidate this process.

However, just three years after Brazil was awarded the Olympics, the country's solid GDP growth rates had melted away, as had the patience and confidence of a large share of its people. In June 2013, millions of Brazilians took to the streets to make a statement – to the complete surprise of even the Brazilian intelligence services. The protesters contrasted the official expenditures of around €8 billion on the most expensive World Cup of all time with the country's continued plight in areas that directly affect the mood and aspirations of the people – the hardship of their daily lives, their health and their children's future. They vented their anger at the time lost in decrepit public transport, the unrelenting disaster of public elementary schools, and the fact that people who depend on the public health system – which is universal, free, and laudable in principle, but chronically underfunded – were taking serious chances with their health and often even their lives. In September 2013, the Economist ran its

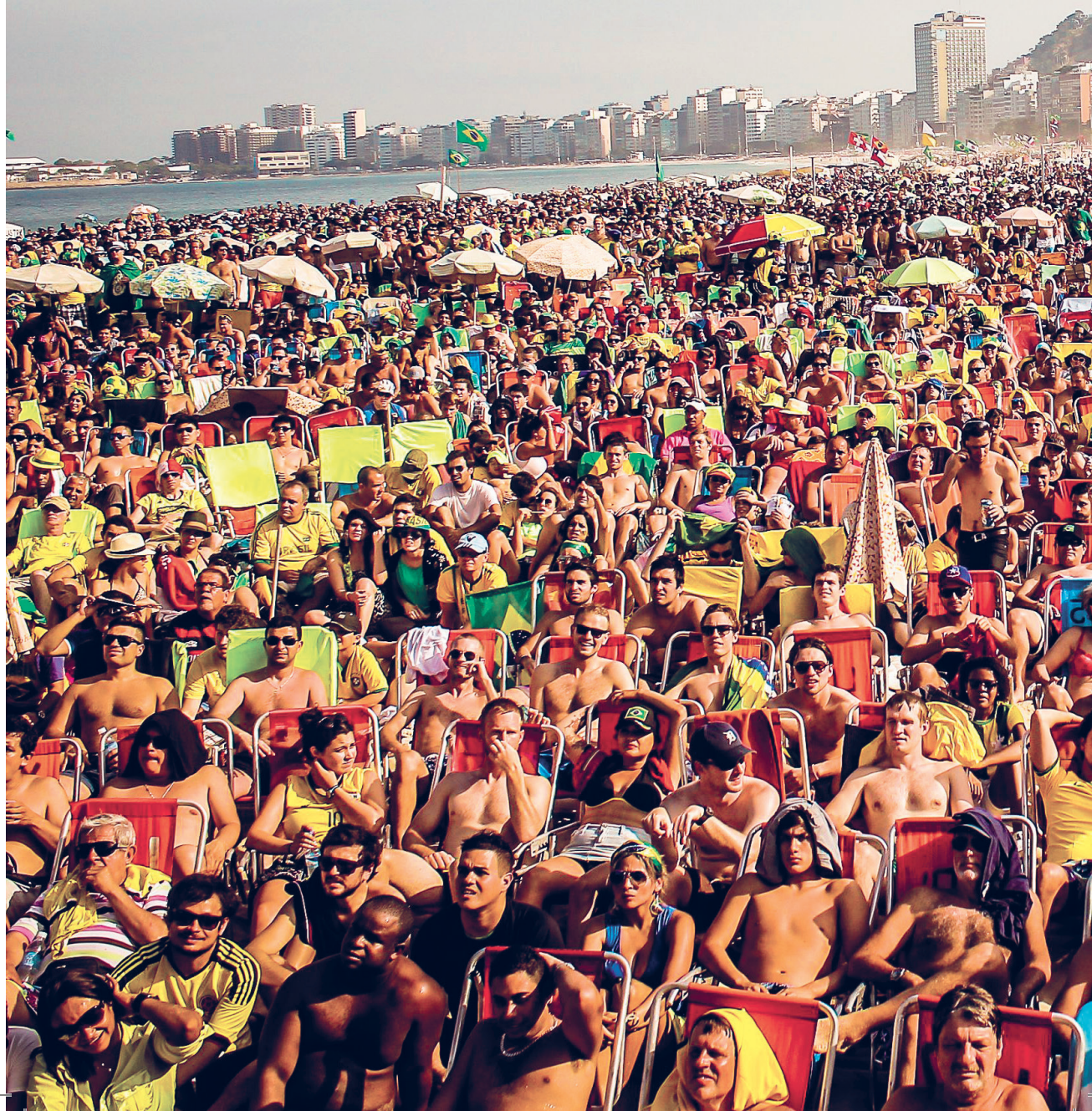
1 [http://srv-net.diariopopular.com.br/12\\_04\\_07/p2703.html](http://srv-net.diariopopular.com.br/12_04_07/p2703.html)

2 <http://esporte.ig.com.br/mais/2009/10/02/lula+chora+pensava+que+nao+tinha+mais+motivos+para+emocao+8725180.html>

3 *The Economist*: «Brazil takes off», November 14, 2009.



Public screening at the Copacabana in Rio during the 2014 World Cup









2009 title again, this time with Christ the rocket spiraling earthward, trailing smoke. The headline this time: «Has Brazil Blown It?»<sup>4</sup>

The questions Brazilians posed to their government were justified. Spending on major sporting events has multiplied in a few short decades, and the bulk of the cost is borne by the government and thus the community of taxpayers. Under the circumstances, it doesn't make someone a spoilsport to ask a few simple questions: Who – and what – is this event for? Is the fun worth the cost? And is there anyone for whom it is perhaps not so much fun? Such events have winners and losers – both in the stadiums and in the society hosting the event – and their impact is more lasting than the «sustainability» touted by their marketing departments. Mega-events are evolving from brief occurrences to extended political, social and economic processes, making these questions weightier from one contest to the next. This text explores these issues by examining the preparations for the 2016 Olympic Games in Rio de Janeiro and the outcome of the 2014 FIFA World Cup in Brazil. It illuminates the costs and benefits for those affected, especially those being addressed by the official discourse – the majority of the urban population – and identifies a number of social consequences that future mega-events will presumably need to consider.

Mega-events have an important function in a globalized economy and in a political world that is becoming increasingly dependent on marketing. In global competition, their main role is to generate symbolic as well as economic and financial capital. I would like to make the case that sports are merely a secondary concern in mega-events such as the World Cup and Olympic Games. They should be understood primarily as special, perhaps unique business models for lining up transnational investment and extraction projects. Given the scale of the projects and their actors, such events trigger profound social and economic processes. The greater the social inequality and weakness of national civil society, the more pronounced the impact of such interventions will be.

This brings me to my second point: that mega-events of this type conflict with a functioning democracy for these and other reasons. Examining mega-events in greater detail is therefore also important from a democracy perspective. Such contests always serve as test cases for following events, thus ensuring their continued existence and the ongoing flows of capital and investment. In a way, they build on each other, and, as recent decades have shown, profits (especially for FIFA, Olympic committees and major building contractors), costs (for the community of taxpayers), and social consequences, i.e. the impact on living standards and rights of the people, tend to increase with each subsequent event.

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4 *The Economist*: «Has Brazil Blown It?», September 28, 2013.



## 2 After the game is before the game: preparing for the Rio Olympics in the wake of the Brazil World Cup

In 1896, when the Olympic idea of antiquity was revived and the modern games were launched, European and Latin American states were in the midst of intense nation-building processes. The Olympic Games belong to the productive range of «invented traditions» designed to help secure the identities of those imagined communities known as «nations».<sup>5</sup> Major sporting events have since become an established way of giving nations a concrete expression in the form of a team. The team's members are a tangible representation of the imagined community and engage in sporting competition on its behalf. No event realizes this idea at a higher level or more comprehensively than the Olympics. Under the conditions of globalized electronic mass communication, standardized consumer societies and the rigorous commercialization of sports, the Olympic Games are both national and global events that operate in international markets, that materialize in negotiations, competition and cooperation between national governments and occupy «an important cultural and even moral space».<sup>6</sup>

5 Maurice S. Roche: «Mega-events and modernity revisited: globalization and the case of Olympics,» *Sociological Review* (2006) 27–40, with reference to Eric Hobsbawm's concept of «invented traditions». The term «imagined communities» was coined by Benedict Anderson in his book *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (1983).

6 Michael Rustin: «Sport, Spectacle and Society: Understanding the Olympics,» in: Gavin Pointer, Ian McRury: *Olympic cities: 2012 and the remaking of London*, Farnham (2009) 3–22, cf. p. 5

«Festivalization»<sup>7</sup> is thus a strategy of city marketing, and conversely, of the concept of urban entrepreneurialism.<sup>8</sup> At the same time, however – and this is often given too little consideration – it leads to deep interventions in the social relations of the community. This has been discussed among academics for some time and now increasingly by the public. In recent years, the discussion surrounding major sporting events has thus focused on their (positive) impact on the host country and its people, and on their «legacies», particularly the «sustainable» ones.<sup>9</sup> The organizers of mega-events themselves prominently put this argument forth. Governments and their contractors assure the people that they will not only be hosting one of the world's great events, but that they will also benefit from it economically and socially. Specifically, this not only refers to the creation of additional jobs, but also to lasting improvements to the urban infrastructure, particularly with regard to public transportation. The «legacy» discourse is thus significant for the legitimacy of mega-events.

## Rio de Janeiro – a city conceived as a «window to the world»

The Olympic Games will be taking place in Rio de Janeiro – with the exception of the men's and women's football matches, which will be held in five further cities. Rio is the ideal choice in the representational policy context outlined above. The city has played the part of the doorman – in an elevated sense as a national symbol – over centuries of Brazil's history. As the seat of the colonial administration, and in turn of the Portuguese empire, the Brazilian empire, and until 1960, the capital of the republic, Rio has been the «gateway to Brazil» for all who came from abroad. Rio has also always been Brazil's «window to the world», a place of presentation and representation in the other direction: Rio provided the setting in which the Brazilian empire (from 1822) and the republic (from 1889) could showcase its level of civilization. Sweeping transformation and the staging of major events thus belong to the fabric of Rio's urban and social history. In 1919, Brazil hosted a major football tournament that was the first international sporting event in its history – the South American Football Championship of Nations – in Rio. Even back then, banks, government offices and

7 As the sociologists Hartmut Häussermann and Walter Siebel already observed in 1993 in *ibid.* (ed.): *Festivalisierung der Stadtpolitik. Stadtentwicklung durch grosse Projekte*, Opladen (1993). Also see Malte Steinbrink: «Festifavelisation: mega-events, slums and strategic city-staging – the example of Rio de Janeiro,» *Die Erde* 144,2 (2013), 129–145.

8 Phyllis Bussler: «Projektbezogene Stadtentwicklung in Rio de Janeiro,» Working Paper 2013-01, Universität zu Köln (2013). For the development of Rio de Janeiro into an urban enterprise, see Carlos Vainer: «Cidade de exceção: reflexões a partir do Rio de Janeiro. XIV encontro Nacional da ANPUR,» Rio de Janeiro (2011). Available at <http://br.boell.org/pt-br/2011/08/10/cidade-de-excecao-reflexoes-partir-do-rio-de-janeiro>. For international literature on «urban entrepreneurialism,» see the overview by Richard Guilanotti and Francisco Klauser: «Introduction. Security and Surveillance at Sport Mega Events,» *Urban Studies* 48 (15), (November 2011), 3157–3168, cf. p. 3159f.

9 John Horne, Garry Whannel: *Understanding the Olympics*, Oxon/New York (2012).

stores closed on the day of Brazil's victory in the final against Uruguay. In 1922, Brazil hosted the Independence Centenary International Exposition – in Rio de Janeiro. Brazilian politicians soon recognized that mass sporting events were effective at forging a sense of national identity and unity. No one leveraged this fact better than Getúlio Vargas, the first Brazilian president to use stadiums for political rallies in the 1930s. Brazil was then awarded the first World Cup after World War II. The largest stadium in the world, by far, was built – in Rio de Janeiro, of course. Brazil once again faced Uruguay in the final in Maracanã Stadium in 1950. The 1:2 defeat proved to be the football nation's deepest trauma – at least until Brazil's 1:7 humiliation by Germany in the semifinal in 2014. Maracanã Stadium, however, was soon considered an icon.

Unlike the industrial and commercial city of São Paulo, Rio is no longer home to many major production facilities. The settlement of a Thyssen Krupp steel mill in the far west of the city is the exception to the rule; so far its impact has been felt less in corporate tax revenue than in litigation about its environmental impact, however. Cities wishing to reinvent themselves as hubs of the service sector face global competition. Many services today are not bound to a physical location, as call centers illustrate. Festivalization through mega-events therefore represents an additional potential stream of income arising from a location advantage in global competition. Over the past twenty, but especially the past ten years, Rio de Janeiro has organized itself as a city of mega-events. In 1992, the UN held its first major conference on environment and development there. Since 2007, the pace has picked up: the 2007 Pan American Games, the 2011 World Military Games, the UN Rio+20 Conference in 2012, the FIFA Confederations Cup and Papal visit on World Youth Day in 2013, the 2014 FIFA World Cup, and the Olympic Games in 2016. Rio's urban planners see the future in terms of continuous competition with other major cities and have defined the following priorities: promotion of Rio as a venue for high-yield sporting events and major conferences; the settlement of energy companies, technological research centers, audiovisual and telecommunications industries; a development center for the «silver economy» for aging European societies, but also for Brazil and other Latin American societies from 2030; a center of tourism; a hub for the creative industry and startups, and the cultural metropolis of the *Cone Sul*, or Southern Cone. They do not mention factors that would potentially benefit the population, or even ensure the sustainability of a city of eleven million.<sup>10</sup> The idea of a «city in competition» has pervaded the strategic planning of Rio's municipal administration since the 1990s, the decade of an international turn toward liberalism. The concept also occurs throughout the papers of institutions financing major infrastructure projects such as the World Bank, Inter-American Development Bank, OECD and UNDP.<sup>11</sup>

**10** Luiz Chrysostomo de Oliveira Filho, Fabio Giambiagi: «Perspectivas de uma Cidade em Transformação,» in: Fabio Giambiagi (ed.): *Depois dos Jogos. Pensando o Rio para o Pós 2016*, Rio de Janeiro (2015), 3–30.

**11** Lucas Faulhaber, Lena Azevedo: *Remoções no Rio de Janeiro Olímpico*, Rio de Janeiro (2015), 22ff.

## Olympics as a vehicle for the commodification of new urban areas

The mass protests in Brazil in 2013 during the Confederation Cup, the «warm-up» for the FIFA World Cup, made the connection between high public spending on the World Cup and the Brazilian state's poor performance in key areas such as health and education. This compelled the organizers of the 2016 Olympics to demonstrate that the games would provide tangible benefits to the general public. This is of even greater importance now than in the run-up to the World Cup, as the Olympics will be significantly more expensive.

Structurally, both events are organized along similar lines. The International Olympic Committee (IOC), which acts directly and through the National Olympic Committee, and through a dedicated «Public Olympic Authority» established by Act 12,396 from March 21, 2011, is the «owner» and rights holder of the event. The federal, state and Rio de Janeiro municipal governments work together in this authority as stipulated by the IOC. Army General Fernando Azevedo e Silva is currently the head of the authority. The projection of costs for the 2016 Olympic Games contains three separate budgets:

1. The budget of the Rio 2016 Organizing Committee covers the cost of equipment, accommodation and meals for athletes; technology, marketing and PR; ceremonial matters and temporary structures such as grandstands. The money is to be raised from the proceeds of the Olympic Committee (television rights, tickets, advertising).
2. The 56 projects of the «Responsibility Matrix» are defined as projects that would not have been realized without the games. They mainly include the construction of sports facilities in the four Olympic centers of Copacabana, Maracanã, Deodoro and Barra da Tijuca. The Public Olympic Authority (APO) of the federal, state and Rio municipal government is responsible for this budget. The 6.67 billion Brazilian reais (R\$) of the budget are federal and private funds.
3. R\$24.6 billion are earmarked for the «Legacy Plan»<sup>12</sup> (Plano do Legado), which covers projects in the areas of mobility and transportation infrastructure, the environment, urban renewal and social development.

Transportation is the most important sector and will account for the bulk of the costs. It is here that the social conflicts have focused.

<sup>12</sup> «Plan für staatliche Politik – Vermächtnis der Olympischen und Paralympischen Spiele Rio 2016».

**Table 1: Costs of various mega-events**

	<b>Expenditure</b> (in R\$ billions)	<b>Expenditure</b> (in US\$ billions)
<b>2016 Olympics</b>		
Investments, Rio Olympic Committee	7.40 <sup>13</sup>	2.11
Sports venues	6.67	1.91
Plano Legado (infrastructure, environment, urban renewal, w/o airports)	24.60	7.03
<b>Total</b>	<b>38.67</b>	<b>11.05</b>
<b>2012 London Olympics</b>		14.60
<b>2016 Rio Olympics</b> (on application)	28.80	14.69 <sup>14</sup>
<b>2014 World Cup</b> (official)	25.60	11.48 <sup>15</sup>

The Olympics in Rio will take place mainly in four areas: Maracanã in the north, close to the city center; Copacabana in the old southern zone, and above all Barra da Tijuca and Deodoro, both in the west. The area of the old port was originally also envisaged, but was later dropped from the plan. It will nevertheless be the subject of a major investment program – Porto Maravilha or «Marvelous Port» – that will follow the lead of U.S. and European cities from Baltimore to Barcelona by «revitalizing» a neglected area near the city center with a mix of cultural venues and upmarket residential space. In Rio de Janeiro, the project is being realized with heavy public subsidies for the construction industry, which will then profit handsomely from the luxury properties in prime locations. The losers are once again poorer people who settled in the port area at a time when no one was interested in it and who have now been displaced. They certainly will not be around to benefit from the tram line that is going to be built there.

The four bus rapid transit (BRT) routes that will link various areas in the west of the city – such as the Deodoro and Barra da Tijuca sports venues – to one another and to nearby central areas and the airport will indeed prove useful to the population as a whole. The value of the lines in terms of transport policy is somewhat questionable, however, as focusing on the more quickly and cheaply built BRTs will delay

<sup>13</sup> The figures of this line and the three subsequent lines are based on the exchange rate of August 15, 2015: 1 USD = R\$ 3.50.

<sup>14</sup> Exchange rate: 1 USD = R\$1.96 on September 7, 2007, the official date of the bid.

<sup>15</sup> Exchange rate: 1 USD = R\$2.23 on June 12, 2014, the start of the World Cup.

the extension of Rio's modest subway system, which would be a far more appropriate solution for the medium to long term. Priority for the subway extension was given to – of all places – the line serving the exclusive beach neighborhoods from Ipanema to the Olympic grounds via Gávea and São Conrado. That should at least benefit the many cleaning ladies and nannies who work in apartments in those parts of the city. The residents, however, will prefer to use their own cars for reasons of security, status and convenience. The routes of the BRTs could also be better, and not only because all four BRTs connect to the existing subway lines at precisely one station. Yet despite their shortcomings, they do undeniably benefit the general public.

Numerous new sports venues are being built in Barra da Tijuca and Deodoro in the west of the city. The Brazilian Olympic authorities have apparently learned from their British colleagues and the fierce debates of the recent past. According to the organizers, some venues – such as the Future Arena in the Barra Olympic Park that will be used for Olympic handball and Paralympic goalball – are designed to be disassembled after the games. Large areas of the Olympic Park are designed to serve in future as an Olympic training center to benefit the national sporting elite – an urgently needed facility indeed. Other buildings are slated for conversion into schools. The announcement that the highly controversial Olympic golf course will be opened to the public after the games to establish golf as a popular sport in Brazil is not devoid of involuntary cynicism in a country that remains marked by some of the world's greatest income inequality.<sup>16</sup>

At the same time, merely focusing on sports venues does not do the phenomenon justice. Their construction is part of a gigantic urban transformation project whose winners and losers will not be among the athletes. The west of the city of Rio de Janeiro encompasses expanses that barely register in the awareness of most visitors, or for that matter, most residents of the city center. The northwest – Jacara-peguá, Deodoro, Santa Cruz – is made up of large areas settled by working-class and other low-income people. The southwestern areas along or close to the beach make up the Barra da Tijuca quarter, dubbed New Miami due to its wide multilane highways, shopping malls and well-appointed apartments in high-rise complexes. In the 1970s, this huge area was almost entirely in the hands of a few major property owners. With the support of the municipal government, they began developing it in a systematic and highly profitable manner, turning it into the «new south zone» for the well-paid middle class. Rio's old south zone had no room for further expansion between the mountains and the sea, driving its prices inexorably upward and making the modern standards, moderate prices and favela-free setting of the new development highly attractive. From the outset, Barra da Tijuca has stood for urban development under real estate business aspects and for urban marketing. The area had already been reserved to accommodate the Universal Exhibition of 1972. Barra da Tijuca had been envisaged as an Olympic center already for the 2004 bid under Mayor Cesar Maia (1993–96). The 2007 Pan American Games then provided the test case for a completed transition in urban planning: from functional modernity

<sup>16</sup> Official website of the Rio Olympics: [www.rio2016.com.br](http://www.rio2016.com.br).

guided by public interest to the concept of the city as a competitive company or a commodity. Three objectives drove the project: the strengthening of existing dynamic centers (south zone); revitalization of decaying centers (the «Porto Maravilha» or «Marvelous Port» project in the port area in the city center) and the creation of a new center in Barra da Tijuca.<sup>17</sup>

Modernity and exclusiveness for a new elite without annoying slums, the core of a new Rio – that is the urban development philosophy of the biggest of the major property owners, Carlos Carvalho, owner of Carvalho Hosken, the company responsible for building the Olympic Park and Olympic Village. Both Olympic projects are connected with the construction of luxury apartments – unlike the 2012 games in London, where the Olympic Park was designed to revive the crumbling East End with relatively low-cost housing.<sup>18</sup>

The concept of a new Rio in Barra da Tijuca as imagined by Carvalho was implemented rigorously, even in the face of resistance. Vila Autódromo, a settlement so named because it lies on the edge of an abandoned racetrack, fought back longest and hardest. Vila Autódromo is not an «illegal» settlement or favela. A major part of the population was settled there by the municipal administration itself after being evicted from their favelas in the city center. Also, they were given use and property rights on what at the time was a greenfield site far from the center. In the course of preparations for the Olympics, their land suddenly became highly attractive for investment in the construction of high-priced condominiums and hotels at the edge of the Olympic Park, which is being built on the site of the racetrack. In keeping with the provisions of the urban statute in effect for all cities with more than 20,000 inhabitants, experts of the Institute of Urban and Regional Planning and Research at the Federal University of Rio de Janeiro drew up an alternative development plan together with the residents of Vila Autódromo. The plan would have guaranteed the preservation, modernization and environmental cleanup of the settlement and provided for leisure and social facilities while taking the construction projects for the games into account. Furthermore, it was less expensive than the investment plan of the city according to the calculations of the university institute.<sup>19</sup> In late 2013, the alternative plan won the Urban Age Award of Deutsche Bank's Alfred Herrhausen Foundation.

The municipal administration guaranteed the preservation of Vila at one point but has since demolished more than 50 percent of the settlement. Some of the residents were allocated newly built replacement apartments in the vicinity. A

17 Demian Garcia Castro et al.: «O Projeto Olímpico da Cidade do Rio de Janeiro: reflexões sobre os impactos dos megaeventos esportivos na perspectiva do direito à cidade,» Orlando Dos Santos Junior, Christopher Gaffney, Luiz Cesar de Queiroz Ribeiro (ed.): *Brasil. Os Impactos da Copa do Mundo 2014 e das Olimpíadas 2016*, Rio de Janeiro (2015), 409–435, cf. p. 410.

The as-yet unpublished Master's thesis of Renato Cosentino Vianna Guimarães examines the role of Barra da Tijuca in the Olympic project: «Barra da Tijuca e o Projeto Olímpico: A cidade do capital,» Rio de Janeiro (2015).

18 [www.theguardian.com/sport/2015/aug/04/rio-olympic-games-2016-property-developer-carlos-carvalho-barra](http://www.theguardian.com/sport/2015/aug/04/rio-olympic-games-2016-property-developer-carlos-carvalho-barra)

19 <https://comitepopulario.files.wordpress.com/2012/08/planopopularvilaaautodromo.pdf>





**Transcarioca construction site: The rapid transit bus line links Rio's international airport and Barra da Tijuca, an Olympic venue.**





number of local residents were handsomely compensated and moved out, upon which the authorities immediately demolished their houses. Those who resisted eviction and publicly called for the preservation of the settlement had the rubble of abandoned neighboring houses dumped so close to their doors that they could hardly access their own homes. While the classic divide-and-rule strategy broke up the once-united community, it did not succeed in getting everyone to give up their houses. In the end, those remaining were evicted on the grounds of a greater «public interest». At the time the city granted the residents the right to stay and property titles, Vila Autódromo was still on the periphery, on worthless land not connected to the city's infrastructure. That had fundamentally changed, and therefore the commoditization was ultimately worth more than the residents' right to stay.

## The engineers of the mega-events: the corporate web

In addition to FIFA and the IOC, a small number of major construction companies are the main beneficiaries of projects related to mega-events. Four of the «five sisters» deserve special mention here: Odebrecht, Andrade Gutierrez, Camargo Corrêa and OAS (the fifth is Queiroz Galvão). The moniker refers to the tight entanglement and cartel-like relationship and bidding methods of these multinational Brazilian corporations. At least two of the four companies are directly or indirectly involved, often in a consortium, in virtually all major infrastructure projects awarded by the city of Rio de Janeiro in recent years.<sup>20</sup> Ten major projects for the World Cup and the Rio Olympics with a total volume of €10 billion<sup>21</sup> were realized in the past or are being currently realized by the four sisters.<sup>22</sup> A total of twelve companies were awarded contracts for the twelve World Cup stadiums.<sup>23</sup> Only three of them were involved in more than one stadium, namely three of the «sisters»: OAS (Natal, Salvador); Odebrecht (Recife, Rio de Janeiro, Salvador, São Paulo) and Andrade Gutierrez (Brasília, Manaus, Porto Alegre and Rio de Janeiro).<sup>24</sup> The extent of the corruption of Brazil's (construction) industry, administration and government and the losses it can cause the public have been coming to light since late 2014 with the fraud and bribery scandal involving billions worth of contracts from the semipublic oil giant Petrobrás. For the first time in Brazilian history, the presidents of no fewer than five major construction companies and conglomerates (OAS, Queiroz Galvão, Camargo Corrêa, UTC and Iesa) were arrested on suspicion of paying millions in bribes; the

20 João Roberto Lopes Pinto: «Donos do Rio,» *Brasil de Fato*, (October 7, 2013), available at [www.brasildefato.com.br/node/13506](http://www.brasildefato.com.br/node/13506); Adriano Belisário: «Um Jogo para Poucos,» *A Pública*, (June 30, 2014), <http://apublica.org/2014/06/um-jogo-para-poucos>

21 The Brazilian real has fluctuated significantly against the dollar and euro in recent years. We used the exchange rate at the time of the World Cup, which was around R\$3.00 to €1.00. Exactly one year after the start of the World Cup, the exchange rate was R\$3.51 to €1.00.

22 Belisário, *Jogo para Poucos*.

23 Andrade Gutierrez, Andrade Mendonça, Construcap, Egesa, Engevix, Hap, Mendes Junior, OAS, Odebrecht, Queiroz Galvão, Santa Bárbara and Via Engenharia

24 [www.diarioliberalidade.org/brasil/resenhas/40115-cartel-de-empreiteiras-na-copa-mais-umalerta-da-%C3%A1frica-do-sul-para-o-brasil.html](http://www.diarioliberalidade.org/brasil/resenhas/40115-cartel-de-empreiteiras-na-copa-mais-umalerta-da-%C3%A1frica-do-sul-para-o-brasil.html)



chairman of Andrade Gutierrez has also been formally under indictment since July 2015. The construction companies are by far the biggest donors for politicians and parties; the named companies donated a combined total of more than €30 million to the two presidential candidates, Dilma Rousseff und Aécio Neves, in 2014.<sup>25</sup> Brazilian politicians from the municipal level upward can no longer finance election campaigns without the backing of big money. Those elected are then indebted to their donors from their first day in office. The urban corporate model is thus also expressed in the party funding system.

## Rowing against the microbes: the political environmental scandal of Guanabara Bay

Environmental protection is a top priority in official statements of the Olympic organizers. Their goal is to make the games «sustainable». In concrete terms, this means not using illegal timber and using recycled gold for the medals. The food for the athletes – 70,000 meals a day<sup>26</sup> – should be sourced from organic, small to medium-sized farming operations and must not contain pesticides. In a country that is the world leader in pesticide use – seven liters a year for every Brazilian – that is quite a challenging requirement.<sup>27</sup> In addition, there are simply not enough producers: while smallholders produce two thirds of all food in Brazil and agrarian ecology has a long tradition, Big Agriculture, backed by billions in loans, continues to displace farmers.

Initially, however, it was the construction of a new Olympic golf course – the two existing ones do not meet the requirements – that truly made headlines. To accommodate the course, the municipal administration issued a special decree reducing the size of the Marapendi nature reserve (Barra da Tijuca). Furthermore, RJZ Cyrela, a construction company, was permitted to build 23 luxury high-rises with 22 floors each in the protected area. The clearing of 20 hectares of the Mata Atlântica – one of the most endangered rainforest ecosystems on the planet – for the construction of the Transolímpica BRT route between Deodoro and Recreio did not make quite the same headlines, however. In exchange, the municipal administration agreed to afforest 40 hectares of land elsewhere.<sup>28</sup>

The Olympic Games' promised «legacy» in Rio includes an item of both ecological and long-standing cultural urgency: the cleanup of Guanabara Bay and the polluted lagoons in Barra da Tijuca and Jacarepaguá.

<sup>25</sup> <http://noticias.uol.com.br/politica/ultimas-noticias/2014/11/25/empreiteiras-da-lava-jato-doaram-r-988-mi-a-campanhas-de-dilma-e-aecio.htm>

<sup>26</sup> [www.jornalaqui.com/rio-2016-fornecera-700-mil-toalhas-e-210-toneladas-de-comida-para-15-mil-atletas.php](http://www.jornalaqui.com/rio-2016-fornecera-700-mil-toalhas-e-210-toneladas-de-comida-para-15-mil-atletas.php)

<sup>27</sup> Susann Kreutzmann: «Zwischen Nachhaltigkeit und Pestiziden. Auf der Suche nach den Grünen Olympischen Spielen,» in: *Der Standard*, June 3, 2015, <http://derstandard.at/2000016740863/Auf-der-Suche-nach-den-gruenen-Olympischen-Spielen>

<sup>28</sup> PACS: Rio 2016 de Gastos 2 (May 2015), 3

For Europeans and North Americans visiting Brazil in the 18th and 19th centuries, a written account of arriving in Guanabara Bay was virtually a must. The ensemble of mountains, water and a still-small, white, colonial town offered a unique experience that was described in glowing tones by the travelers of the day. Slaves emptied the chamber pots of their masters into the bay already then, but it was the industrialization starting in the 1940s and the population growth of the Rio de Janeiro metropolitan area that exploded in the 1960s that worsened the problem considerably. The authorities remained idle for decades. Today, the sewage of ten million people and 12,000 industrial operations in Rio de Janeiro and 14 other neighboring communities drain directly into the bay or the 35 rivers that flow into it. 18,000 liters of raw sewage flow into Guanabara Bay every second. Masses of trash float on the surface of the bacteria-ridden water. The situation is much the same in the lagoons of Barra da Tijuca, Jacarepaguá and in the southern zone of the city of Rio de Janeiro. The 2016 Olympic rowers are scheduled to compete on the Rodrigo de Freitas Lagoon, while sailing competitions will take place on the bay.

The UN conference on Environment and Development in Rio de Janeiro in 1992 briefly drew the world's attention to this political ecological (or ecological political) scandal. The state of Rio de Janeiro subsequently launched the first program to clean up Guanabara Bay (Programa de Despoluição da Baía de Guanabara, PDBG) in 1994. According to the state's court of auditors, a total of US\$1.17 billion (€1.07 billion) were spent for this purpose over a twelve-year period. The goals of the program were to clean up the bay – primarily through sewage treatment –, secure the supply of drinking water, and manage solid waste disposal. The bulk of the money went into the construction of sewage treatment plants. The problem: most of them are not operational for a simple reason – the lack of feed pipes to the plants. As incredible as it may seem, sewage treatment plants were built with funds from the federal government and loans from the Inter-American Development Bank and the Japan International Cooperation Agency, but no agreement or provision was made to ensure that the relevant local authorities and the state of Rio de Janeiro would build a suitable sewer system and feed pipes. In consequence, when the bid for the Olympics was made in 2008, only 20 percent of the city's sewage was treated; the remaining 80 percent still went straight into the bay as raw sewage. In 2013, the government approved another program and funded it with €215 million. According to official figures, 66 percent of all households in the region are connected to the sewer system now, but 66 percent of all raw sewage (from 6.6 million people) nonetheless ends up in the bay, as only 34 percent of all households are connected to sewers served by a sewage treatment plant.<sup>29</sup> By now, a number of these treatment plants are decaying and no longer functional. Landfills and solid-waste incinerators in the cities of Niterói and São Gonçalo and the municipality of Magé that were also financed by PDGB

<sup>29</sup> Marilene Ramos, Jerson Kelman: «Os compromissos olímpicos e o legado para o saneamento ambiental da cidade e da Baía da Guanabara,» in: Fabio Giambiagi (ed.): *Depois dos Jogos. Pensando o Rio para o pós 2016*, Rio de Janeiro (2015), 103–116, cf. p. 105.

funds were never even completed. They have since turned into huge, unregulated waste dumps.<sup>30</sup>

The Brazilian Olympic Committee promised an 80 percent reduction in on-going pollution by the time the games commence.<sup>31</sup> Not many people in the city seriously believe it – despite the announcement of a whole raft of state and federal programs.<sup>32</sup> The experiences of the last twenty years weigh too heavily and not enough progress has been made over that long time. The management of solid waste – another of the bay's major environmental problems – has seen some improvement. Huge open dumps from which tons of trash had previously been washed into the bay have been closed, and four major waste management centers have been set up since 2008.<sup>33</sup> In view of the bay's 346 km<sup>2</sup>, the state's provision of a number of floating barriers and ten small «eco-tenders» from which volunteers fish trash out of the water seems almost tragicomic and little more than a PR stunt.<sup>34</sup>

In the past two years, international Olympians such as the Danish 2012 bronze medal winner, Allan Norregaard, have criticized the condition of Rio's bay and lagoons in no uncertain terms. Sending the sailors onto the bay would be «unfair and dangerous», Norregaard said; adding that it was «the most polluted place» he had seen in twenty years of sailing competition. After arriving in Rio and inspecting the lagoon, the British rowing association cancelled its planned training on the lagoon and even went as far as forbidding its athletes to swim in the sea.<sup>35</sup>

While the number of environmental programs is inversely proportional to their results, the presence of the oil industry has by contrast resulted in dramatic changes to the bay. The petrochemical complex in Duque de Caxias on the south side of the bay has been producing petroleum products since the 1960s. Another major refinery (Complexo Petroquímico do Rio de Janeiro, Comperj) in Itaboraí to the north of the bay has been under construction for years. Oil and gas tankers already crowd the bay, as do oil rigs being serviced there. Floating terminals have been installed in the middle of the bay. Inadequate environmental permits issued under political pressure have at best reduced the current and future socio-environmental impact of Comperj, including the destruction of mangrove forests, the dumping of toxic petrochemical waste, (ground) water pollution and decline of the fish population.

30 <http://oglobo.globo.com/rio/sucata-publica-obras-de-80-milhoes-jogadas-no-lixo-13716652>

31 In mid-July 2014 the state governor Luiz Pezão announced that it would not be possible to fulfill the requirement by 2016, but only by 2018.

32 An overview in Ramos, Kelman: (2015), loc. cit. 112ff. The program to rehabilitate the communities bordering on Guanabara Bay has a budget of R\$1.3 billion partly financed by the Inter-American Development Bank.

33 Ibid., 108f, Gabriel Luiz Rodrigues Souza et. al.: «O lixo, o esgoto na Baía de Guanabara e os programas de despoluição: a mídia versus os dados,» Fórum Ambiental, 10,2 (2014), 183–198.

34 <http://olimpiadas.uol.com.br/noticias/2015/03/15/por-que-nao-da-certo-a-limpeza-da-baia-de-guanabara-para-a-rio-2016.htm>

35 <http://esportes.terra.com.br/jogos-olimpicos/2016/sede-da-vela-no-rio-2016-baia-de-guanabara-convive-com-esgoto-e-criticas,8efcf54fe1de2410VgnVCM20000099cceb0aRCRD.html>;  
<http://exame.abril.com.br/brasil/noticias/remadores-olimpicos-britanicos-evitam-agua-poluida-no-rio>

Itaboraí borders on the bay's environmental protection zone, the Área de Proteção Ambiental Guapimirim. Comperj not only threatens this important reserve, but also 31 protected areas of the Atlantic rainforest mosaic.

The feed pipes to the refineries run just below the surface of the water. As for the fishers – there are indeed still fish and fishers in Guanabara Bay – the oil company Petrobrás simply declared those parts of the bay off-limits to them. Their already-meager existence under threat, the fishers organized in groups such as the Union of Men and Women of the Sea (AHOMAR) in the town of Magé, protesting publicly and suing against the loss of their fishing grounds and thus their livelihoods. The government ordered the use of force to suppress the protest, including military police firing on the fishing boats from helicopters in order to destroy them. Since 2010, four of the fishing activists have been killed. AHOMAR spokesman Alexandre Anderson received several death threats and has already survived two attempts on his life. He and his wife Daize Menezes have had 24-hour police protection since 2009 and have since gone undercover in a witness protection program.<sup>36</sup>

36 Cristiane Faustino, Fabrina Furtado: *Indústria do Petróleo e Conflitos Ambientais na Baía da Guanabara: o caso do Comperj. Relatoria do Direito Humano ao Meio Ambiente*, Rio de Janeiro (2013); FAPP-BG (ed.): *50 anos de Refinaria Duque de Caxias e a expansão da indústria petrolífera no Brasil: conflitos socioambientais no Rio de Janeiro e desafios para o país na era do pré-sal*, Rio de Janeiro (2013); as well as various reports on AHOMAR on [www.global.org.br](http://www.global.org.br).

### **3 Before the game is before the game: the Brazil World Cup and parallels to the Rio Olympics**

This section takes stock of the 2014 World Cup from the perspective of its benefits for the general public and the degree to which the population's rights were safeguarded or violated. The outcome has a direct bearing on the Olympic Games. Firstly, it reveals patterns of how costs are incurred and obfuscated that are equally applicable to other major events and the Olympics. Examples include specific tax breaks and exceptional regimes secured by special laws (World Cup Act, Olympics Act) that incur hidden costs for the community. Secondly, the changes in the urban space since 2010, especially in Rio de Janeiro, and their social and economic effects generally relate equally to the World Cup and the Olympics. With regard to their impact, the World Cup and Olympics are inextricably linked.

#### **A cost-benefit analysis**

According to the transparency portal of the Brazilian government, around 25.6 billion Brazilian reais (R\$) or €8.5 billion were budgeted for the World Cup overall. That already makes it the most expensive World Cup of all time. The World Cup in South Africa cost at least €4 billion, while €3 billion were spent in Germany in 2006. In 2007, President da Silva promised that it would be a World Cup of the private sector, but in fact only 14.7 percent of the funding was private – the rest was covered by public funds or loans. 43 percent of the investment in infrastructure for the Olympic Games (currently R\$24.6 billion) is to be privately financed.

**Table 2: Official costs of the 2014 Football World Cup<sup>37</sup>**

Sector	Expenditure (in R\$ billions)
Airports	6.281
Communications	0.007
Tourism	0.180
Stadiums	8.005
Temporary structures (Confed Cup)	0.209
Public transportation	8.025
Other services (monitoring, volunteer program)	0.041
Ports	0.609
Public security	1.879
Telecommunications	0.405
Total R\$	25.641
Total USD	13.355

## Stadiums

One third of the overall cost of the World Cup arose from the construction and conversion of a total of 12 stadiums. Construction costs rose by 263 percent over the estimate filed with FIFA in 2007 to around R\$8 billion or €2.7 billion; compared to the revised official budget of December 2010, the cost overrun still amounted to 42 percent.<sup>38</sup>

FIFA has stressed that it was the Brazilian government's decision to play in 12 cities; its World Cup concept calls for a minimum of eight stadiums.<sup>39</sup> President Lula da Silva even initially considered 17 stadiums. This decision incurred tangible

<sup>37</sup> Portal da Transparência, Controladoria-Geral da União (CGU); [www.portaltransparencia.gov.br/copa2014/empreendimentos/investimentos.seam?menu=2&assunto=tema](http://www.portaltransparencia.gov.br/copa2014/empreendimentos/investimentos.seam?menu=2&assunto=tema).

<sup>38</sup> This is more than the cost of stadium construction in Germany in 2006 and South Africa in 2010 combined. <http://esportes.estadao.com.br/noticias/futebol,custo-das-obras-dos-estadios-da-copa-do-mundo-salta-263-em-seis-anos,1140010>; <http://placar.abril.com.br/materia/custos-dos-estadios-da-copa-de-2014-ficaram-42-maiores-que-o-previsto>.

<sup>39</sup> [www.fifa.com/mm/document/tournament/competition/02/36/32/63/faq\\_en\\_neutral.pdf](http://www.fifa.com/mm/document/tournament/competition/02/36/32/63/faq_en_neutral.pdf)



costs for the public. At least four of the stadiums are «white elephants» that lack adequate, cost-neutral uses following the World Cup. Brasília, Cuiabá, Natal and Manaus do not host football clubs that play in a higher professional league. An average of 500 spectators attend matches in Manaus; the revenues average R\$4,000 per match.<sup>40</sup> The city of Manaus must now maintain a stadium with 44,000 seats in an aggressive tropical climate. Its construction cost R\$757 million, or R\$242 more than provided for in the official budget. Like the National Stadium in the capital Brasília, Manaus now sometimes hosts top games of the *Serie A* between teams from Rio de Janeiro and São Paulo as well as occasional rock concerts, but that is not enough for it to break even. One year after the World Cup, eight of the twelve stadiums were operating at losses amounting to €42 million in 2014 alone. The maintenance of the new National Stadium in Brasília costs €200,000 per month; despite renting out space to the authorities of the Federal District, it ran up a deficit of €1.2 million by the end of 2014.<sup>41</sup>

Even in the legendary Maracanã Stadium in Rio de Janeiro, the stands are half to three-quarters empty for most games. Maracanã was once the largest stadium in the world, capable of accommodating one tenth of the city's population – and sometimes doing so –, today it is just another FIFA event arena like all the rest. Nobody has anything against greater security; however, the new concept shows how the «eventization» of elite sports is leaving its traditional supporters behind by aiming for a well-heeled audience that sees football matches as consumable «happenings». A decades-old fan culture that bridged Rio's social divides is being celebrated to death in VIP lounges with catering and waitstaff.

## Hidden costs

In addition to the official costs, the Brazilian public is liable for the hidden costs of the event. According to Act 12,350/2010, for example, FIFA is exempt from otherwise applicable import taxes, taxes on industrial products, and income and sales taxes for legal and natural persons. FIFA's income from the World Cup has also increased steadily: from around €1 billion in the period from 2003 to 2006 and around €3 billion from 2007 to 2010<sup>42</sup>, the organization reached a new income record of US\$5.72 billion, or more than €5 billion, from 2011 to 2014.<sup>43</sup> The Brazilian federal tax authorities estimate the tax shortfall to be nearly R\$559 million, or around €167

40 [www.welt.de/sport/fussball/wm-2014/article116947831/Brasilien-baut-das-absurdeste-WM-Stadion-der-Welt.html](http://www.welt.de/sport/fussball/wm-2014/article116947831/Brasilien-baut-das-absurdeste-WM-Stadion-der-Welt.html)

41 Results of a survey by the daily newspaper Folha de São Paulo (June 12, 2015), p. B6.

42 [www.handelsblatt.com/fussball-fifa-wm-in-suedafrika-beschert-fifa-rekordumsatz/3912516.html](http://www.handelsblatt.com/fussball-fifa-wm-in-suedafrika-beschert-fifa-rekordumsatz/3912516.html)

43 Appraisal by the auditing firm BDO: <http://esportes.estadao.com.br/noticias/futebol,fifa-deve-arrecadar-r-10-bilhoes-com-a-copa-do-mundo-de-2014,1012697>, which coincides with German newspaper reports, [www.handelsblatt.com/1-6-milliarden-euro-gewinn-fifa-feiert-rekord-wm/10255290.html](http://www.handelsblatt.com/1-6-milliarden-euro-gewinn-fifa-feiert-rekord-wm/10255290.html); FIFA financial report 2014, [http://de.fifa.com/mm/document/affederation/administration/02/56/80/39/fr2014webde\\_german.pdf](http://de.fifa.com/mm/document/affederation/administration/02/56/80/39/fr2014webde_german.pdf)





Protests during the World Cup:  
protesters and police in Belo Horizonte







million.<sup>44</sup> The tax exemptions for the 2016 Olympics will be six times higher than those for FIFA, namely €1.25 billion.<sup>45</sup>

For contracts related to the World Cup, companies primarily in the construction industry were granted particularly low-interest loans from state banks (which obtained the funds at regular interest rates on the capital market – the companies were thus subsidized through increased government debt) and tax relief. According to estimates by the Brazilian court of auditors, this meant a shortfall of R\$329 million (€110 million) for the Brazilian treasury.<sup>46</sup>

Significantly increased expenditures on public security – additional working days for police, the army and fire departments, the purchase of nonlethal weapons and ammunition such as tear gas (more on this topic in Section 5) resulted in indirect costs, as did temporary facilities for the big event.<sup>47</sup>

Finally, the numerous public holidays caused considerable costs. Municipal authorities declared full or half-day holidays on match days to reduce traffic. Furthermore, Brazil has a tradition of giving employees a half or a full day off whenever the Brazilian national team plays. The working hours lost reduced the gross national product and at least partly counteracted any gains from the World Cup.

## Extraordinary regimes

A part of these indirect costs arose from the multiple regimes of exemptions used to secure the events by the responsible sports federations (FIFA, IOC) and the national governments. These regimes compete with, and frequently contradict, applicable national laws. Two laws were passed for the mega-events in Brazil: the World Cup Act (No. 12,263/2012) and the Olympic Act (12,035/2009). While the Brazilian government bears responsibility, the laws are conditions imposed by FIFA and the Olympic Committee: no World Cup without a World Cup Act, no Olympic Games without an Olympic Act.<sup>48</sup> Special institutions such as the «extraordinary secretariat for the security of mega-events» created by the Brazilian federal ministry of justice support the implementation of the special laws.

The World Cup Act was hotly debated because it limited the sovereignty of Brazil and set up parallel legal systems that conflicted with applicable law in several respects. Federal law, for example, quite sensibly prohibits the sale of alcoholic beverages in football stadiums. The World Cup Act, however, permitted the sponsor's beer to be sold in World Cup stadiums. A restricted zone with a radius of two kilometers

44 [www.noticiasfiscais.com.br/2012/09/16/fifa-ganha-isencao-de-mais-de-meio-bilhao-de-reais-para-realizar-acopa](http://www.noticiasfiscais.com.br/2012/09/16/fifa-ganha-isencao-de-mais-de-meio-bilhao-de-reais-para-realizar-acopa)

45 <http://olimpiadas.uol.com.br/noticias/redacao/2012/11/29/aprovada-pela-camara-isencao-de-impostos-a-empresas-contratadas-para-as-olimpiadas-do-rio.htm>

46 <http://copadomundo.uol.com.br/noticias/redacao/2014/01/16/entre-investimento-e-renuncia-governo-coloca-r-750-mi-em-estadios-da-copa.htm>

47 [www.boell.de/de/2014/06/03/wm-fuer-wen-die-kosten-der-fussball-weltmeisterschaft-2014](http://www.boell.de/de/2014/06/03/wm-fuer-wen-die-kosten-der-fussball-weltmeisterschaft-2014)

48 See in greater detail on this and the next point: Justiça Global, PACS: *Na Sombra dos Mega-Eventos. Exceção e Apropriação Privada*. Rio de Janeiro (June 2012), available at [http://br.boell.org/sites/default/files/downloads/Na\\_Sombra\\_dos\\_Megaeventos\\_FINAL\\_maior.pdf](http://br.boell.org/sites/default/files/downloads/Na_Sombra_dos_Megaeventos_FINAL_maior.pdf)

was put in place around the stadiums. In this area, FIFA decided who was allowed to do business and who was not. Street vendors needed a license from FIFA and were only allowed to sell products of the sponsors. They are perhaps the largest occupational group in the informal economy, which still accounts for around 44 percent of the labor force.<sup>49</sup> Mega-events are thus crucial to securing the livelihoods of millions of Brazilian families. The scheme violated their right to work and right to freedom of movement as guaranteed by the Brazilian constitution and the UN International Covenant on Economic, Social and Cultural Rights (ICESCR), which Brazil ratified. The case of the «baianas» – white-robed Afro-Brazilian vendors in Salvador da Bahia who sell acarajé, a typical local snack – gained publicity when the vendors were forced to leave their stalls in and around the stadium, but were partially successful in overturning the ban. Other street vendors joined forces elsewhere and succeeded in getting minor exemptions from FIFA's exemptions.<sup>50</sup>

The concept of mega-events as a particularly intrusive business model is especially apparent in the marketing provisions required by FIFA that went into law in Act 12,263 (and are comparable to those previously applied to South Africa and Germany). According to this act, the World Cup is not an inclusive celebration or shared cultural institution, but a privatized FIFA commercial property. FIFA alone is authorized to use the term «Football World Cup» and its associated symbols; anyone needing to work with these terms or symbols (i.e. the media) or wishing to use them in their advertising (such as retailers) need to pay FIFA for the right. Violations constitute criminal offenses punishable by up to one year in prison. In the opinion of legal experts, this violates the right to free speech and free initiative established in Articles 5 and 170 of the Brazilian constitution.

The «differentiated tender regulation» (Act 12,462/2011) suspends existing laws for tenders in connection with the World Cup and Olympic Games. Invitations to tender can thus be limited to a particular product or specific company. Construction projects can be approved without the submission of a project description. In «integrated contract acquisition», the contracting company is responsible for its own work. Estimated total costs can be classified as secret. If the lowest bidder withdraws, the second-lowest bidder can carry out the project in accordance with its bid (not as otherwise required, for the price of the lowest bid).

A further law (Act 12,348/2010) permits local authorities to assume debt greater than their net income for infrastructure measures related to the World Cup. This caused the net indebtedness of some municipalities to balloon, or led to spending cuts in key social areas. In 2012, the mayor of Belo Horizonte applied to the Supreme Court for the temporary suspension of the provision in the city's 1990

49 [www.valor.com.br/brasil/2919914/pais-ainda-tem-442-milhoes-de-trabalhadores-informais-etima-o-ibge](http://www.valor.com.br/brasil/2919914/pais-ainda-tem-442-milhoes-de-trabalhadores-informais-etima-o-ibge)

50 [http://apublica.org/wp-content/uploads/2012/04/1-publicacao\\_SN\\_small\\_pt\\_001.pdf](http://apublica.org/wp-content/uploads/2012/04/1-publicacao_SN_small_pt_001.pdf); [www.copa2014.gov.br/pt-br/noticia/360-ambulantes-serao-cadastrados-para-trabalhar-na-area-externa-da-fan-fest-em-fortaleza](http://www.copa2014.gov.br/pt-br/noticia/360-ambulantes-serao-cadastrados-para-trabalhar-na-area-externa-da-fan-fest-em-fortaleza). See also Marilene De Paula: *The 2014 World Cup in Brazil: Its Legacy and Challenges*, Zurich (2014), 7f., [www.solidar.ch/data/seiten/88A238F7/Study\\_World\\_Cup\\_Brazil.pdf](http://www.solidar.ch/data/seiten/88A238F7/Study_World_Cup_Brazil.pdf).

framework law that stipulates a minimum share of 30 percent of the budget for education. The reason: the city's high expenditures for the World Cup.

## The economic benefits

Expectations were generally low, but the World Cup went surprisingly smoothly. The many additional public holidays reduced the usual traffic chaos; the improvised structures of the airports – all of which were still being renovated at kickoff time – stood up to the onslaught. The impressive protest movement of the year before was no longer apparent during the matches. Things remained generally peaceful and petty crime against tourists stayed within reasonable limits. According to the polls that the media conducted among foreign World Cup visitors, the vast majority were satisfied. In the run-up to the World Cup, many Brazilians had lukewarm feelings toward the event. They nevertheless joined in, at least until the day Germany gave the Brazilian team a 1:7 beating on its home turf in the semifinals – an experience that will undoubtedly define the 2014 World Cup's place in history for Brazilians.

Yet the government and reputable supporters promised that not only tourism, but the entire economy would benefit greatly. In 2010, two prestigious institutions – the consulting firm Ernst & Young and the Brazilian think tank Fundação Getúlio Vargas – published a study that predicted the World Cup would create an annual 3.6 million new jobs in Brazil, prompt R\$142 billion in investment and attract an additional three million tourists a year to the country.<sup>51</sup>

A study commissioned by the Brazilian sports ministry, also in 2010, promised infrastructure investment of R\$33 billion, an additional R\$9.4 billion income from tourism, 330,000 permanent and 380,000 temporary jobs and a R\$16.8 billion increase in tax revenue.<sup>52</sup> A more recent study by the tourist ministry referred to one million new jobs. Even the former figures would have constituted no less than 15 percent of the 4.8 million jobs created under the Rousseff government since 2010. Brazil claims to have received R\$30 billion in investment, corresponding to roughly 0.6 percent of GNP.<sup>53</sup>

According to the government, 24,500 additional jobs were created in construction, all tied to the additional building measures and thus temporary. The overall hotel occupancy rate during the World Cup was a modest 61 percent and significantly below expectations in several host cities.<sup>54</sup> According to the federal police,

51 Ernst & Young: *Brasil Sustentável. Impactos socio-econômicos da Copa do Mundo 2014*, São Paulo (2010), [http://fgvprojetos.fgv.br/sites/fgvprojetos.fgv.br/files/estudo\\_9.pdf](http://fgvprojetos.fgv.br/sites/fgvprojetos.fgv.br/files/estudo_9.pdf).

52 Ministério do Esporte: *Impactos econômicos da realização da Copa 2014 no Brasil*, Brasília (March 31, 2010)

53 [www1.folha.uol.com.br/poder/2014/07/1485486-copa-do-mundo-injeta-r-30-bilhoes-na-economia-brasileira-diz-fipe.shtml](http://www1.folha.uol.com.br/poder/2014/07/1485486-copa-do-mundo-injeta-r-30-bilhoes-na-economia-brasileira-diz-fipe.shtml). The study itself was not to be found on the internet – not even on the site of the institute that carried it out: ([www.fipe.org.br](http://www.fipe.org.br)).

54 [http://fohb.com.br/pdf/FOHB\\_panorama\\_ocupacao\\_copa\\_2014.pdf](http://fohb.com.br/pdf/FOHB_panorama_ocupacao_copa_2014.pdf); [www.revistahoteis.com.br/hotelaria-comemora-legado-da-copa-do-mundo-de-2014](http://www.revistahoteis.com.br/hotelaria-comemora-legado-da-copa-do-mundo-de-2014)

around 700,000 foreigners visited the country for the World Cup. A point that is frequently overlooked, however, is that the World Cup will have deterred other potential tourists from traveling to Brazil during the World Cup year. It also had a significant impact on domestic travelers, the main source of income for the tourist industry in Brazil. In July 2014, Brazilian tourists traveling abroad spent the record amount of US\$1.25 billion, and thus around \$90 million more than international football tourists spent in Brazil during the same period.<sup>55</sup>

It is common knowledge that studies are rarely objective, and so it is no coincidence that these studies were commissioned by the government or government-related institutions. The findings of the economists of the Hamburg Institute of International Economics and Berenberg, a private bank, are likely closer to the truth: According to Berenberg, the World Cup had a «negligible» effect on growth. Sustainable growth effects were a «fallacy».<sup>56</sup> The World Cup in Brazil is by no means an outlier in this respect. Numerous studies have shown that the economic benefits of sporting mega-events are negligible or nonexistent: «Mega-projects notoriously suffer heavy cost overruns, often fail to deliver the supposed benefits and regularly provoke financial crises,» according to the experts John and Margaret Gold's summary of mega-events in recent decades.<sup>57</sup>

There was no economic growth to speak of in 2014: the official figure was precisely 0.1 percent. The World Cup can therefore not have yielded any significant growth-promoting effect. The number of unemployed also failed to decline; the promised millions of lasting jobs beyond the World Cup never materialized.

In public transportation, planning and execution differed dramatically. Yet the untenable public transportation situation was one of the main factors prompting the protests in June 2013. The stadiums were somehow completed, but more than half of the public transportation projects for the World Cup – roads, trams, subways – did not materialize.<sup>58</sup> The benefits of the completed projects are further reduced by their generally incidental nature. Most of the transportation projects connect airports, city centers and sports venues and tend to have only occasional benefits for the general population, unlike projects specifically designed to serve densely populated, neglected urban areas. As shown above, the west of the city will have better connections to more central areas after the Olympic Games. However, millions of commuters in the north and northeast of the Rio metropolitan area, the Baixada Fluminense, remain dependent on inadequate, decrepit commuter trains. The situation is similar in other World Cup cities. Incidentally, Curitiba – once a

<sup>55</sup> De Paula, 2014 World Cup, 10

<sup>56</sup> [www.faz.net/aktuell/wirtschaft/konjunktur/neue-studie-kein-wm-aufschwung-fuer-brasilien-12937584.html](http://www.faz.net/aktuell/wirtschaft/konjunktur/neue-studie-kein-wm-aufschwung-fuer-brasilien-12937584.html)

<sup>57</sup> John Gold, Margaret Gold: «Olympic Cities: Regeneration, City Rebranding and Changing Urban Agendas,» *Geography Compass* 2/1 (2008), 300–318, cf. p. 313; B. Flyvbjerg, N. Bruzelius, W. Rothengatter: *Megaprojects and risk: an anatomy of ambition*. Cambridge (2003); John Gold, Margaret Gold (ed.): *Olympic Cities: City Agendas, Planning, and the World's Games, 1896–2016*, New York (2011).

<sup>58</sup> For analyses of the individual host cities, see the relevant texts in Junior, Gaffney, Ribeiro, Impactos da Copa e the Olimpíadas, loc. cit. esp. 219–482.

model city for public transportation in Brazil that had already implemented a BRT system in the 1970s – now has the highest density of cars of not only the World Cup cities, but of all Brazilian cities. In Curitiba, one car currently serves less than two (1.8) inhabitants.<sup>59</sup>

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**59** <http://exame.abril.com.br/brasil/noticias/curitiba-e-capital-com-mais-carros-por-pessoa-veja-ranking>.



## 4 The social costs of mega-events

Sports venues and routes for public transportation projects account for the bulk of the construction volume for major events. It is these projects in particular that require the relocation of homes and entire settlements. Forced evictions are always problematic, yet they do not necessarily constitute a human rights violation. According to estimates compiled by the twelve World Cup People's Committees, however, no less than 250,000 people were affected by forced evictions in the run-up to the World Cup. Reliable official figures are not available, especially since many municipal administrations deny a connection to the mega-events and instead categorize the evictions as public safety measures – a frequent example is the danger of landslides on the steep slopes where many of the working poor build their informal settlements. While landslides do constitute a danger, the authorities' assessment of public safety hazards has a curious tendency to focus on locations of interest for construction projects. In many cases, however, there are alternatives to eviction.

According to the Rio municipal administration, 20,299 families were evicted between 2009 and 2013. Only 2,038 of those evictions were officially due to the World Cup, however.<sup>60</sup> By contrast, the Rio People's Committee Rio counted 4,772 families evicted and 4,916 threatened with eviction in connection with the preparation for the World Cup and the Olympics.<sup>61</sup> Of the four major roads with dedicated bus rapid transit (BRT) lanes, the Transcarioca (from Barra da Tijuca to the international airport) and Transoeste have been completed to date. At least 1,042 homes are due to be demolished for the Transolímpica, which will connect Barra da Tijuca with the as yet unbuilt Olympic centers in Deodoro in the north. 876 houses in the settlement of Vila União de Curicica alone were slated for demolition but then spared by changing the route. Now, only 191 families need resettlement.<sup>62</sup> This reduction was only possible due to pressure from the residents, which highlights a crucial point for the evaluation of evictions. Firstly, of course, there must be a legal basis. The government may evict people from homes standing in the way of the realization of a «public interest». How this is done is decisive, however. International law, including, but not limited to the 1966 United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR) ratified by Brazil,

<sup>60</sup> Quoted here according to Raquel Rolnik: «Apresentação,» in: Faulhaber, Azevedo, loc. cit. 15–19, cf. p. 16. [www.secretariageral.gov.br/noticias/2014/julho/gilberto-carvalho-faz-coletiva-sobre-democracia-e-grandes-eventos/copa\\_2014\\_desapropriacoes-final-1.pdf](http://www.secretariageral.gov.br/noticias/2014/julho/gilberto-carvalho-faz-coletiva-sobre-democracia-e-grandes-eventos/copa_2014_desapropriacoes-final-1.pdf)

<sup>61</sup> Comitê Popular da Copa e Olimpíadas do Rio de Janeiro: *Megaeventos e Violações dos Direitos Humanos no Rio de Janeiro*, (June 2014), p. 21.

<sup>62</sup> PACS: *Rio 2016 de gastos* Nr. 1 (March 2015), p. 3.

the Brazilian constitution and the Brazilian urban statute all guarantee the right to housing as a human right and establish procedures for evictions. The most important principles are:

1. The people to be evicted must be informed in a timely and comprehensive manner.
2. They need to be involved and consulted in the process from the outset.
3. They must be offered adequate alternative housing or adequate compensation.
4. If at all possible, the alternative housing should be located in the immediate vicinity of the vacated dwelling.
5. Transport infrastructure, public services and cultural venues must be located within reach of the alternative housing; electricity, water and gas connections must be available.<sup>63</sup>

Brazil's municipal administrations violated these principles in an almost systematic manner. People stepped outside one morning and were surprised to find the large letters SMH and a number written on their houses. At first they did not know the meaning of the markings. SMH stands for the municipal housing authority (Secretaria Municipal de Habitação). The authority thus numbered the houses that were slated for demolition – information that was meant not so much for the families, but for the drivers of the bulldozers that appeared only a day later. Massive public protests that also attracted international attention ensured that this approach has become less common. The practice of putting residents under pressure to accept a proposed compensation and move out immediately remains unbroken, however. The historic failure of the state to regulate ownership rights in established informal settlements plays into the authorities' hands: People who have lived for decades in homes that they laboriously built for themselves do not have ownership titles and thus lack legal security. The Metrô-Mangueira favela near Maracanã Stadium, Providência Hill and Vila Autodrômo are but three examples of the authorities' divide-and-rule policy. While they intimidate some residents, others are offered generous compensation payments. This breaks the residents' collective resistance and forces others to give up their homes, accepting far lower compensation and resettlement offers in distant parts of the city. Following the demolition of the first houses in August 2010 to build a parking lot and an overpass to the stadium, the first 107 of 700 families in the Metrô-Mangueira favela were evicted from their homes without negotiations and sent to a public housing project about 50 kilometers from Maracanã. After protests from the remaining families that drew international attention, the municipal administration offered them a legally-sound solution: the opportunity to move to nearby settlements. The situation remains unresolved for some of the old inhabitants, however.<sup>64</sup>

<sup>63</sup> Mara Natterer and Lando Dämmer provide a good summary: «Legal Actions or Unlawful Interventions?» [www.boell.de/en/2014/06/05/legal-actions-or-unlawful-interventions](http://www.boell.de/en/2014/06/05/legal-actions-or-unlawful-interventions)

<sup>64</sup> *Dossiê Megaeventos e Violações dos Direitos Humanos no Brasil*, 3rd edition (2014), 37. Also see Faulhaber, Azevedo, loc. cit. Remoções, 37ff.

Meanwhile, a new development – the «Marvelous Port» – is taking shape in the city center's old port area, not far from Brazil's oldest favela on Providência Hill. Originally part of the Olympic project, it was intended to house the referees and media center, but the municipal administration abandoned the idea in 2014.<sup>65</sup> This reduced the project to its core benefit: the commodification of a central urban space.

Reviving crumbling urban spaces and making them attractive to the city's people makes good sense. The question is how those responsible deal with the residents and the idea of the social and functional mix of such spaces.

The city built a cable car for €25 million, connecting the hill with the nearby main station and other destinations, to ensure the «urban integration» of the settlement. But as Mayor Paes himself explained, it is mainly intended to enhance the quality of the port project for tourism. 832 houses were slated to be demolished for the cable car. Once again, it took vocal protests before the people were even properly informed and at least partly consulted – the bulldozers were already on the hill at that point. Many local residents question the cable car's utility in terms of public transportation, not least in view of its high cost.<sup>66</sup> The municipal administration had neglected the area along the old port for decades. 40,000 people, mostly with low incomes, were living there at the time the city suddenly declared the area to be part of the Olympic complex. The municipal administration opened the area for bidding from international investors along the lines of similar projects from Baltimore to Barcelona, making it the object of a commoditization strategy that called for the construction of hotels, shopping centers, luxury apartments, office buildings and a dock for cruise ships.<sup>67</sup>

Evictions of the kind described here for Rio de Janeiro took place throughout the country.<sup>68</sup> Officially 10,804 private homes and 35,635 people were affected. Outside of Rio, further focal points of evictions were Alegre, Fortaleza<sup>69</sup> and Recife. The National Association of World Cup People's Committees (ANCOP), which co-operates closely with the affected settlements in all host cities, doubts the official figures released only shortly before the final game of the World Cup and suspects that the government disregarded numerous construction projects that are at least indirectly associated with the tournament. ANCOP estimates that 250,000 people were either evicted or threatened with eviction.<sup>70</sup>

65 <http://extra.globo.com/noticias/rio/porto-maravilha-devera-deixar-de-fazer-parte-do-projeto-olimpico-11877422.html>

66 <http://rioonwatch.org.br/?p=11751>

67 *Dossiê Megaeventos e Violações de Direitos Humanos no Rio de Janeiro 2014*, 41–45; *Fórum Comunitário do Porto: Relatório de Violação de Direitos e Reivindicações*, (May 2011).

68 In detail: *Dossiê Megaeventos e Violações de Direitos Humanos no Brasil 2014*, 19–46.

69 [www.secretariageral.gov.br/noticias/2014/julho/gilberto-carvalho-faz-coletiva-sobre-democracia-e-grandes-eventos/copa\\_2014\\_desapropriacoes-final-1.pdf](http://www.secretariageral.gov.br/noticias/2014/julho/gilberto-carvalho-faz-coletiva-sobre-democracia-e-grandes-eventos/copa_2014_desapropriacoes-final-1.pdf)

70 *Dossiê Megaeventos e Violações de Direitos Humanos no Brasil 2014*, 41f.

## 5 Paix aux chaumières?

### Security strategy (in the service) of mega-events

In late 2009, the Rio military police deployed its first «pacification police unit» (Unidade de Polícia Pacificadora, UPP) in the Santa Marta favela. The city thus put a new security concept into practice. The usual approach had been to send heavily-armed special forces on brief raids into densely populated favelas to engage suspected drug traffickers in firefights that often ended fatally – for the suspected criminals as well as innocent bystanders. Now, the favelas are being «taken back» and permanent police units are being put in place, with the police announcing the occupation in advance. In response, the dealers usually withdraw quietly beforehand.

The end of the armed conflict between drug traffickers and the police and between competing groups has increased the people's safety and quality of life significantly and should therefore be welcomed. The centuries-old attitudes and practices of the police with regard to the poorer and mostly black population did not change overnight, however. Police patrol the narrow streets armed to the teeth. Residents complain of harassment, humiliation, unauthorized house searches, body searches and decisions that impair social and cultural life in the favelas. Despite timid attempts to introduce civil police elements, at their core the UPPs are unfortunately nothing more than a military occupation regime that only concedes limited rights to the residents. While they mitigate the logic of urban warfare against favelas, they do not break it. The accompanying social and training programs («UPP Social») are underfunded and implemented only sporadically, thus reducing the UPP project in practice to its first phase, the military occupation.<sup>71</sup>

The program has not succeeded in guaranteeing the favela inhabitants their historically overdue full citizenship rights. Furthermore, the UPPs have not led to the regulation of uncertain ownership rights – one of the long-standing demands of the favela population and one that is becoming increasingly urgent as pacified favelas, above all in the inner city areas, are becoming subject to massive gentrification.

38 UPPs with 9,543 police officers controlling a total of 264 favelas have been set up in five years. Above all the UPPs that were put in place first focused on areas of the city that a) were the locations of existing and future Olympic facilities, b) featured

<sup>71</sup> Greater detail is provided in the first empirical study of the UPPs: Ignacio Cano, Doriam Borges, Eduardo Ribeiro: *Os Donos do Morro, Rio de Janeiro* (2014)

hotels and zones of relevance for tourism or areas that were being developed on a grand scale such as the old port area, and c) residential areas of the middle and upper classes.

Beyond the unresolved question of whether the costly UPPs will actually be maintained beyond 2016, it has become apparent that the UPPs are not only the core of a revised security strategy for the city, but an integral part of the project of a privatized, competing city. They safeguard public and above all private investments within the mega-event business model, guaranteeing first and foremost that the model can be implemented in practice. Security heads the list of criteria for potential investors.

It goes without saying that a host country must ensure the safety of athletes and visitors. In view of crime rates in all categories – from pickpocketing to murder – ranging in the top third in a worldwide comparison, security has been a high-priority topic of discussion between the Brazilian authorities and FIFA and the IOC from the outset. Good preparation and preventive measures were urgently needed. The impact of security strategies for and during mega-events lingers on after the games, however. «Sport Mega-Events have entered a new phase of development and growth, and their securitization provides perhaps the most striking illustration of that transformation,» note the experts Guilanotti and Klauser.<sup>72</sup>

As a legacy, they often leave increased privatization, the militarization of public security policy and stricter laws. Add to this newer and more widespread security technologies such as complete CCTV coverage of public spaces and all of their ambivalence in terms of data privacy and civil rights, for example with regard to the «cleansing» of public areas of «undesirables» such as the homeless.<sup>73</sup> Legislators put forth a draft anti-terrorism act for the World Cup that included «terrorism against property» as an offense. They also curtailed the previously very liberal right to demonstrate with restrictions such as a ban on the wearing of masks.

In a democratic polity, the police are ultimately responsible for public security. In Brazil, however, parts of the police are a security risk. According to a widely accepted theory of the Brazilian sociologist Michel Misse, «dangerous connections» exist between drug traffickers, the police and political elites. They encounter one another in an economy in which corruption is the currency and drug traffickers pay the other groups for «political goods» such as weapons from police and army stockpiles, trafficking guarantees in certain territories, the elimination of competitors, assistance in money laundering, access to the formal economy, legal services and political contacts.<sup>74</sup> The Brazilian police thus privatizes public security and sells it on illegal markets. FIFA and the authorities were, understandably, not

72 Richard Guilanotti, Francisco Klauser: «Security Governance and Sport Mega-events: Toward an Interdisciplinary Research Agenda,» *Journal of Sport and Social Issues* 34 (1), (2010), 49–61, cf. p. 58.

73 Ibid. and Guilanotti, Klauser: Security and Surveillance.

74 Michel Misse: «Mercados ilegais, redes de proteção e organização do crime no Rio de Janeiro,» in: *Estudos Avançados* 21 (61), (2007), 139–157; same author: *Crime e violência no Brasil contemporâneo: estudos de sociologia do crime e da violência urbana*, Rio de Janeiro (2006).

interested in a discussion of the degree to which the specific shortcomings of the Brazilian state – especially its militarized and systemically corrupt police force – are part of the problem, and how arming it further could have a negative impact on the social power structure. And Brazil's police certainly acquired more arms: R\$1.17 billion – around €400 million – was made available for the World Cup. Its purchases included four Israeli drones, 27 robots otherwise used for bomb disposal in places like Afghanistan and Iraq, 270,000 teargas and pepper gas grenades, 263,000 clips of rubber bullets and 30 tanks from the German army.<sup>75</sup>

In the course of 2014, attacks on UPP facilities and fatal shootings by UPP officers increased significantly. To date, 14 UPP officers have died violently; at the same time, UPP officers fatally shot at least 40 people.<sup>76</sup> The UPP model is in a serious crisis. Furthermore, statistics for violent crime have risen sharply in peripheral areas of the Rio metropolitan area (Baixada Fluminense) in particular as drug trafficking and the associated violence has been displaced there. The UPP is unpopular within the police; it has a bad reputation and the incentives to work there are inadequate.<sup>77</sup> Without a comprehensive police reform that breaks with the logic of war, raises the pay of police officers and changes the structure of their training toward citizen orientation and the protection of life and human rights, the UPPs will not achieve the necessary positive effects, even as a project with the time perspective of a generation.

In a countermovement to these considerations, the Brazilian government deployed soldiers with no training whatsoever in police work during the World Cup. The armed forces mobilized 57,000 soldiers, among them 21,000 members of the reserves, during the tournament.<sup>78</sup> The Maré favela complex alone, clearly visible to visitors along the highway from the airport to the inner city – now less so after the construction of a «noise barrier»<sup>79</sup> – was occupied by 3,000 soldiers that had acquired the requisite experience while deployed in Haiti after the earthquake. The occupation was extended to December 2014, and again to April 2015. It took a full year before the soldiers withdrew from the area in the heart of Rio de Janeiro.

Rededicating favelas is an even more effective strategy than subjecting them to military occupation. This is currently in progress in the favelas near the beach in the city's southern zone. The UPPs are securing the formal economy's entry: banks are opening branches, electricity companies are taking down the cables used to «hijack» power from the street, installing regular power lines and issuing proper bills to the inhabitants; and the cable television companies and waterworks are

75 *Dossiê Megaeventos e Violações de Direitos Humanos no Brasil 2014*, 121.

76 [www.estadao.com.br/infograficos/pms-mortos-em-upp-no-rio-de-janeiro,261009.htm](http://www.estadao.com.br/infograficos/pms-mortos-em-upp-no-rio-de-janeiro,261009.htm); <http://global.org.br/arquivo/noticias/sobre-violacoes-de-direitos-em-favelas-com-upp>.

77 Cano et al, *Donos do Morro*, loc. cit. 144ff.

78 [www.jornalnh.com.br/\\_conteudo/2014/05/noticias/regiao/44592-efetivo-de-900-soldados-do-exercito-da-regiao-devem-atuar-na-copa.html](http://www.jornalnh.com.br/_conteudo/2014/05/noticias/regiao/44592-efetivo-de-900-soldados-do-exercito-da-regiao-devem-atuar-na-copa.html)

79 Parallel to the evictions, a means of making favelas invisible. A further approach is to omit favelas from maps or views of the city used in advertising, or temporarily remove them in Google Maps for example; see Steinbrink, *Festifavelisation*, loc. cit.



following suit. Men with attaché cases full of cash are making the rounds in Vidigal, Cantagalo, Babilônia and Chapéu Mangueira – all favelas with a sea view. The modest range of activities under the UPP Social program does not include providing legal or investment advice to residents who do not have experience in these matters nor bank accounts and often only possess rudimentary reading and writing skills. They do not have formal property titles, but perhaps the mother needs surgery – and suddenly someone shows up and slaps €30,000 in cash on the table. Exponential rent hikes drive out rental tenants, which in some favelas constitute the majority of the population.

While the fact that the protests fell silent during the World Cup and those in the weeks before the event paled in comparison to those of the year before partly had internal reasons within the movement, the massive criminalization strategy pursued by the authorities and media since the end of 2013 had a major chilling effect. Activists, critical parliamentarians and journalists were broadly denounced as troublemakers and hooligans in the mainstream media and by government officials. The campaign took on the character of a witch hunt after a protest in which a cameraman received such a severe head injury from a badly thrown firecracker that he died days later. On the eve of the World Cup final, the police in Rio took 19 activists into preventive detention on the basis of what turned out to be insufficient circumstantial evidence.<sup>80</sup> The intense security measures certainly helped reduce crime and violence in the urban areas relevant to the World Cup, but at the same time subjected many Brazilian citizens and their neighborhoods to yet another addition to the numerous exceptional regimes and an escalation of force due to militarization; they essentially found themselves in collective detention for the duration of the tournament.

80 *Dossiê Megaeventos e Violações de Direitos Humanos no Brasil 2014*, 129ff.



Quiet after 10 pm: the police breaks up  
a street party following a World Cup match in São Paulo





## 6 Mega-events and democracy

Observers of mega-events note two important trends: they are becoming ever more gigantic with regard to capital and organizational commitments, and they are increasingly being held in countries of the South, especially in newly-industrialized countries.<sup>81</sup> In comparison to established industrialized countries, they are not always, but frequently marked by greater social inequality, higher rates of violence, less effective governance, gaps in the rule of law and greater corruption. These circumstances cause the mega-event model to have a profound impact on the social fabric. Using Brazil as an example, important effects can be summarized as follows:

1. The logic of the «urban corporation» wins out over the understanding of the city as a participatory socio-cultural community and a space for action for the fulfillment of a variety of human needs and the negotiation of collective interests, even in places where the «right to the city» has been codified.<sup>82</sup>
2. In urban development policy, this places the principle of exchange value before utility, the investment principle before the legal principle, private before public interests and asymmetry before symmetry.
3. The (affected) population is given little or no say in profound changes to the city and the cuts, ruptures and reorganization of public space.
4. Costs are borne by the public, profits are privatized. The World Cup and the Olympics in Brazil are mostly financed by the public sector; the bulk of the profits are partly or fully tax-exempt. Public budgets are saddled with debt and unproductive costs such as maintaining large stadiums that are no longer needed

**81** Steinbrink, *Festifavelisation*, loc. cit. 129. In 2010, for instance, India hosted the Commonwealth Games, China the EXPO and Brazil the World Cup.

**82** The discussion of the «right to the city» was first proposed by the French sociologist Henri Lefebvre. Lefebvre described the socio-economic segregation in the cities of the 1960s, and in view of the discrimination faced by broad segments of the population, he formulated a «right to the city» in the sense of a collective understanding about and participation in the qualities and benefits of urbanized society. Ultimately the question is, who owns the city, and what purposes does it serve? This understanding is reflected in the Brazilian urban statutes that apply to cities with 20,000 or more inhabitants. The basic idea can be found in the first two of the 16 general principles: (I) a guaranteed right to sustainable cities, understood as the right to urban land, housing, ecological restoration, urban infrastructure, transportation and municipal services, and the right to work and leisure for current and future generations; (II) democratic management through participation of the population and their representative associations in the formulation, execution and monitoring of urban development plans, programs and projects. Câmara dos Deputados: *Estatuto da Cidade*, 2nd ed., Brasília (2009), available at <http://bd.camara.gov.br>.



(white elephants). The budgets of policy areas that are especially relevant to the majority of the population, such as social services and transportation, suffer major shortfalls.

5. The often-promised investments in facilities for mass or school sports are, as in Brazil, often low – in Brazil they were so low of late that FIFA was compelled to remedy the situation somewhat after the World Cup.
6. In public transportation – the primary area of positive legacies for the majority of the people – more than half of the projects were cancelled or not completed. The completed projects prioritize faster and cheaper, but less future-proof or appropriate solutions such as bus rapid transit routes that are slower and considerably less safe<sup>83</sup> than a faster, cleaner subway capable of transporting significantly more passengers. This also holds true in Rio de Janeiro, which has completed only 41 km of subway lines since 1979. On the two BRT routes completed to date, 22 people have been killed in just two years of operation.<sup>84</sup> The majority of the new transportation routes follow the logic of the mega-events and their public benefits are thus more incidental than planned. Guanabara Bay will still be highly polluted by solid waste and sewage during the Olympics in 2016, despite the numerous programs that have been or will be carried out by the federal government and the state of Rio de Janeiro.
7. The implementation of transport projects and the commoditization of hitherto peripheral parts of the city like the old port area in Rio have high social costs in the form of illegal evictions, social cleansing and the militarization of public space. Preparations for the mega-events include «order shocks» by paramilitary units (Guarda Municipal) created to exercise social control over commoditized space and take action against street children, street vendors and homeless people.
8. Spatial inequalities are exacerbated and with it the division of the urban space into areas of light and shadow, fluidity and congestion, speed and slowness, dominion and obedience, as well as spaces of effective and virtual citizenship. Brazilian favelas have faced more than 100 years of repression. In gearing up for mega-events, the city is not about to give up the instrument of forced eviction, but it has recognized that a strategy of indirect eviction may be more effective for favelas in central locations or in the immediate vicinity of «better» neighborhoods: the gentrification of the favelas in the southern zone is quite tangible. Thus the special topography of Rio's southern zone, with its vertically organized close proximity of «hills and asphalt» that provided the kind of social mix advocated by urban sociologists – albeit doing so in an often absurd

<sup>83</sup> Despite having a dedicated lane, the BRT Transoeste has been the scene of 45 accidents with 20 fatalities and 159 people injured in two years. In only three months, two people died in connection with the busses of the BRT Transcarioca; 29 people were injured in ten accidents. See <http://transurbpass.blogspot.com.br/2014/10/transoeste-e-transcarioca-somam-55.html>. The figures are from October 2014.

<sup>84</sup> <http://extra.globo.com/noticias/rio/brrts-registraram-22-mortes-desde-inicio-da-operacao-media-de-uma-por-mes-13837418.html>

manner – is now being made more uniform. The migration of the poor to the periphery has now also begun in Rio as the city moves towards the socio-spatial segregation that is characteristic and typical of so many large cities in societies marked by great inequality. The old center-periphery model – one condemned in all urban planning worthy of the name – appears to have finally prevailed in Rio.

The protests in June 2013 were an encouraging sign for the future of Brazilian democracy. They were a spontaneous event that cannot be reproduced on command. Yet the fact that hundreds of thousands of their peers aired their grievances has had a lasting impact on the collective awareness of Brazil's young generation. A democratic community, albeit one marked by inequality and historic deficits in public education and health, need not quietly accept the spending of more than €8 billion on a World Cup and a government posturing as a great power while being incapable of providing elementary public services.

FIFA itself has recognized that mega-events and democracy have compatibility issues. In April 2013, even before the protests, FIFA Secretary General Jérôme Valcke – currently one of the subjects of a U.S. investigation into corruption in FIFA – noted that the political structure in Brazil had caused trouble for him and his organization. «[There are] different people, different movements, different interests and it's quite difficult to organize a World Cup in such conditions,» Valcke said. «Less democracy is sometimes better for organizing a World Cup. [...] When you have a very strong head of state who can decide, as maybe Putin can do in 2018 [...] that is easier for us organizers than a country such as Germany, where you have to negotiate at different levels.»<sup>85</sup>

<sup>85</sup> According to a Sport-Informationen-Dienst report dated April 24, 2013; see [www.tz.de/sport/fussball/fifa-generalsekretaer-valcke-will-weniger-demokratie-wm-planung-zr-2871693.html](http://www.tz.de/sport/fussball/fifa-generalsekretaer-valcke-will-weniger-demokratie-wm-planung-zr-2871693.html).