

Olympic Games in Brazil: The city in the window and citizens on the outside. Special Interview with Sandra Quintela

"The whole process involving the promotion of these events deepens and accelerates a reorganization of the city that seeks to ensure what we call 'city merchandise', a product to be sold and not a place where it takes place citizenship," said the economist.



The promotion of mega sporting events in the country has generated a lot of protests and controversy, especially due to the lack of transparency in the process management of the preparation of the host cities and the public resource management, that could be destined to meet social demands, but they end up being channeled to the finance of major infrastructure projects.

As explained by economist Sandra Quintela, in a telephone interview with IHU On-Line, this investment model has been repeated since the promotion of the Pan-American Games in Rio de Janeiro in 2007, going through the World Cup, in 2014, to the arrival of the Olympics this year, creating a large imbalance in the public budget.

"In the case of the Olympics, the city of Rio de Janeiro has quadrupled its budget in the last period, not from tax revenues but by a municipal indebtedness process. Now the resources are coming to completion of the works, there is an increase in civil engineering and other areas, but the impact it will generate in the public accounts in the medium and long term, we do not have conditions to measure" analyzes.

In addition to financial imbalance, the economist cites the privatization process of the cities as the most perverse result of the manner of conducting the promotion of these events in the country. "The reorganization of cities from these mega sporting events aims exactly to favor the real estate speculation and the privatization of the city in all dimensions, by a brutal process of exclusion and gentrification in the name of 'city product', the 'city merchandise', which needs be sold as a shop window for these events," she said.

In addition, the economist goes further. Notes that the management that has been held ends up interfering in its own sports activity and its relationship with the public. "The model that is being worked by these private organizations - such as FIFA and the IOC - is the sports commercialization. Thus, the sportsmanship is increasingly relegated to the background and what matters is profit, what is earned and what will take place with these mega sporting events. Therefore, I believe that the discussion is much deeper, since it is necessary to discuss the nature and character of these mega sporting events, because talking about sports, in fact, they have very little," she warns.

Sandra Quintela is an economist at the Alternative Policy Institute for the Southern Cone - PACS and member of the Network Jubilee South Americas.

Check out the interview.

IHU On-Line - Could you take stock of the Brazilian State investments in mega-events, from the Pan American Games up to now where the country prepares to host the 2016 Olympic Games? What were the amounts invested in these events?

Sandra Quintela - We have been following this process since 2005. Therefore, it is a trajectory of 11 years watching this organization in the city of Rio de Janeiro, from the Pan American Games, going through the World Cup to the Olympics. What we perceive is a great difficulty to access the volume of resources invested and the Olympics has been the most serious case.

In the Pan American Games were spent about 3.7 billion reais, in the World Cup were spent 25.5 billion reais and the current cost of the Olympics, which is not yet closed, since there are several works that are not included in the Game's Responsibility Matrix, is in the order of 39.08 billion reais, amount that was released at the end of January this year. You can see that the investment value has been increasing over time, and in the case of the Olympics, we are five months from the beginning of game's execution and we do not know yet what the total cost of the event's promotion.

When it was announced the promotion of Pan American Games, its cost was estimated at around 1 billion reais and after its completion, was increased to 3.7 billion reais due to overpriced works etc. With regarding to the World Cup, we are already seeing the white elephants that were built, which they have no use. This is the case of the built stadiums in Manaus, Cuiabá and Brasília - there are even projects to turn them into prisons etc. In the case of the Olympics, it needs a little more time to analyze why the data is not complete yet.

IHU On-Line - What economic impacts have been generated by the completion of mega sporting events in recent years in Brazil? It is possible to predict how long these impacts may still reflecting in the economy?

Sandra Quintela - Let's start with the issue of financial impact, for example, the hosting of the World Cup in Brazil, with the cost of 25.5 billion reais. It was expected that during the event period, the volume of tourists could contribute to the growth of the national economy, but it did not happen during the World Cup. Several of the optimistic economic analyzes that were made before this event were, just then, deconstructed by statements made by major newspapers and economists pointing out that the economic return of investment did not occur.

This translates into a process at the same time cruel and subtle, which is the construction of these mega stadiums with infrastructure works associated with them, such as highways, bridges and viaducts to access these spaces; it has generated a large real estate speculation in the World Cup's host cities and the removal of significant population groups, as were more than 750,000 people displaced from areas due to the works for the event. We have worked three reports on human rights violations in these actions and, together with the Cup Popular Committees and the Olympics in Rio de Janeiro; we are already working on fourth dossier specifically about the Olympics.

The Cup's financial impact is reflected in the indebtedness process of municipalities and states, because of the 25.5 billion spent on the World Cup, only 1.4% came from the private sector; the rest was paid with public money, the same resource that is either for education, health and sanitation, or for construction of white elephants, such as some of the stadiums. The source is the same, the state, through taxes and tributes that we all pay, and when there is money, the way out is to create new debts.

In the case of the Olympics, the city of Rio de Janeiro has quadrupled its budget in the last period, not from tax revenues but by a municipal indebtedness process. Now the resources are coming to completion of the works, there is an increase in civil engineering and other areas, but the impact it will generate in the public accounts in the medium and long term, we do not have conditions to measure. There is already a major concern here in Rio de Janeiro, because the State accounts are already in chaos, civil servants have not yet received the 13th salary of 2015 and we do not know to what extent this is related to accounts left over from 2014. I wonder if they are not "bodies that were in the closet" relating to expenses with the holding of the World Cup? We have not found any response for that question.

Finally, the impact is much more in the municipal and state level and the federal resources are somewhat diluted in several lines. However, within this context, what is much more serious is the process of real estate speculation that occurs from these public investments.

IHU On-Line - What is the impact of mega-events in the organization of the Brazilian cities? How the cities are restructured to receive such events?

Sandra Quintela - In fact the World Cup and the Olympics served as a great excuse to the elite's plans who rule the cities. The whole process involving the promotion of these events deepens and accelerates a reorganization of the city that seeks to ensure what we call 'city merchandise', a product to be sold and not a place where it takes place citizenship. We see that it is an excuse that legitimizes the city model centered exactly on a development pattern that benefits the real estate speculation and the life's privatization in urban areas.

In this sense, it is essential an increasing engagement in the struggle for the city's right, since the cities are becoming places specially meant to certain sectors of society, which are the most privileged groups. Today, for

example, if a person of the Rio de Janeiro's west zone want to go to the beach, she will need to take three buses. This is a gentrification process that has been deepening, and Rio de Janeiro in particular is a summary of what was a mega event like the World Cup, because here things have taken on a much larger scale.

The reorganization of cities from these mega sporting events aims exactly to favor the real estate speculation and the privatization of the city in all dimensions, by a brutal process of exclusion and gentrification in the name of 'city product', the 'city merchandise', which needs be sold as a shop window for these events.

IHU On-Line - What social areas (health, education, security ...) are being more relegated in accordance with the channeling of public funds for these mega sporting events? In addition, what sectors are being privileged? How is equalized the public budget?

Sandra Quintela - In Rio de Janeiro, from 2007 to 2016 nearly tripled the amount of resources destined to the public budget on security. It went from 2.5 billion reais to 7 billion reais of investments only for security. I specify the case of Rio de Janeiro because the Pan American Games, the World Cup and now the Olympics were promoted here, then it is an example that can be a summary of what happened in the promotion of these mega events in Brazil.

If today we look at the security weight in the public budget of the government of Rio de Janeiro state, we see that is about 15% of the total, education is about 10% and health is 8%. In 2007, the investment in education had a share of 15% of the state budget and now, lost 5% of this amount, while the funds for security increased by three times the amount. So it's possible to understand that at the expense of social investment, such as health and education, the public resources are channeled to public security, which is striking in Rio de Janeiro, since it can be seen in the streets a process of intense militarization.

For example, now the municipal guard is making the removal of the golf course communities. This is a new task and a new role for the municipal guard who until then had not been exercised and that is a reflection of these high investments in security.

For the Olympics are planned about 2.5 billion reais in investments in security, but in this amount are not included the salaries of professionals in this area, such as military, civil and federal police, etc. And this is a problem that is there, even with this trend to the increase of public security weight in the state budget mainly.

IHU On-Line - How it could be achieved the resources planning that propitiates the promotion of mega sporting events without unbalancing the public budget in Brazil?

Sandra Quintela - First, these mega sporting events is that should suit the city, not the city have to adapt to them. It should be reversed this logic, but what happens now is the logic's subversion of public administration and the public interest to serve the interests of the International Olympic Committee - IOC and the International Federation of Football - FIFA. It is important to remember that these are private organizations, funded by international mega-companies. Therefore, firstly we need to revise the way we think about the preparation of these events.

Particularly in Rio de Janeiro, what has been made of amendments in urbanistic terms have been served solely and exclusively to attend the interests of real estate speculation, it is very clear and obvious, and an example is the public transport. Bus lanes of BRT lines are being built, which pass through areas with lots of vegetation and are opening the veins to property speculation for condominiums, allotments, etc., mainly in the west zone of Rio de Janeiro.

We are also seeing a very large waste of public resources. Here in Rio de Janeiro, for example, it already had a golf course and now built a new field and a sandbank area, i.e., an area of environmental preservation, just to meet the interests of real estate speculation in Barra da Tijuca. Further examples of waste are the Celio de Barros Athletics Stadium and Júlio Delamare Water Park - both areas of training for athletics and for swimming - which are closed since before the World Cup. They are training centers of excellence in athletic and swimming that were not reopened since before the World Cup because the idea was to destroy everything and build the Maracanã complex, but there was a lot of fighting and this was not done.

Therefore, the model that is being worked by these private organizations - such as FIFA and the IOC - is the sports commercialization. Thus, the sportsmanship is increasingly relegated to the background and what matters is profit, what is earned and what will take place with these mega sporting events. Therefore, I believe that the discussion is much deeper, since it is necessary to discuss the nature and character of these mega sporting events, because talking about sports, in fact, they have very little.

IHU On-Line - Is it being repeated the Brazilian context with regard to investment planning in other countries that have hosted mega sporting events?

Sandra Quintela - For the World Cup in France were not built mega-projects. For the German Cup either, for example, the stadium where the final match was held in Berlin, is the same stadium in 1930, it was not destroyed and rebuilt.

On the other hand, what is happening here in Brazil is also now taking place in Qatar - including slave labor complaints - and in Russia. So this "mother lode" of finding the World Cup in the countries of the periphery's capital may propitiate a greater accumulation for these international private organizations - FIFA and IOC - who own the patent of events.

In Greece, it happened the same thing and all the Greek built equipment are abandoned because it happened again the Brazilian model and until today, they are paying the price of those 2004 Olympics. What I mean is that in some countries, especially those on the capital's periphery, the Brazilian model was repeated, and in developed countries, it did not happen, because it was more than an adaptation of the existing equipment.

IHU On-Line - Specifically about the Olympics, to be held soon, how do you assess the issue of transparency in the conduct of planning processes and resource management, with a view to the budget crisis in which the State of Rio de Janeiro is facing now?

Sandra Quintela - Transparency does not exist. The World Cup was much more transparent in this sense than the Olympics. The Olympics are a "black box", that no one knows for sure what will happen, as the responsibility matrix that they present is far short of what has been done, because there are many works that are out of what was expected.

In the Olympics is also being violated the Access to Information Act because they are not being provided requested information, there is no kind of accountability, transparency and public participation in any decision. Therefore, the Olympics really will culminate with the end of mega sporting events cycle in Brazil and also with the "huge absence" of transparency.

IHU On-Line - Could you talk a little about the initiative of the newsletter's development "Rio de Gastos", concerning the 2016 Olympics?

Sandra Quintela - During the Cup process, we have conducted two studies upon the expenditures during the event and we have seen the importance of them, due to the impact and the fact that this issue is very little discussed, or when it is addressed, the discussions are not deepened.

Our intention is to deal with the public resource theme, to know where it is being used, what city model is serving etc. So we have done two studies related to the World Cup spending, then we have put at the disposal of the World Cup and Popular Committees and, along with the Network Jubilee South Brazil, we have made a booklet explaining who pays the bill Cup.

From this experience, at the Pan American Games we have followed the Budget People's Forum, watching the expenditures in this event. It was possible to verify that it was important to continue working on this issue of spending in the Olympics because, first, there is no transparency; second, data are often complex, which refer to federal, state and municipal levels, thus there is some difficulty in making a synthesis of these expenditures. Therefore, the interest was to follow and disseminate public investments, budgets and also the impact of mega-events.

However, we are not working only on the investment issue. In one study upon environment, we have pointed out that Dow Chemicals Company - which was responsible for a terrible accident at Bhopal, India - is responsible for the sustainability policy of the Olympics, for example. So, we are also dealing with other information that are made invisible by the press, which deals with the Olympics only as something "cool."

It is noticed that the mainstream press does not fulfill the role it should, to lodge complaints and these analyses. Therefore, we have seen the need of this independent production of information, analysis and reports that could break a little this media blockade around these systems.

From the focus on spending, we have worked hard the idea that these investments and mega events are systematic violators of human rights and this is obscured in the current scenario. Our goal with this publication is to contribute to show the spending disparity with Olympic equipment and services compared to what the government spends on areas that should be priorities, such as social assistance and human rights. The next volume, which will be released soon, addresses the issue of security policies and all expenses related to public security in Rio de Janeiro.

IHU On-Line - What does represent the short and long term, the participation of public-private partnerships in the investment of these mega sporting events? In which does involve the budget, service management and public spaces of the host cities and the population's access to what is offered in this sport?

Sandra Quintela - The Public-Private Partnership - PPP is a great brand to conceal public money, as it speaks of "public-private partnership", so what appears - a widely used argument in the speeches of rulers - is that the State does not appeal with nothing and what is being done is by the private sector.

That was a very strong speech, for example, during the construction process of stadiums and infrastructure for the World Cup, saying, "the government is not spending anything, everything is connected to the private sector, either by PPPs or other types of concessions ". However, when the World Cup ends up and it comes the spending consolidation, we arrive to the number, which I have already spoken before, of almost 99% of public spending.

In the case of the Olympics, this speech is also being widely used. The PPP, in fact, contributes to the city's privatization process. Here in Rio de Janeiro we have the Porto Maravilha, the port area of Rio, which is the largest PPP in Brazil, where it is increasingly evident a radical privatization process of public spaces. The management of the entire area is now carried out by private companies, consortia, and this violates a series of rights to the city, as we have talked about before.

Thus, we observe that this speech of Public-Private Partnerships conceal the public spending. PPPs have a counterpart - from the private sector - that not always, in the case of the state, is monetary. For example, there are huge grounds - this the case of golf course, the Olympic Village and others - which are donated by the State, and also, the whole contracted services are state-owned and they are at the service of that initiative.

Frequently, in budgetary terms, what appears as exoneration or public consideration belongs to PPP, which has no transparency in the contracts. Therefore, the accounts are not clear, because a budget architecture is built with concepts that are slowly being introduced in the budget and that no one understands, but in fact, they are concealing public funds that are designed for works, where, at first, they say that there is no public money.

Here, we have Public-Private Partnership for building the Olympic Park, which includes the athletes' village. This partnership, which after Maravilha Port is the largest ever undertaken, provides that after the completion of games, 75% of this area - which is an area of 1.18 million square meters - will be used for housing ventures of high standard, to be sold by the concessionaire. So the State comes with everything, the company starts the building and then appropriates these buildings - luxury apartments - next to the Vila Autódromo, which is being forcibly removed.

IHU On-Line - Do you want to add something?

Sandra Quintela - After the Olympics it will be necessary to make a more detailed study of the impact and the legacy of this event, because, like the World Cup, it will only be possible to make a better analysis of how much was spent and what partnerships were public-private after everything is finished. This will be critical in the Olympics, which is a terrible black box, in which the works are not included in the responsibility matrix.

For now, what we are seeing in Rio de Janeiro are mega sporting events that serve to further divide the city and put it to service of private interests, consolidating a city of logic that excludes those who live in it, and this is the most serious in our opinion.

By Leslie Keys