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Gregory Scruggs

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FIFA World Cup Causes Financial and Human Burden on Brazilian Cities

by Gregory Scruggs
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As the calendar inches closer day to day to the opening match of the 2014 Fédération Internationale de Football Association (FIFA) World Cup in Brazil, questions mount about the impact of the global sporting event on the country’s 12 host cities. Brought to international attention by last year’s street protests, issues such as white-elephant stadiums, cost overruns at public expense, corruption in building contracts (NotiSur, July 1, 2011), human rights abuses against construction workers, and housing evictions in low-income communities persist (NotiSur, March 9, 2012). While the tournament draws are complete and soccer fans have depleted the first round of ticket sales, the behind-the-scenes preparation has been a far less smooth process.

Particular items of concern include overly large stadiums in Manaus, Brasilia, and Cuiabá; worker fatalities at new stadiums under construction in São Paulo and Manaus; and forced evictions in the wealthy southern capitals of Curitiba and Porto Alegre. The World Cup has subsequently received a recent barrage of negative media attention, driven by eyewitness reports and systematic documentation by civil-society groups. Several Brazilian companies and public agencies have in turn been compelled to release statements in defense of their business practices and procurement policies. Indeed, the context of the World Cup has, thus far, eclipsed the conversation about the game itself even as the Brazilian team remains a favorite to win a record sixth title at home.

"Many commentators have said that Brazil has already lost the World Cup because of the lost opportunities to use the event as a way of materially improving Brazilian cities," explains Christopher Gaffney, visiting professor of urbanism at the Universidade Federal Fluminense (UFF) in Niterói, Rio de Janeiro state. "What happens on the field in June and July will be forgotten very quickly but the daily lives of people will continue to happen in places that have been adversely impacted by forced removals, regimes of exception, and white-elephant projects (both stadiums and transport) that do not meet the present or future demands of Brazilian cities."

Stadium woes most visible thorn in World Cup panorama

As the main symbol of the World Cup, the 12 stadiums—either new or renovations—that will host the 64 matches in June and July have become the most obvious subject of controversy as global TV cameras will be trained on their pitches and stands. While the final match will play in Rio’s refurbished Maracanã Stadium, where Uruguay stunned the hosts to win the 1950 edition, the construction of a new home for São Paulo’s popular Corinthians soccer club has caused some handwringing. Supposedly hosting the opening match, Brazil vs. Croatia on June 12, the 65,000-seat Corinthians Arena’s completion deadline has slipped back to a precarious mid-April, and FIFA president Sepp Blatter admitted "there is no plan B" following the death of two construction workers when a crane collapsed in late November.

In separate incidents, one worker died in March 2013 and two in December 2013 on the construction site in Manaus and another in Brasilia in June 2013. Both stadiums have been deemed white elephants because of their size as compared with the normal attendance at games played by the
local clubs that will inherit the facilities after the World Cup. Manaus’ Arena Amazônia will hold 45,000 fans and cost US$305 million, yet local teams routinely bring in fan totals in the hundreds as few if any clubs qualify for the top league, the Campeonato Brasileiro. The Mané Garrincha Stadium in Brasília is destined for a similar plight given the low attendance typical of games played in the national capital. Nevertheless, it has become the World Cup’s most expensive stadium, costing more than US$500 million. It was inaugurated in May 2013 when it hosted the opening match of the Confederations Cup, but, by December, the local agency managing the stadium demanded that the construction company account for roof leaks during rainstorms (NotiSur, July 12, 2013).

Former national team star Romário, now a federal deputy, has fingered those two as well as new stadiums in Cuiabá and Natal as likely white elephants. "Maybe they’ll have concerts there a few days a month, but otherwise, they’re a joke," he told the media last year. In their defense, Luis Fernandes, executive secretary of the Minister of Sport, explained, "Many of these projects were planned long before the World Cup was announced. But the Copa has accelerated things by providing a date by which things have to be ready."

However, meeting such deadlines has proven to be a challenge even at stadiums with a long-term shelf life. Curitiba is the most delayed of the host cities, where top-rated Atlético Paranaense has assumed responsibility for building a new facility. FIFA secretary-general Jerome Valcke called the situation at the lagging Arena da Baixada an "emergency" in mid-January and threatened to move the city’s World Cup games elsewhere if the stadium was not completed by Feb. 18. In Porto Alegre, where local teams regularly play in the top league and the fan base is much larger, test matches scheduled for the weekend of Feb. 1-2 were postponed because of ongoing construction at the Beira-Rio Stadium. Despite an initial pledge to complete all 12 stadiums by the end of 2013, five remain under construction.

**Labor issues dog many World Cup projects**

While the deaths of construction workers are the most tragic outcome of the World Cup rush, such incidents are predicated on dangerous labor conditions. The crane operator in the São Paulo accident, for example, had worked for 18 straight days. "So much is being done in a hurry and at the last minute that it puts tremendous pressure on the workers," said Antonio de Sousa Ramalho, president of the São Paulo civil construction workers union and a state legislator. "Of course, rushing always increases the risk of accidents."

Overtaxing workers has become commonplace because of a severe labor shortage affecting nearly every host city. In much-delayed Curitiba, a judge halted construction in October because of safety concerns, and workers struck in December over low wages and delayed paychecks. Brazilian workers at stadium sites nationwide staged a one-day strike in July over labor conditions, and accounts vary as to whether a strike took place in Manaus following the December deaths.

To counteract labor disputes in Curitiba, construction companies have recruited hundreds of minimum-wage laborers from Haiti. Brazil’s UN Stabilization Mission in Haiti (MINUSTAH) has made the South American country an attractive destination for economic migrants, most of whom enter the country illegally via overland routes from Colombia. The Haitian workers have also been supplemented by ex-prisoners and victims of forced-labor arrangements.

Meanwhile, in September 2013, Brazil’s Ministério do Trabalho e Emprego (MTE) sanctioned construction firm OAS, recipient of many large contracts associated with the World Cup, for "slave-
like" conditions among 111 workers at São Paulo’s Guarulhos International Airport, which is undergoing an expansion in preparation for the event. Workers were reportedly forced to pay US $250 to secure the job and were given inadequate housing, sleeping eight to a room.

Although Rio’s Maracanã Stadium renovation was completed on time, the consortium that managed the project was dogged by allegations of labor abuses, prompting it to issue a response in October 2013. "The Consórcio Maracanã Rio 2014 clarifies that the renovation work, already completed, was performed with the highest standards of respect for the workers who were involved in it. During construction, jobs were created and income was distributed to 12,000 people, with strict respect for Brazilian labor legislation and constant dialogue by the construction companies with workers, which always ensured that any eventual claims were discussed between all parties and could provide quality in the work environment," the statement read.

**Forced evictions, costs, and corruption permanently mar question of readiness**

For low-income Brazilians who live in informal settlements near stadiums, along major thoroughfares, or in other areas where visitors are likely to pass, the World Cup has been exceptionally destructive. The Comitê Popular da Copa has estimated that up to 250,000 Brazilians are at risk of forced eviction for infrastructure projects directly or indirectly related to the World Cup, including highways, stadiums, airports, and public-transportation systems. In 2013, it published a dossier in conjunction with the Observatório das Metrópoles to call attention to the topic. The issue has brought condemnation from foreign organizations like Amnesty International (AI) and Human Rights Watch (HRW).

Forced evictions are a particular concern in Porto Alegre, Curitiba, and Rio, where they are also connected to plans for the 2016 Summer Olympic Games. In Porto Alegre, local activists estimate that upwards of 32,000 residents could be affected by road widening and other projects. In Curitiba, 4,000 homeless are at risk of relocation outside the city center.

This disproportionate impact on poor Brazilians comes as the World Cup is projected to cost around US$3.4 billion, although a lack of government transparency makes it difficult to confirm such figures and the push to complete stadiums as deadlines near may cause it to balloon higher. The People’s Committee for the Cup has accused the Banco Nacional de Desenvolvimento Social (BNDES) of providing sweetheart contracts to major construction firms for several of the delayed stadiums that have also experienced cost overruns, prompting the quasi-public institution to issue a statement refuting the claims in October 2013. Citing statistics that the BNDES has provided funding to 783 of Brazil’s 1,000 largest companies, and is thus not engaging in favoritism, the statement concluded that the bank "obsequiously disagrees with many of [the report’s] allegations."

The myriad concerns leading up to the World Cup consistently ask whether Brazil is "ready" to host the event. "Brazil is not ready for the World Cup because it is not ready for Brazilians," Gaffney argues. "The basic infrastructures needed to guarantee decent living conditions for all Brazilians have not been met and the investment in World Cup infrastructure has made things worse (traffic, policing, sewage, health care have all deteriorated)."

As ticketholders begin to make their travel preparations, Gaffney cautions, "The event will not run smoothly for visitors, but they will be charmed by the Brazilian capacity to improvise and may be stunned by the amount of patience it requires to live in Brazilian metropolises."