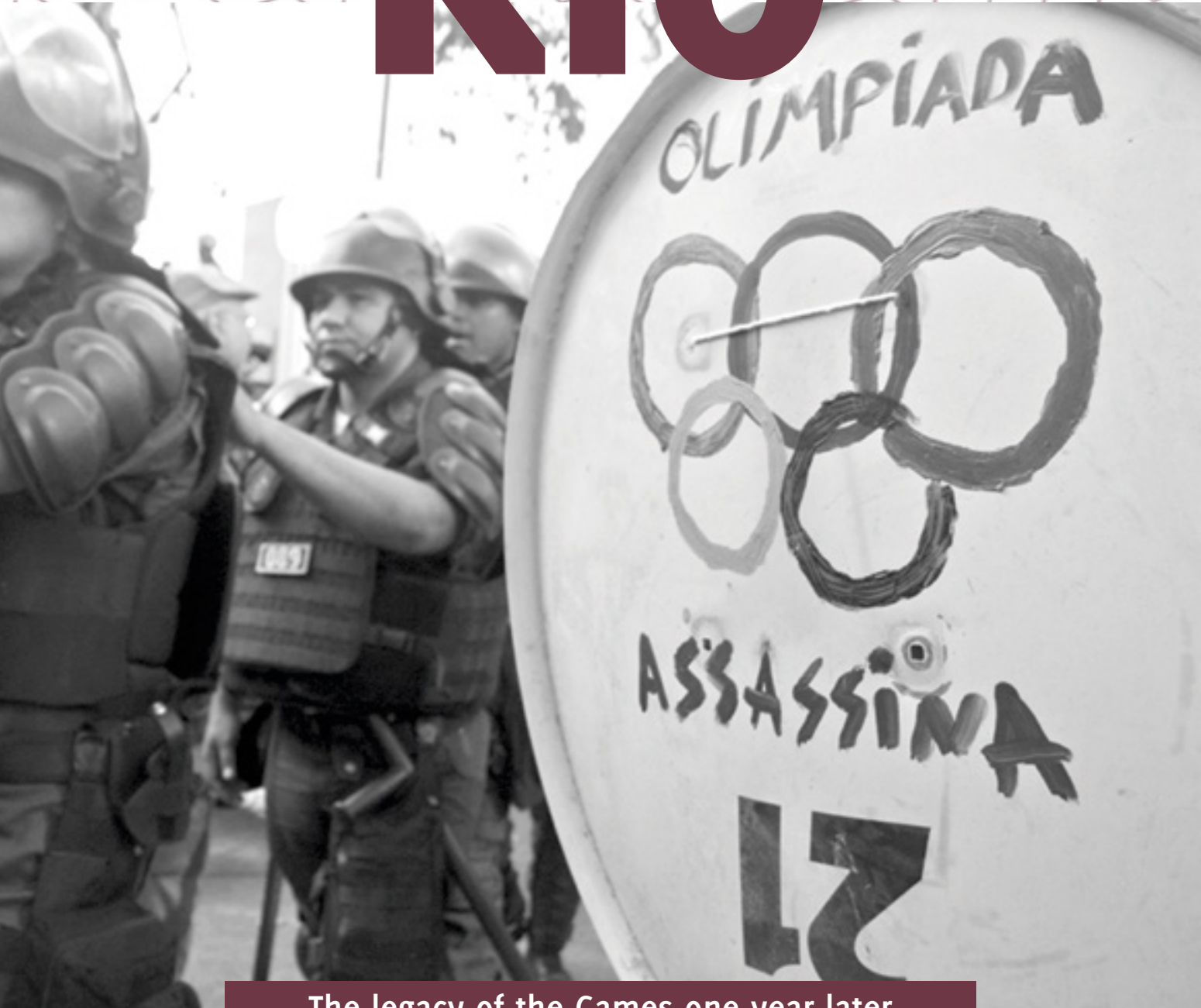


# Post-Olympic Rio



The legacy of the Games one year later

Institute of Alternative Policies for the Southern Cone - Pacs



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# Introduction

**W**hen Jacques Rogge, the then-president of the International Olympic Committee (IOC), announced in October 2009 that Rio de Janeiro had been chosen to host the Olympics, politicians and ex-athletes embraced in joy, as if they were at an Oscars ceremony. The crowd on Copacabana beach cheered when they heard that for the first time ever, a city in South America would host the Olympics. The Marvellous City had lots of time to prepare and turn itself into an Olympic city. It was like a dream come true. What could possibly go wrong?

We have been following the social and economic impacts of mega-events in Rio since the city was chosen to host the Pan American Games in 2005. For this, we have produced studies and pamphlets and supported civil society networks that are critical of this predatory business model.

This English summary of a publication elaborated originally in Portuguese by PACS (Institute of Alternative Policies for the Southern Cone), with the help of partners, aims to present a brief image of the post-Olympic period as a mosaic of issues. Our intention is to bring to public attention important issues that provoke discussion, analyses and critical, more in-depth studies on the distance between the legacy that was promised and the reality of the daily lives of the city's inhabitants once the mega-event was over. Does a legacy exist? If so, for whom? We hope that the texts help answer these questions and raise others.

At the end, we will also present a résumé - with a certain tone of irony - or a recipe of what NOT to do when preparing for the Olympics. The list summarises the things a host-city should do to avoid tormenting citizens for the sake of a private event.



## A city with no legacy, more debt and fewer rights

By Sandra Quintela, General Coordinator of Pacs

Rio is currently experiencing the nightmare and the hangover from the dream of becoming an Olympic host city. Even before the last athletes left the city full of smiles and medals last year, the city's population was suffering from the consequences of a private event that generated profit only for the organisers. The Games had disastrous and long-lasting impacts on the city's residents, who now have to foot the bill for a very expensive party enjoyed only by a few. In fact, one must go a little further back in time to understand how Rio became a very expensive city to live in and the headquarters of a global model of militarisation.

When the Olympics ended a year ago, it marked the conclusion of a more than

ten-year cycle that began with the announcement in 2005 that Rio would host the 2007 Pan American Games. Already at that time, civil society groups united in the "Pan Social Committee" warned that a mega sporting event "involves a large amount of financial resources and causes urban impacts that affect the entire city". That is what happened with the Pan American Games. That is what happened with the World Cup and that is what happened with the Olympics. And in all of these events, the benefits went to the few, while the impacts were felt by the entire population, especially women.

The preparation for the mega sports events altered the city's routine. The process involved: the eviction of more than

22,000 families; gruesome police actions that resulted in the death of 960 people in 2016 alone, the year of the games; the privatisation of entire neighbourhoods - such as area near the port and as is being announced for the Vargens region in the West Zone; the persecution of thousands of street vendors; and poor quality and costly public transportation.

In the lead-up to the Games, the organisers refuted all denouncements of their social impacts with promises of a bright future. Commercials showed model "Olympic" transportation and claimed that residents would be able to practice several kinds of sports thanks to the construction of the "Olympic" facilities that were to be left for everyone to use. The city responded to criticisms of the money being spent to build the arenas by arguing that afterwards, two of the facilities - Carioca Arena 3 and the Arena of the Future - would be turned into "Schools of Tomorrow".

A lot of people, including several sectors of the press, "hopped on the bandwagon". Social groups that were critical of the process, on the other hand, formed the Comitê Popular Rio Copa e Olimpíadas (Rio Popular Committee on the World Cup and the Olympics). During protests, public hearings and reports, the Committee warned about what was really behind this sporting event model: the priority was to prepare the city for sale and not to build a city worth living in. The future has arrived and now, Rio is a city with a lot of debt and where the population has fewer and fewer rights.

Current Mayor Marcelo Crivella admits that no budget had been set aside for the construction of the "Schools of Tomorrow", including the ones promised for the Olympic Park, which were supposed to operate full

time. The current city administration is still negotiating the rollover of its debt with the National Development Bank (BNDES) and the Caixa Econômica federal bank. The mayor recently asked city councillors to authorise R\$701 million in new loans to refinance its debt and resume the works.

In addition to diverting the budget - as in the end, the debt consumes resources that would normally go to health, education and other investments that should be the priority - mega-events are perfect excuses for the elite to carry out its plan of commodifying each and every pore of urban life. The promotion of these events deepens and accelerates the process of reorganising a city to turn it into a "market-city" - that is, a product that they can sell, and not a place where citizenship can be exercised. These excuses legitimise an urban model centred on a kind

of development that fuels real-estate speculation and the rich classes who long to separate themselves from the "dangerous classes" through spatial segregation and the privatisation of life in public spaces.

Engaging in the fight for the right to the city and the audit of the public debt is therefore fundamental. Without it, Rio will be a good place to live only for the most privileged groups.

It is clear that the model for holding mega sporting events must be revisited. The trail of debt, gentrification and the commodification of the cities that host the World Cup and the Olympics needs to be effectively assessed and changed. May Rio's experience serve as a basis for rethinking and altering the mega-events model to ensure that the celebration of sports may be truly democratic and that everyone can participate and enjoy the real and long-lasting benefits after the Games are over.

### THE OLYMPIC BLACK BOX

- There are no official figures on the total cost of the Olympics. In fact, the lack of transparency on spending was one of the trademarks of the Games. According to the calculations of the Folha de S. Paulo newspaper, when one adds together numbers mentioned here and there, the Olympics cost approximately R\$42.8 billion.
- This figure includes the expenditures of the Matrix of Responsibility (municipal, state and federal), the Organizing Committee and the Public Policies Plan.



This formula is not, however, new: the state takes on debt in order to transfer public funds to the private sector for it to execute the very costly works, in which bribery and overbilling is par for the course. Indebted, the city needs more money and the solution proposed is new borrowing. Make no mistake: we all foot the bill through the taxes we pay. This explains why the current mayor is anxious to review exemptions from and discounts on municipal property taxes (IPTU in Portuguese) and make adjustments that, if approved, will come into effect as early as 2018.

Public access to the Olympic Park facilities is currently fenced off. The Velodrome's air-conditioning costs (a federal government responsibility) - which are high as the system must be left on permanently due to the special kind of wood used (photo 1) - is one of the elements under the Federal Prosecutors Office's scrutiny (Ministério Público Federal).

# Sporting facilities: behind fences and abandoned

If you live in or are visiting Rio and want to go see the Olympic facilities, when you get there, you will find the gates closed, high fences and signs saying “under construction” - one year after the Games were held. This feeling of abandonment in the places where athletes competed gets confirmed when one realises that there is still no clear model for managing the arenas and facilities, which cost R\$7.23 billion.

Up until now, the public-private partnerships (PPPs) that were promoted as the solution for everything have failed. PPPs are a mechanism to privatise the state apparatus and turn public services into a source of profit for corporations, as they hand the control of our essential goods and rights over to private capital. In this process, the population that paid for the Games is held hostage to the logic of the market and it becomes impossible for the people to exercise democratic control. Let us take a look at the state some of the facilities are in today.



## The Olympic Park

The park is open to visitors on the weekend, but the Olympic facilities are fenced off, far from public access. Facilities such as the Velodrome and Arena 3 host only certain competitions.

The Ministério Público Federal (MPF, or Federal Prosecutors Office) in Rio recently requested that a daily fine of R\$10,000 be imposed retroactively to the date the Games began because of the lack of an Olympic legacy plan. The official request cites the state and federal governments and former mayor Eduardo Paes, which must submit the plan to the Tribunal de Contas da União (TCU, or Federal Court of Accounts).

According to federal prosecutor Leandro Mitidieri, no plan was made at the time when there should have one - that is, back when Rio applied to be a host-city. The prosecutor remembers that the legacy plan for the Olympic facilities and areas was submitted in a rush on the day before the opening ceremony due to pressure from the MPF.

“It is a document that is not based on reality, with things that were not done in practice”. He criticises the fact that “the public-private partnerships appear as a magic wand that will resolve the problems”.

Current Mayor Marcelo Crivella has already admitted that there is no budget for the construction of the “Schools of Tomorrow”. Four of them were promised to be built where the Arena of Tomorrow currently stands, but the city does not even have the money to take it down.

The Olympic pool had to be dismantled and was handed over to the Army Physical Education School, as there was no money for its maintenance. Even though they are closed, the facilities continue to generate costs. The Velodrome's air-conditioning system, for instance, has to be constantly left on at the highest setting due to the special kind of wood used in the building.

The cost of the Olympic arenas and facilities

R\$ 7,23 billions



This was how much the Olympic arenas and facilities were estimated to cost in January 2014

R\$ 5,64 billions

Source: Ministério dos Esportes. Note: this amount includes the costs of construction and other work done on the Olympic Park in Barra de Tijuca and the Deodoro Sports Complex, plus the electricity costs of the facilities in the Barra de Tijuca, Deodoro and Copacabana regions, plus extra equipment (temporary bleachers and other items). (Value as of June 2017)

## Deodoro Radical Park

It cost a total of R\$700 million to build the Deodoro Park in the city's West Zone. With an area as large as 500,000 m<sup>2</sup>, it does not even have dressing rooms. "A container would have to be rented or more construction work would have to be done in order to adapt", current Under-Secretary of Sports and Leisure Patrícia Amorim admitted in a public hearing at the MPF. The current municipal administration has not delivered on promises regarding the use of the pool, especially on hot summer days.

According to the under-secretary, cracks and signs of infiltration have also been found in part of the park's structure. She reported that the city is examining the contracts to identify the potential responsibilities of the developers, but she admits that the government may have to assume these costs. The solution for the administration of the complex is said to be a public-private partnership. In the meantime, an important leisure facility sits empty in a poor area of the city. A legacy for whom?



### What we said:

"Building contractors' influence on the government makes politics extremely dependent on their money, as they are the biggest funders of election campaigns. This directly influences the democratic future of the country."

Boletim Rio de Gastos, n.4, August 2015

### What happened one year later:

In a plea-bargaining session, former director of the Odebrecht construction corporation Leandro Azevedo told attorneys of the Federal Prosecutor's Office (MPF) that the building contractors had developed a scheme to defraud the public bidding process for projects such as the Schools of Tomorrow, Porto Maravilha and the infrastructure of the Olympic Park.

## The golf course

The Marapendi Environmental Protection Area is home to sloths, armadillos, caracaras, thrushes, white sand lizards and other endangered animal and plant species that are native to the Atlantic forest. Right next to the natural reserve, a golf course was built to host the Olympic golf and field hockey competitions. The Marapendi municipal natural park was not completely bulldozed over, nor its fauna entirely expelled because the "Golf for whom" and "Occupy Golf" movements managed to preserve the area closest to the Marapendi lagoon with the help of the state prosecutors office. Even so, with the installation of the Olympic golf course, the park lost 58,000 m<sup>2</sup> of its area.

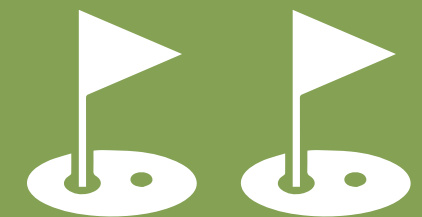
After a 112-year hiatus, golf became an Olympic sport again in the Brazilian edition of the Games. At that time, there were already two large golf courses in the city, which hosted international golf competitions. Determined to build an Olympic-sized golf course with 18 holes, the state ignored the public prosecutor office's recommendations and authorised the construction works that were estimated to cost R\$60 million, which was supposed to come from private investors.

For biologist and Barra de Tijuca resident Marcello Mello, the construction of the golf course was "a scheme between politicians and developers in the region that even allowed a municipal natural park to be deactivated and donated to the company [Fiori Empreendimentos Imobiliários] that built the course". In December 2016, the court ordered Eduardo Paes' assets to be frozen, accusing him of having waived payment of the environmental permit fee for the Olympic works while mayor. According to calculations of the public prosecutors' office, the city disbursed a sum of R\$1.8 million in 2013 for the environmental permit for the project. The current value of the debt is as high as R\$2.3 million.

The golf course is currently under the administration of the Brazilian Golf Confederation. It is surrounded by a luxury condominium and access to the course is controlled by a private administrator that charges a fee to use the area. "The social project they promised as part of the Olympic legacy doesn't exist. You don't see anyone there teaching, no schools. That's also because the equipment for the sport is expensive. It's not meant for our society", Marcelo adds.



58,000 m<sup>2</sup> of the reserve were destroyed to build an Olympic golf course



2 international standard golf courses were already in operation in Rio before the Olympics.

R\$ 60 millions



The cost of the golf course



# The living bay and the shipwrecked legacy

“Guanabara Bay is a market for pollution: the more polluted it is, the more money will pour in to clean it up”. This is the conclusion that fisherman Alex Sandro came to after his hopes of seeing the bay clean again were dashed once more. Resident of the Tubiacanga community on Governor’s Island, which borders the Galeão International Airport, the fisherman has been a witness to government neglect of the bay and the surrounding area his whole life.

Among the promises of the legacy to be left by the Rio 2016 Games, the clean-up of

Guanabara Bay was perhaps the first to be frustrated. Even before the official opening of the Olympics, the bay - which appears gigantic in the “Rio de Janeiro host-city” - mirrored the inconvenient truth that the clean-up was a still a very distant reality. The IOC and the Brazilian state were constantly pressured by the press and questioned on the state government’s commitment to clean up 80% of the ecosystem.

“There was a cover up and an advertising structure. False advertising. You can see this in the image, the situation in the Guanabara

Fisherman Alex Sandro deplores the death of the fish in the Guanabara Bay and warns that the end of artisanal fishing is near. The clean-up of the bay was one of the major promises made as part of the Games’ environmental legacy.



**“Unsatisfactory”:** that was how the Inter-American Development Bank (IADB) classified the result of the Guanabara Bay Clean-Up Programme (Programa de Despoluição da Baía de Guanabara, PDBG).



## Expectation:

Goal of cleaning up 80% of the bay.



## Reality:

Artisanal fishing is under threat.

Bay and the traditional communities who live there. Fishermen are working with other things, doing odd jobs, to supplement the family income”, Alex Sandro reports.

Feeling cornered, public authorities insisted on making promises and vague statements in an attempt to conceal what the water’s surface reveals: neglect, filth and death. The pollution in the bay turned out to be a stone in the mega-event organisers’ shoe even back when Rio was still a candidate to be the host-city. The International Sailing Federation declared its concern with the health of the athletes and the risk of accidents due to the garbage accumulated in the area. In the test run in 2015, the prediction of The Associated Press, which had noted the contamination of the waters, was confirmed and the bay was rejected.

The state of the bay’s water and shores has been degrading over time and involves several variables; hence, the complexity of the clean-up process. However, data of the Popular Committee on the World Cup and the Olympics show that political choices have played a determining role in this process. Comparisons between the budget for the projects in the environment section of the City of Rio de Janeiro’s legacy plan and the volume of resources used for urban mobility clearly reveal where the priorities were. With a cost of R\$8.7 billion, the construction of the Line 4 subway was the most expensive project of the Olympics, whereas R\$928.75 million were allocated to environmental projects - or only 9.31% of total investments.

In August 2016, after the Games were over, the Secretary of the Environment André Correa admitted that the state government’s project to clean up 80% of the pollution in the bay was “over-ambitious”. In the secretary’s view, in the current fiscal crisis the state is experiencing, the bay’s future depends on the involvement of the private sector.

The rush to find a solution to the situation appears to have passed since the end of the Games, at least among the public and private bodies that were previously bent on selling the postcard image of Rio. As for the people whose present and future are linked to the bay, such as Alex Sandro and so many other traditional fisherfolk, the urgency only grows. “The fishermen are getting old and there are few youth. If things continue on like this, fishermen will be an endangered species”, he says sadly.



**There is no point in hiding the garbage because it comes back. I thought it was going to get worse because I never saw anything being done**

*Explained sailor Kahena Kunze, gold medal winner at the Rio 2016 Games, in an interview with the Extra newspaper. The athlete also denounced the censorship imposed on the athletes that prohibited them from making any statements on the pollution in the bay during the event.*





Of the over 800 families, only 20 remain in the community near the Olympic Park that was threatened the most with eviction. The struggle of the people of Vila Autódromo is now focussed on preserving the Evictions Museum. The community that resisted the tractors is seeking to keep the memories alive and standing.

# Evictions:

**communities  
in resistance**

**D**uring the preparations for the World Cup and the Olympics, Rio experienced the biggest eviction process in its history. Since 2009, the year the city was chosen to host the Games, more than 77,000 people have been forcefully removed from their homes, according to the calculations of the Rio Popular Committee on the Olympics.

Various excuses were used to justify the removal of families from certain areas: the construction of expressways and the danger of collapse were some of them. In Vila Recreio II, an upscale area in the West Zone, the Bus Rapid Transport line does not go near the area where the 235 families forced out of Vila Recreio now live. The residents of the Metrô Mangueira favela were evicted without any justification, beside the fact of being one kilometre from the Maracanã stadium. The evictions were marked by violence, psychological terror and unjust compensation.

Vila Autódromo, the community located beside the Olympic Park, became known for the example of resistance given by the 20 families who survived the pressure from the city, physical violence from the municipal police and the terror of the bulldozers. But it is worth recalling that hundreds were forced to trade their houses and history for often unfair compensation and apartments funded by the Caixa Econômica federal bank. Communities such as the ones in the Horto neighbourhood in the South Zone and dozens of others in the Vargens region in the West Zone are still under threat.

## Vila Autódromo

On July 30th, 2016, the City of Rio gave 20 families from Vila Autódromo the key to their new houses, which were rebuilt in the neighbourhood after a significant amount of mobilisation. In 2009, Vila Autódromo was home to 824 families. Many of them left their homes, as they did not resist pressure from the municipality, which claimed that it needed to build an entrance to the Olympic Park. The resistance of the families that remained showed that in the 'city of business', not everyone can be bought. Maria da Penha Macena became a symbol of the struggle in the Vila when she was photographed bleeding after being attacked by the municipal police. An active witness of this struggle, Penha says that the community's history was interrupted and that the consequences of the evictions are still being felt today.

Although the houses were handed over to the families, they are still waiting to receive the document that officially authorises them to occupy the residences. They are also awaiting a second

phase of the urbanisation project, which foresees the construction of the residents association's centre that was knocked down by the city; a sports court; a cultural centre and the park. "The work for the second phase is stopped. It is obvious that they will say that they don't have the money. But it has to be done. They made a commitment", Maria da Pena argues.

Before being demolished by the bulldozers, the homes in the Vila had big yards with fruit trees. Today, the families dream of rebuilding a garden. "It's important because we are in a region that is good for agriculture, for growing things. We have the room to build a space for recycling, which changes our daily routine. There's a lot to do", Penha adds. Regarding the families that left, she tells us that many have never returned although some still pay a visit on Sundays. "And there are families who are loyal to the chapel here. So, we see them every Sunday; they come to see the Vila and the people they miss", Penha says with a smile.

## The Vargens region

After the public-private partnership for Porto Maravilha had been established, the city, now bound to the building contractors' interests, prepared an urban development plan (complementary bill no. 140/2015) for the Vargens region. The Vargem Grande, Vargem Pequena and Camorim neighbourhoods, a section of the Recreio neighbourhood and a small strip of Barra de Tijuca and Jacarepaguá all belong to this region. Together, they represent close to 24% of the municipality.

With little debate and public participation, the proposed plan made progress in the city council. Given the history of Porto Maravilha and the works for the BRT, the question that remains is: whose interests will the actions of the City of Rio, Brazilian corporate construction giants Odebrecht and Queiroz Galvão favour in this territory that has become so vulnerable and is surrounded by socio-environmental conflicts?

As an alternative to the plan, the people of Vargens have been building a coalition, led by women, to elaborate a people's plan for the region. For many years, this part of the city has been affected by real estate speculation and the threats generated by the mega-events.

**“ A bulldozer never  
knocks down only  
one house and its yard.  
Demolitions are not an  
individual problem. They  
are a political issue and  
therefore, a collective one.**

*(Morar e Plantar, a publication by Militiva - Coletiva de mulheres, a women's collective that is producing a map of environmental threats and conflicts in the city's West Zone)*



*When we look at some trees,  
we still remember the Vila  
the way it was before. We are  
moving on here on a day to  
day basis, trying to rebuild,  
write the story of the Vila in  
a different way, but it's not  
how it was before. Everything  
changed. The difference is the  
new element: the Vila now  
with different houses and  
structures, urbanised, which  
was the dream of everyone  
in this community. We have  
a new, small villa where the  
territory has been entirely  
changed. Urbanised, but an  
urbanisation that arrived too  
late. To get the area urbanised,  
we had to face violations of  
our rights many times.*

Maria da Penha, Vila Autódromo's resident

Before



Vila Autódromo was one of the communities threatened the most by the bulldozers' rage and the privatisation of urban land. Anyone who visited the community was confronted with the image of a war zone. According to the plans of the public-private-partnership, real estate developments were to be built where people's houses had once stood.

Only 20 families succeeded in remaining in the area and received houses built by the city. Their homes all fit on one street: Rua Nelson Piquet. The Olympic Park area was home to the old Jacarepaguá racetrack. The original houses were destroyed. Only the St. Joseph, The Worker Chapel was spared.

After



Read complete interview with Maria da Penha on [www.pacs.org.br](http://www.pacs.org.br)

## Horto

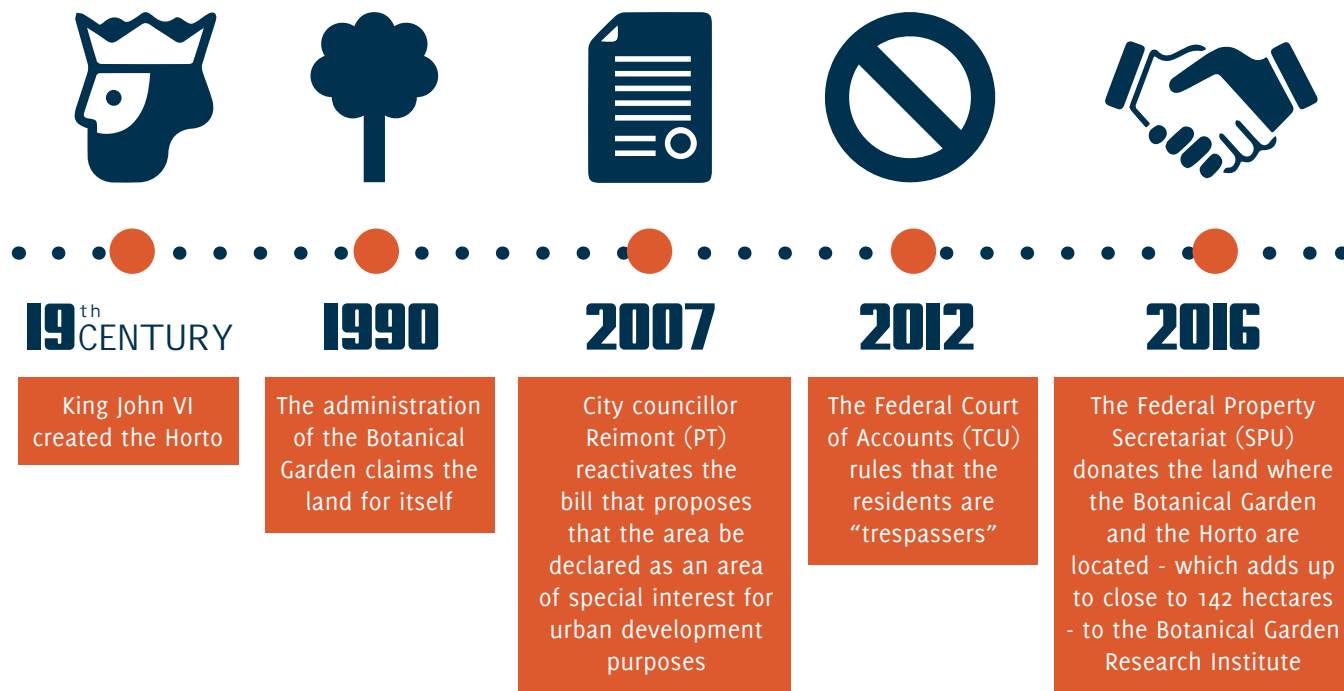
“A year ago, I received a notice informing me that I would have ten days to leave. Since then, we don't know what to do. We don't make improvements to the house or buy furniture because we could be evicted at any moment”. Valmir is not the only one plagued by feelings of uncertainty. A resident of the Horto neighbourhood for 50 years now, his family is one of the close to 600 who are being threatened with eviction. Unlike Vila Autódromo, the community located near the Botanical Garden is not competing with a sports facility or other Olympic buildings for land. The municipality's repeated attempts to evict them indicate that a much broader urban renewal process is underway and it is at the service of business interests that go beyond the Games.

The historical resistance of the Horto community began in the mid-1990s when the administration of the Botanical Garden - created by John VI in the 19th century - began to claim

the land for itself. Hundreds of repossession lawsuits are currently being processed. In May 2017, city councillor Reimont (PT) reactivated a bill that proposes that the area be declared as an area of special interest for urban development purposes. If the city council passes the bill, the community will be able to demand that an urban development plan be approved and a process of legalising land ownership could be initiated.

Emerson de Sousa, the 42-year-old president of the Associação de Moradores e Amigos do Horto Florestal (Association of Residents and Friends of the Horto Florestal), affirms that the threats of eviction intensified during the preparations for the World Cup and the Olympics. He questions the claim that the residents are a threat to the area's conservation. “We've been here for two centuries. We're part of and we're integrated into the local environment. This is even

## Small timeline of the Horto neighbourhood



why this is one of the main places where the native vegetation of the Tijuca Forest has been preserved", he argues.

In November 2016, the Secretaria de Patrimônio da União (SPU or Federal Property Secretariat) donated the land of the Botanical Garden and Horto Florestal - close to 142 hectares - to the Instituto de Pesquisas do Jardim Botânico (Botanical Garden Research Institute). In 2012, in a unanimous vote, the Federal Court of Accounts (TCU) determined that the residents were "trespassers". Historical documents dating back to the 19th century contradict the allegation of trespassing, as they prove that slave labour was used to build the Botanical Garden and confirm that these workers

and their families settled there.

The day after our visit to the community in June 2017, residents were taken by surprise by yet another attempt by the police to forcefully remove them. In November 2016, during a violent police operation to take possession of the area, one resident was hit by a rubber bullet and others were injured. One year after the Games, although the residents of the Horto still unable to sleep soundly, it does not stop them from keeping their hopes alive for a future where history is respected and there is space for everyone to live in the Olympic City. "I can't relax. We don't sleep right because we constantly expect them [the police] to arrive at any moment and evict us", Valmir vents.



The Horto community's historical resistance began in the mid-1990s when the administration of the Botanical Garden - created by John VI in the 19th century - began to demand the land for itself. Hundreds of repossession lawsuits are currently being processed and evictions by the police are routine events for the community that settled in the area nearly two centuries ago.



Known in Rio as the “Maracanã of the athletics world”, the Célio de Barros Stadium remains closed, with no athletes, no cars and its tracks buried in pavement. The stadium housed the activities of both high-level athletes and children and adolescents participating in social projects.

# The Maracanã Complex:

the threat of privatisation  
coming from all sides

**T**he concession for the Maracanã Sports Complex granted to the Odebrecht-led consortium was to demolish the Friedenreich School, Aldeia Maracanã (or the Maracanã indigenous village), the Célio de Barros Athletics Stadium and the Julio Delamare Water Park in order to build stores, bars and parking lots for a shopping centre. The works never got off the ground.

After strong resistance by the “The Maraca is Ours” movement, the Julio Delamare Park and the school were left standing. Privatised, Maracanã was completely renovated and lost its historical features, namely the “geral” - the popular section reserved for fans who paid less for tickets, which made the stadium a more democratic space. The Célio de Barros Stadium and the Aldeia Maracanã were affected the most by the mega-events. Let us take a look at the state of these venues today.

## The Célio de Barros Stadium

January 9<sup>th</sup>, 2013 was the day the padlock appeared on the gates of the Célio de Barros Athletics Stadium, known as the “ Maracanã of the world of athletics”. Training equipment, athletes’ personal documents - everything remained inside and no one was allowed to enter. Of the old sports centre, only the bleachers were left intact, thanks to court orders.

Inaugurated in 1974, the stadium was fenced off by Odebrecht, the administrator of the Maracanã Complex, and used to store the rubble from the construction work on the stadium. Later, the track was paved over to turn it into a parking lot. Today, there are no athletes or cars at the public stadium. According to Edneida Freira, close to 800 people used to go to the stadium every day: the training activities for children from social projects and Olympic and

Paralympic athletes were spread out over eight tracks.

The trainer and former athlete recalls that the place that was once so full of life is now a ghost stadium in a “ghost town”. “We became hobos in the city of Rio de Janeiro. We don’t have a stadium, nor a track to train on. I was training in the Madureira Park, but I can’t work there anymore because this city has been turned into the Wild West”, she says in outrage.

“Unfortunately, one year later, our Olympic legacy has become ‘Olympic-sized neglect’”, she adds. Despite the dismay she feels when she sees the Célio de Barros Stadium empty and its gates closed, Edneida still dreams of holding a race to rebuild the stadium. “And we’ll put the finish line of the race in the middle of our track, with the bleachers full of life”, she dreams.



## Aldeia Maracanã

The state of Rio and Odebrecht also wanted to see the 14,500 m<sup>2</sup> of the Aldeia Maracanã - reclaimed in 2006 by the indigenous people - buried under asphalt. The state revealed the extent of its cruelty on March 22<sup>nd</sup>, 2013 when it used pepper spray, tear gas, stun grenades and even a sound weapon (which causes earaches) to forcefully remove the villagers.

In the lead-up to the Olympics, the fence closed in on trees, such as the genipap tree under which they pray while gathered around a fire. Eight months ago, the indigenous people occupied the space again. They take turns to guarantee their security and have the support of indigenous peoples from several states.

For Potira Guajajara, the attempt to eliminate the Aldeia was clearly an attempt to put an end to indigenous culture. “They want to kill our culture, but we are here to resist”, she stated.



**We will not give up the fight. We did not give up before the World Cup. We did not give up during the Olympics. We dream of having an indigenous university so that our relatives will feel respected because there is still no respect for indigenous people in Brazil.**

*Potira Guajajara stated*





# The militarisation of daily life:

an Olympic legacy

**M**ega-events turned Rio de Janeiro into an international showcase while reinforcing the existing socio-economic contradictions at the same time. By strengthening the model of unequal development in the city, the Games intensified state repression whose goal is to contain and repress those who the elite see as dirt. This “dirt”, in their view, deserves to be hidden by the “cleansing” or sanitisation process that generally precedes sports competitions.

The World Cup and the Olympics thus served as a mechanism for deepening and strengthening control devices that are marked by racism and savagery. They intensify the genocide of black people, police violence in the favelas and the repression of social movements and protests. They are part of a model that mobilises large amounts of resources for make certain territories accessible only to the elite, while enhancing exclusion and increasing violations in others.

To read more on how militarisation has affected daily life in Rio after the Olympics, see the numbers and the article by Gizele Martins that follow.



In June, the city council authorised the municipal police to use potentially offensive weapons such as pepper spray and stun guns. Street vendors in Rio suffer from police repression of informal work, seizures of their merchandise such as tricycles and other goods that are not returned to them, among other violations.

# The militarisation of Rio in numbers

**R\$ 1,39**  
million spent  
on ammunition



This was how much the state of Rio - which claims to be bankrupt and is paying its public servants' salaries (including those of police officers) in instalments - spent on weaponry. The same amount was spent on non-lethal weapons.

Source: Justiça Global

**10<sup>th</sup>**



Brazil ranks 10<sup>th</sup> on the list of countries with the highest military spending. Its military budget grew in the 2000s.

Source: Site Top 10+

**July 24<sup>th</sup>**

Military forces are called on to intervene in places such as the slums of large cities and countries such as Haiti. During the Confederations Cup (2013), the army occupied the Maré Complex on July 24th and killed 10 residents.



**70%**

In 2017, statistics of the Instituto de Segurança Pública (Institute for Public Security) showed an increase in deaths during police operations. In February 2017, 84 people were killed, which is an increase of 70% in relation to the same period one year earlier.

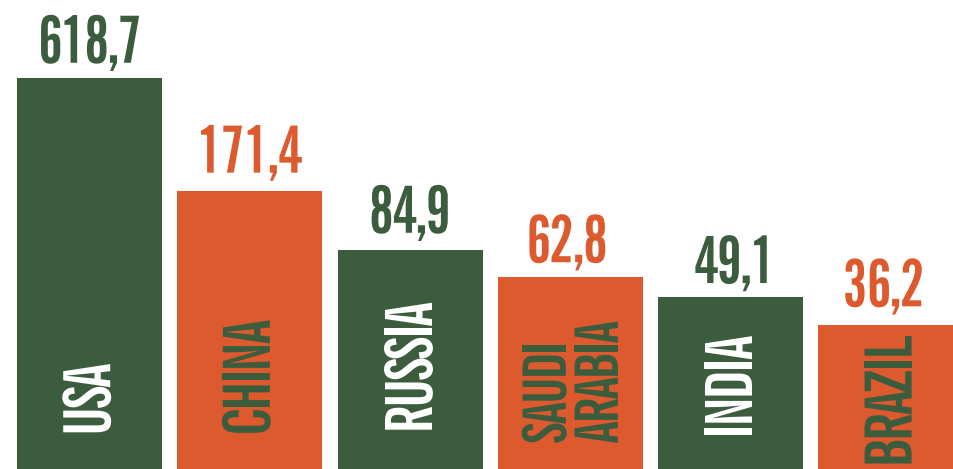
**R\$ 2,9**  
billion



This was the amount of emergency funds the federal government freed up for public security during the Olympics.

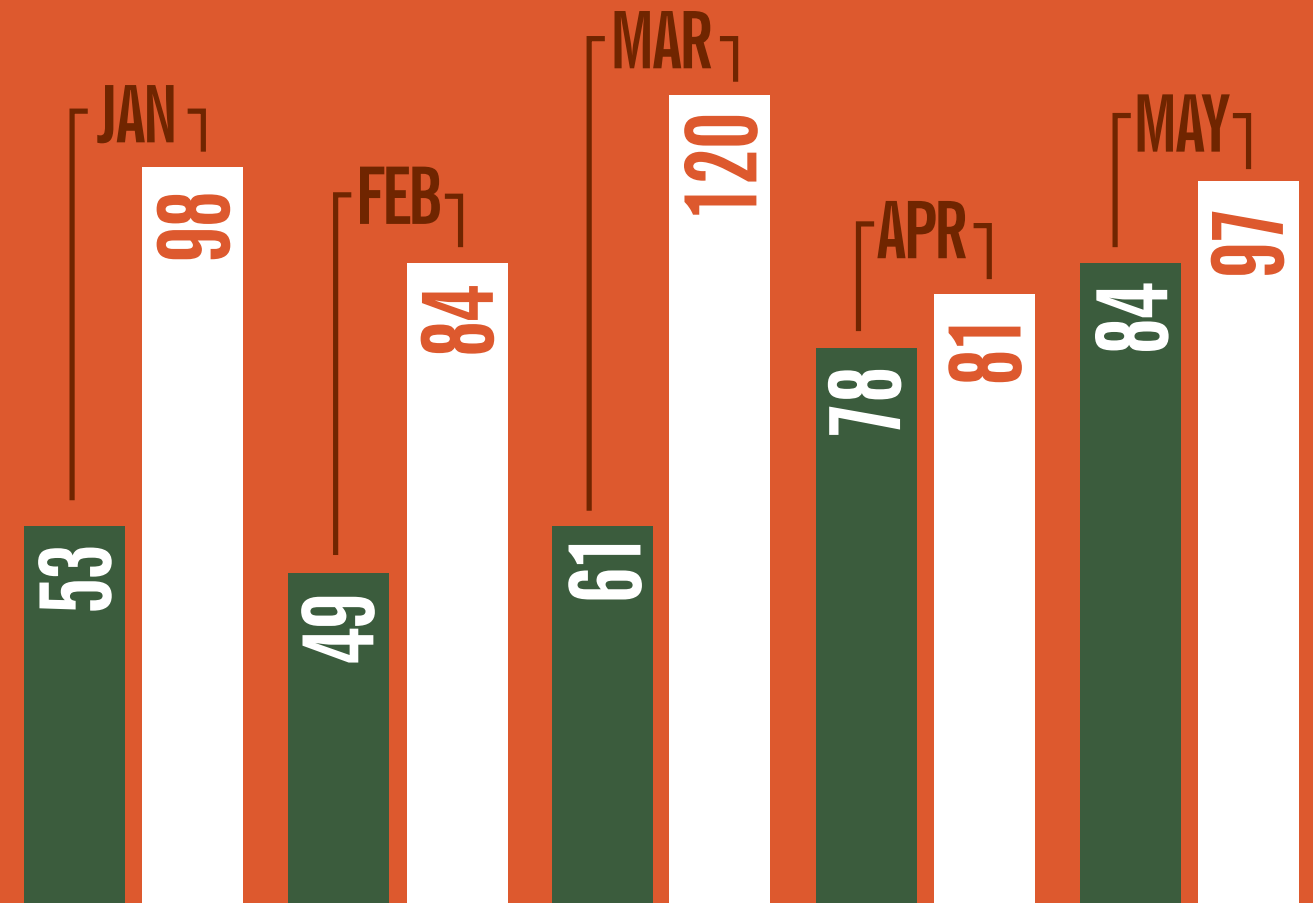
Military spending  
by countries in  
**2013**

Source: <http://bit.ly/2tjPYKn>



People killed by  
the police in Rio **2017**

2016 2017



Increase of  
**84,9%**

Increase of  
**70%**

Increase of  
**96,7%**

Source: Instituto de Segurança Pública (Institute for Public Security). The increase refers to the same period one year earlier.



## The criminalisation of poverty, militarisation and chaos all over the city

Gizele Martins, journalist and specialist in community communications

Last year, another decade of mega-events came to a close. Like all events that pass through the country, Rio stopped hosting sports competitions. The biggest national and international media corporations, tourists, businessmen and a part of the population joined in the celebration in the marvellous city. TV cameras sold the image to the world of a rich, organised city that attends to the needs of its population, as well as the idea that the government's financial investment in the games would bring benefits to the city's inhabitants.

The other part of the population - the people who live in the outskirts of the city and the favelas - could not even circulate in the city during the games. Numerous bus lines going from the North to the South Zone were cut; police operations were constantly held in the favelas; and the national army invaded many favelas and patrolled the main expressways - to mention only two types of control.

Furthermore, the same people are affected by the decree on the state's financial bankruptcy: the poorest of the city. Authorities affirmed that there were no more resources in public coffers. Hospitals and health clinics are being closed while others reduce the medical services offered. State schools have also left numerous students with

no classes. Public servants have not received or are receiving their salaries late. The Rio de Janeiro State University (Universidade do Estado do Rio de Janeiro, UERJ) is another focal point of the crisis, as it currently has no classes for graduate and post-graduate students.

In other words, the crisis is widespread and is causing unemployment and a shortage of services in other public sectors, such as education and health, food and other basic services. The fact is the poor were already experiencing the impacts of the mega-events long before the government declared bankruptcy. But now, they also suffer from the absence of other rights such as health and education, which were previously considered the basic minimum the state had to offer.

For over 10 years, residents of the favelas have been making numerous denunciations. The demolitions of houses by the City of Rio to make room for sports facilities forced 77,000 people to leave 50 favelas. In 2008, militarisation became increasingly present and constant in the favelas with the arrival of the so-called "police pacification units" (Unidades de Polícia Pacificadora, UPPs): a military presence established in 44 slums of Rio's South and North Zones. These military forces are leading the genocide of the black population. What is more, nearly another 11,000 fa-

milies were evicted from urban buildings and are fighting on a daily basis to receive benefits from the "social rent" programme.

All of this means that once again, the plan to moderate the 'city of the mega-events' involved the ever-increasing criminalisation of poverty and institutional racism, which left or is leaving an entire poor population without any kind of rights, including the most important one: the right to life.

### Post-Olympic Rio: The crisis and the most militarised period in the city's history

The state of Rio de Janeiro and its supporters have historically used a discourse that portrays the city's population as dangerous and full of criminals. It claims that the people do not get anywhere in life because they do not want to, they do not seek an education or technical training or have no interest in improving their own lives. The population the discourse is referring to is the poorest of the poor. The corporate media, and also the city's population, buy into and reproduce this discourse.

Part of the explanation for this stereotyped and racist discourse lies in the fact that the city is divided between the rich and the poor. It is divided between those who feel safer thanks to the increasingly ostensive presence of militarised police and guards on the street and a population who suffers daily because of the false discourse of the 'war on drugs'.

This leads one to ask: who benefits from this culture of fear propagated daily in the corporate media? Whose interests does the discourse on the fight against drug-trafficking serve? Why do authorities invest in an increasingly militarised city instead of investing in guaranteeing the right to housing, education, health, employment and other rights?

During the Olympics, the numbers revealed that there was a significant increase in the state and federal governments' spending on public safety. Of all the mega-events held in the city, this was the one for which the government spent the most on military equipment. The Secretary of Public Safety used a total of R\$7 billion to pay for: arms, war tanks, control towers in the favelas

and walls to separate the favelas from the rest of the city.

To keep up the image of a modern, mega-event host city - that is, an upscale, world renowned, rich and reputable metropolis - the poor people living in the city's outskirts and the favelas paid and are still paying the price. Over all these years, Rio and the rest of Brazil have been going through a financial crisis and militarisation and the ones who suffer the most are, once again, the poorest population.

Right after the Olympics ended, it was publicly declared that the police pacification units (UPPs) had failed. But the UPPs were not removed from the 44 favelas. Instead, several 'control towers' for them to use were built in the Complexo do Alemão favela and another 13 favelas in Rio's North Zone.

One automatically understands the motives for constructing this fear: the goal is to control the poor population that does not have any rights. The entire state and the country is in crisis, but who pays the highest price is the poor and black population. And they pay for it not only with the lack of access to the rights that they and the social movements have won in the past, but with their own lives, as the state is developing, investing in and increasing its 'capacity' to control, remove, censor and kill.

In only the first three months of 2017, nearly 200 people were assassinated by the police. Many of the favelas in the North Zone - such as, for example, Maré, Acari, Mangueiras, Jacarezinho and several others - are the ones that suffer the most from constant exchange of gunfire and police raids.

The more than ten years of mega-events had major impacts on the poor people living in the favelas of Rio de Janeiro. During this period, they suffered from evictions, police raids, military control via the presence of the national army in the Maré Complex and other parts of the city and currently with the 'improvements' to the UPPs and their control methods. And they continue to bear the brunt of the economic crisis, the elimination of basic rights, the naturalisation of the criminalisation of poverty and the increasingly 'specialised' urban control of the poor.

## THE STATE OF RIO DE JANEIRO' DEBT VALUES AS OF MARCH 2017



Source: Secretaria de Estado da Fazenda



Source: Governo do Estado do Rio



The residents of the West Zone were left with the not-so-positive legacy of the Bus Rapid Transport service: it is constantly overcrowded and several other bus lines were cancelled - a measure that benefitted only the bus companies. Three years after its inauguration, the BRT Transoeste has already reached the saturation point.

# Urban Mobility:

Comfort for a few, overcrowding for the majority

Rio's application to be a host-city identified the improvements in the urban mobility infrastructure as the main legacy to be left by the Games. The highlights in this area include: the close to R\$5.4 billion invested in the construction of four Bus Rapid Transport (BRT) lines, one of which (the Transbrasil line) is still not ready; the R\$10 billion spent on building the Line 4 subway line (which only has six stations) and the R\$1.17 billion on two fast tram lines.

A year after the Games, what draws our attention is the contrast between the esti-

imated capacity of the different transportation modes and the real or concrete demand for their services. The Line 4 subway line between Ipanema and Barra de Tijuca has yet to reach the estimated capacity of 300,000 passengers per day. Demand was 46% lower than predicted (146,000 per day), which led the concessionaire to offer free rides during its first year and now, a discount of up to 66% on the tariff for those who buy a special monthly pass. It is also worth highlighting that investigations into allegations of bribery related to the most expensive project of the

Games are currently underway. As for Line 3, it never made it off the page. Far from the route to the Olympic Games facilities, it was to connect São Gonçalo and Niterói in the Greater Metropolitan Region to Rio's city centre.

The construction works for the Transoeste, Transcarioca and Transolímpica BRT lines were marked by the eviction of hundreds of communities (from the Campinho, Madureira, Tanque, Penha, Recreio, Curicica and Colônia neighbourhoods, among others) and the lack of transparency in the environmental licensing and bidding processes, as explained in detail in the article entitled "Rio 2016: Violações ao acesso à informação no caso do BRT Transolímpica" (Rio 2016: Violations of access information in the case of the Transolímpica BRT) published by Article 19. According to information the organisation obtained, R\$520 million were spent on the evictions for the Transcarioca, Transoeste and Transolímpica lines alone. Inaugurated in 2012, the Transoeste line exceeded its maximum capacity in 2015 and has been overcrowded ever since.

As for the Transolímpica BRT that connects the Olympic Park to the Deodoro Park, venues for the Games' competitions, it lost points in the "Access and Integration" category in a recent study done by the Institute for Transportation and Development Policy (ITDP). The study showed that only 1.4% of the

population lives less than 1 km from the bus corridor, which makes it difficult to use.

On the other side of the city, the Light Rail Vehicles (LRVs) that connect the bus terminal to the Santos Dumont airport and the Praça XV ferry station to the Saara market transport 30,000 people a day. It was predicted that 250,000 people would use the LRVs once all three lines were ready for use. According to a survey by Ibope, 71% of the users are from the wealthiest social classes (classes A and B). Another important fact the survey revealed is that 45% of the people use the trains between 1 pm and 3 pm, which led the Folha de S. Paulo newspaper to classify the modern tramway as "lunch hour transportation". The LRV pass cannot be used to access the subway or ferries; only the municipal bus lines.

To assess the Olympic legacy in the area of urban mobility, one must take into account much more than the major works that have been completed. One must question why one transportation mode of transportation was chosen for a given area of the city and not another; at what cost the works were done; and who the services are for. For instance, why were BRTs chosen as

the main system for the city's West Zone, whereas a subway line was built to connect the Barra de Tijuca neighbourhood to the South Zone? Who uses the LRV that cost, until now, the same to build as the Tran-



**50,7 minutes**

**is the average time a resident of the Metropolitan Region of Rio de Janeiro spends commuting every day. This average increases to over an hour when the residents of the Baixada Fluminense area and the neighbourhoods in the city's West Zone are included.**

Source: Pesquisa Nacional por Amostra de Domicílios (PNAD, or the National Household Sample Survey)

**73%** 

**The number of cars in Rio increased 73% between 2001 and 2013.**



One of the big promises on urban mobility, Line 4 of the subway system cost R\$10 billion and only has six stations. It was the most expensive project of the Games. Investigations of bribery allegations related to its construction are currently underway. The average number of passengers ended up being 46% lower than predicted, which led the concessionaire to offer free rides for a certain period of time and now, a discount of up to 66% on the tariff. Line 3 never made it off the page. Legacy? For whom?

soeste BRT line? 30,000 people ride the LRVs every day and the Transoeste (Campo Grande-Barra) buses, 230,000.

The lack of popular participation in the choice of public transportation model led to the adoption of modern BRTs, tramways and subway systems that do not always correspond to the longings of the majority of the population. The people who often take hours to go from the suburbs and the Baixada Fluminense region to the city centre and South Zone have to put up with overcrowded trains and fewer bus lines.

In the West Zone, where the poorest neighbourhoods of the city are concentrated, priority was given to road transportation. In the rich areas (South Zone-Barra), an expensive and short subway line was

built. It is really a coincidence that the LRVs connect the city centre and the airport to an area of the city that has been privatised, as in the case of Porto Maravilha? All of this was done in a city that has one of the most expensive transportation systems in the country and has not fully integrated its tariff system – in other words, anyone who needs to change from one transportation mode to another several times has to pay each time.

Expensive construction works undertaken for the few, which serve the interests of real estate speculators and foster the privatisation of the city are the result of a mega-event model that offers comfort to the privileged and overcrowded services and exclusion to the working class.



Porto Maravilha (or “the Marvellous Port”) - the project that privatised an area of the city of great historical importance - buried the Black history there and made public authorities subservient to the interests of the market. The Museum of Tomorrow was built on the site where between 500,000 and 1 million African slaves arrived in Brazil. Despite the attempts at urban renewal and gentrification, the economic crisis directly affected the plans for large-scale developments in the area - at least for now.

*By Caio Lima, Marcelo Edmundo and Orlando Santos Junior, activists from the Comitê Popular de Lutas do Rio de Janeiro (Committee for Popular Struggles in Rio de Janeiro)*

# Porto Maravilha:

Urban interventions in Rio de Janeiro’s port district

The port district is located in one of Rio de Janeiro’s oldest areas, where there is a strong presence of the black culture and a high number of public heritage buildings. The Porto Maravilha (“Marvellous Port”) project was launched on November 23, 2009 and legitimised as part of the preparations for the Olympic Games.

## How does it work?

In order to set new urbanisation standards, the Rio de Janeiro port district was declared an Area of Special Urban Interest and divided into sectors and subsectors. New models, occupancy rates and floor space indexes were defined by subsector. The floor space index indicates a plot of land’s building potential in relation to its total area. Developers who want to build structures that are larger than what zoning regulations allow must pay the municipality for the right to do so by acquiring Certificados de Potencial Adicional de Construção (CEPAC, or Certificates of Additional Construction Potential). The City of Rio argued that the “regeneration” of the port region would be funded by the market - i.e. private investors and owners - through the purchase of CEPAC bonds.

## How were the works funded and how much did they cost?

The works of the Porto Maravilha project were to be executed via public-private partnerships (PPP) with the funds raised through the sale of CEPAC bonds. According to calculations that use adjusted amounts, approximately R\$10 billion are necessary to implement all of the works and services included in the Porto Maravilha project. The works only got off the ground, though, when the Fundo de Garantia do Tempo de Serviço (FGTS or Guarantee Fund for Time of Service), managed by the Caixa Econômica Federal (CEF, a federal government bank), acquired all of the CEPAC bonds issued by the City of Rio, which amounted to R\$3.6 billion. The plan was that the valorisation of the CEPACS would cover the total amount of funding needed. Now, the CEF is responsible for trading the CEPACs on the market in order to guarantee the resources needed to finance the works.

# Understanding the Porto Maravilha project

## WHAT IT IS:

an “Operação Urbana Consorciada” (OUC, or an Urban Operation Consortium)<sup>1</sup>

## WHO MANAGES IT:

- the Porto Novo Consortium (formed by the OAS, Odebrecht and Carioca Engenharia construction corporations) won the bidding process and is responsible for the construction work and providing maintenance services in the area (garbage collection, lighting, traffic control, road maintenance, etc.).

## AREA COVERED:

- 5 million m<sup>2</sup>, which includes part of or entire neighbourhoods in the old city centre.

## DURATION OF THE PUBLIC-PRIVATE PARTNERSHIP (PPP) AGREEMENT:

15 years

1. An “Operação Urbana Consorciada” is defined as a group of interventions and measures carried out under the coordination of municipal authorities and with the participation of owners, residents and private investors, whose stated goal is to implement structural urban changes that bring about improvements for society and the urban environment.

## Behind the official discourse

Over the past few years, the Popular Committee on the World Cup and the Olympics voiced several criticisms to denounce that the Porto Maravilha project sought to create new business environments and promote residential developments for the middle class, while subordinating the investments to the interests of the market at the expense of the needs of the population and the popular culture in the region. In this context, it was clear that the risk of eviction loomed over the heads of the part of the population who had been living in and giving life to the port district for decades, as in the case of the Morro da Providência favela. The Popular Committee also denounced the fallacy of the official discourse that claimed the interventions would be funded by the private sector through the sale of CEPAC bonds, as it was public resources from the FGTS that enabled the works to begin.

## Lack of transparency

The risks were assumed, then, by the state and not by private investors or owners, as the official discourse suggests. Furthermore, even though the City Statutes foresee social participation as a form of public control of urban operations, the lack of transparency

is what prevails. The fundamental decisions on the project’s development are generally made unilaterally by municipal authorities, the CDURP and by representatives of the Porto Novo Consortium and the Porto Maravilha Real Estate Investment Fund. Finally, the project does not contain any effective measures for social housing or legalising land ownership, which is also a violation of the city’s statutes.

## One year later

Despite the attempts at urban renewal and to gentrify the port district, which were legitimised and stimulated by the preparations for the Olympic Games, the economic crisis and the political coup in Brazil directly affected the city of Rio de Janeiro and the plans to neoliberalise the city already underway. Both the municipal and state governments emerged from the Olympics heavily in debt and began to cut funding to various sectors, including its civil servants’ pay.

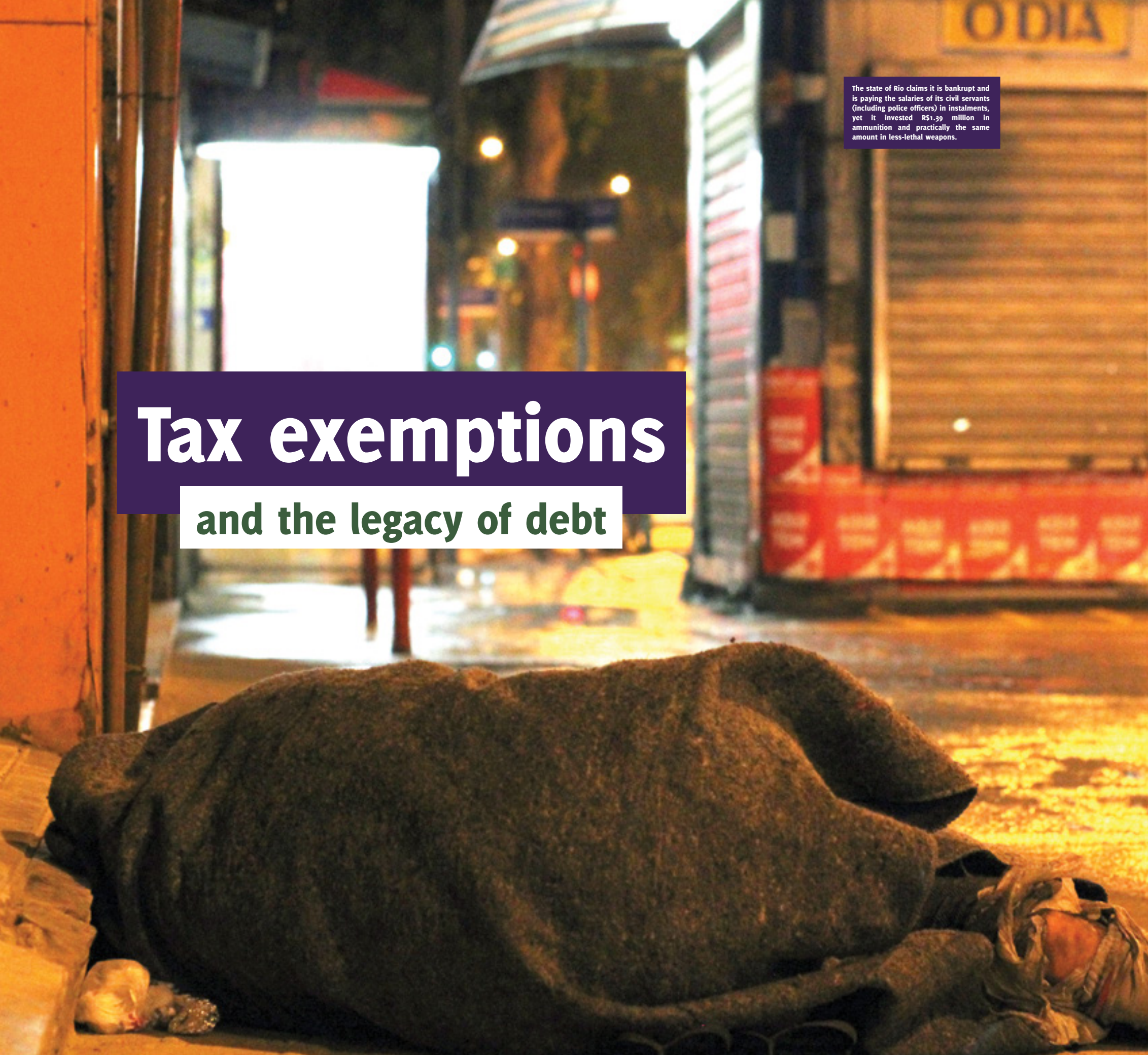
In the port region, with the exception of a few large international and national corporations that invested in ventures there, the real estate industry is nowhere near meeting the initial predictions. The number of new residents arriving in the area is also far from reaching the 100,000 mark, as originally estimated. Even so, the risks of eviction remain.



In the picture, the Instituto Pretos Novos, or the New Blacks Institute, whose goal is to promote the cultural heritage of the African Diaspora and Afro-Brazilian people, announces its closure. The sign says “With no support and no respect”.

## One year after the Olympics, several of the criticisms and denunciations of the Rio de Janeiro Popular Committee on the World Cup and the Olympics were validated, namely:

- 1 The Porto Maravilha urban renewal project – with the City of Rio, via the CDURP, as its main promoter – was designed and implemented to serve the interests of the market. The funding model based on the CEPACs also helps to subordinate the government to market interests.
- 2 The economic crisis made it even clearer that the risks of the PPP were not being shared equally. In light of the difficulties in selling the CEPACs and financing the works, in late 2016, the City of Rio was forced to inject resources into the CDURP and guarantee the repurchasing of the CEPACs issued. This exposed the fallacy that the resources for the urban renewal project would come from the private sector.
- 3 The lack of social housing policies and investments led several popular organisations to pressure city hall and the CDURP to elaborate a social housing plan for the port district, which was done in 2015 through public hearings and a municipal conference. However, the plan never made it off the paper and nothing has been done in this area.



The state of Rio claims it is bankrupt and is paying the salaries of its civil servants (including police officers) in instalments, yet it invested R\$1.39 million in ammunition and practically the same amount in less-lethal weapons.

*By Julia Bustamante, economist  
and a master's student of urban  
and regional planning*

# Tax exemptions and the legacy of debt

In an article published in April 2017 on the *El País* newspaper's website, former mayor Eduardo Paes affirmed that "Brazil does not have an Olympic problem; it has an economic problem". The process of hosting the Games is closely tied to the image of Eduardo Paes, who was the head of the city administration between 2009 and 2016. While there is not enough space here to analyse the situation in the entire country, we can say that Rio de Janeiro does, in fact, have an Olympic problem.

The Olympics were not merely a one-time mega sporting event. Hosting the Games was linked to plans to implement the exclusionary and elitist 'global city' model, which was associated to the Olympics in order to legitimise an emergency regime. The city began to be run like a business, which meant that it had to generate profit. And as usual, it generated profit for the few, while the rest of the population was stuck with the bill. The city's history was already marked by inequalities and the mega-events only made them worse.

The bus companies were one of the privileged groups that came out a winner. In 2010, Paes presented a proposal to lower the rate of municipal services tax (ISS) from 2% to 0.01% (law no. 5223/2010), claiming that it would give up R\$33 million in revenues a year. This amount, however, was always higher. Between 2010 and 2016, the city gave up R\$338 million in revenues in these companies' favour!

In 2017, it is estimated that the city will renounce to R\$71.7 million in revenues. If things continue on at this rate, this number will reach R\$ 75.6 million in 2018 and

R\$ 79.3 million the following year. The large profit margin of the bus companies was guaranteed, while the municipality gave up funds that could go to

Right next to the Marapendi Environmental Protection Area, 58,000 m<sup>2</sup> of the Wildlife Conservation Zone was destroyed to build a golf course. The Fiori Empreendimentos Imobiliários LTDA company won the right to erect residential towers thanks to a decree issued by former mayor Eduardo Paes that increased the buildable area in the zone. There were so many irregularities in this process that in December 2016, the Court of Rio issued an order to freeze the assets of the former mayor who was accused of abuse of authority in relation to the project.



health, education, etc.

Another sector that profited from the mega-events was the building contractors. In addition to evidence on the formation of cartels for the works for the Olympics, the former president of Odebrecht Infraestrutura declared in a plea bargain statement that the corporate group transferred over R\$15 million to Eduardo Paes in exchange for his help with contracts related to the 2016 Games. Tax breaks for developments in the hotel industry for the Olympics and the World Cup totalled R\$26.4 million.

In the case of the Porto Maravilha, the negative legacy is also visible: authorities gave up R\$112.7 million in revenues. The largest PPP in Brazil – managed by the Porto Novo Consortium (Odebrecht, OAS and Carioca Engenharia) – was implemented and justified by a discourse claiming that the works would not cost public coffers anything. This was false right from the start, but in June of this year, the situation took a turn for the worse, when the concessionaire announced that it would stop providing maintenance services to the Porto Maravilha region. The Companhia de Desenvolvimento Urbano da Região do Porto (CDURP, or the Urban Development Company of the Port Region), the mixed enterprise created by the City of Rio to manage the Porto Maravilha, assumed the operations in the area, which means even more public resources will be used.

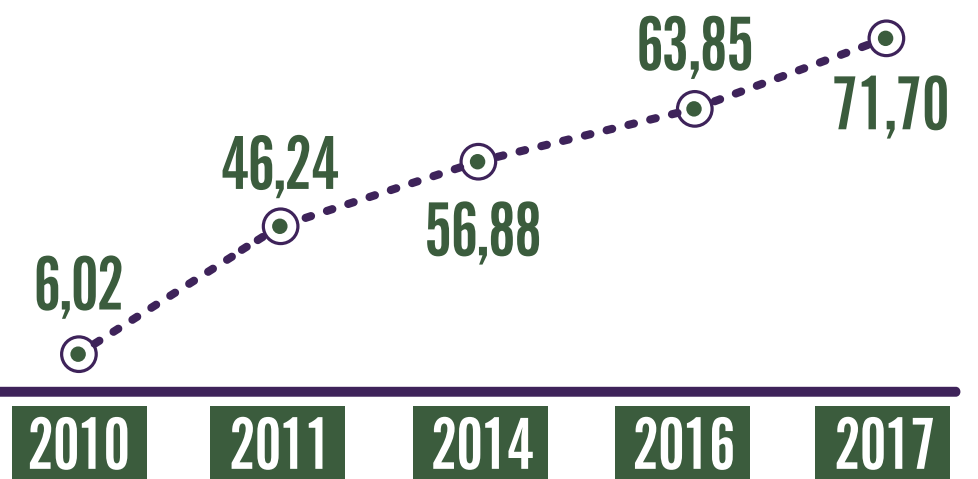
In the fight over the budget, agreements between businessmen and authorities only brought more harm to the people who witnessed as the 2017 budget for education, sports and leisure was set at R\$6.4 million, for example [1] – 9% lower than the 2016 budget in real terms. These are some of the emblematic examples that confirm just how unjust the municipality is in terms of both sources of revenue, as it gives tax rebates to

[1] For comparison purposes, we will use the sum of the budgets of the Secretariat of Education and the Secretariat of Sports and Leisure for 2016.

## Evolution of tax exemptions for transportation companies in Rio

(in millions of reals)

Source: Coordenadoria de Auditoria e Desenvolvimento (CAD/TCM) and Lei de Diretrizes Orçamentárias (LDO) 2017



the rich, and public expenditures, which are managed to favour business owners.

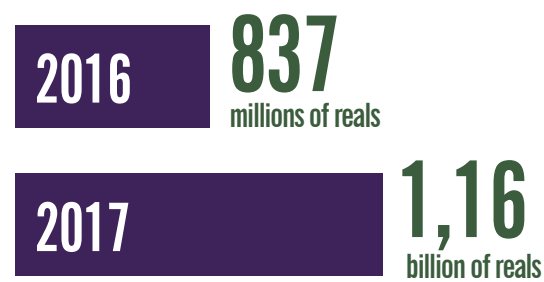
The 2017 budget is thus being affected by decisions made in the past, especially when one takes into account the payment of earlier loans. The grace period for the debt acquired to pay for the Olympics works is coming to an end, which is beginning to weigh on the budget. The previous administration took out the loans and left the bill for the ones that followed.

One example is the 2010 loan from the BNDES for the works on the BRT lines. The amortized loan payments (advance payments of part of the debt) for this loan more than doubled in relation to the year before and reached close to R\$647 million. Between 2011 and 2016, R\$868 million were spent on payments, close to 25% of what will be paid between 2017 and 2020: R\$3.3 billion. Even though the municipal debt is within the limits established by the Fiscal Responsibility Law, the debt service is expected to increase by 2019. The debt was acquired for investments that were con-

centrated in only a few areas of the city, sought to favour the few and real estate speculation and increased socio-spatial inequalities. The investments were not capable of sustaining a cycle of growth and in 2017, the city took out two more loans from the Caixa Econômica federal bank; one of them is to be used to pay down part of its debt with the IADB.

In short, the population's needs were set aside in favour of the commodification of the city. The Olympics played a fundamental role in legitimising this process by promising to leave a "legacy". From a public administration point of view, its legacy has, in fact, been the subordination of public authorities to the logic of the market, which limits the possibilities for democratic management and the universalisation of rights. Contrary to Eduardo Paes, we affirm that the economic problems in Rio de Janeiro are also an Olympic problem, in which the powerful continue to win all the medals and the working population, all the penalties.

## The City of Rio's internal and external debt



Increase of almost 40%



Source: Getulio Vargas Foundation

The recipe that Rio followed

# 10 tips on what NOT to do when organising the Olympics


plus an extra tip if you want to go for the gold



**1** Do not consult the residents of the host-city on what they think about spending money on the Games;



**4** Build all the sports facilities from scratch and close or privatise existing public facilities. When you can't start from scratch, invent ways to reform stadiums - the more extravagant, the better.



**2** Run up huge debts that can only be paid off by cutting funding to social programmes such as health and education. This is the best way to transfer state resources to the organisers of the private mega-event;



**3** Build streets, subway lines and light rail transit systems to the places where the games will be held so tourists can take pictures, but not where the population needs them the most;

**5** Allocate a huge amount of public funds to security forces and concentrate policing in the slums or poor areas. Adopt public security policies that are clearly racist and promote genocide instead of investing in policies that promote equality and social peace;



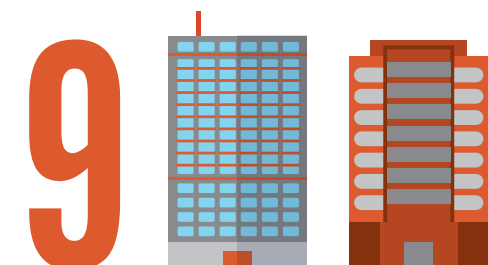
**6** Remove communities settled in rich areas and send them off to live in remote areas (the farther, the better). The Olympics are a perfect excuse for this;

**8** Hide all information on public spending from the public. After all, they are your Olympics and you don't have to prove anything to anyone. Always have a good excuse ready to justify any additional spending;

**10** Make the city a really expensive place to live and then go back to your country.



**7** Criminalise all forms of informal labour and use a lot of violence to repress street vendors. Do not give them back their merchandise;



**9** Deregulate urban land use. Open the door to speculation on real estate. If people don't want to pay a lot of money for rent, then they should move!

**EXTRA TIP**



Make everyone believe that anyone who criticises the Olympics is a sports-hating lunatic.





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Caio Barbosa (Back Cover, Table of Contents, p. 8,  
12, 15, 16, 20 (bottom), 23, 24, 26, 27, 34, 37, 38,  
41, 42, 44)  
Fabio Caffé (Cover)  
Tales Duarte (Introduction)  
Aline Furtado (p.19, 20 (top), Bibliography and  
Credits' Photo)  
Fernando Frazão/Agência Brasil (p.28)  
Tânia Rego/Agência Brasil (p.6)

Final Edition  
Manu Justo  
Thiago Mendes

Reportage  
Caio Barbosa  
Thiago Mendes

Articles  
Sandra Quintela, Gizele Martins, Julia  
Bustamante, Caio Lima, Marcelo Edmundo  
and Orlando Santos Junior

Design and Graphics  
Mardônio Andrade

Acknowledgements  
Justiça Global  
ONG Fase  
Sérgio Ricardo

Sponsored by  
DKA - Áustria  
Fundação Heinrich Böll

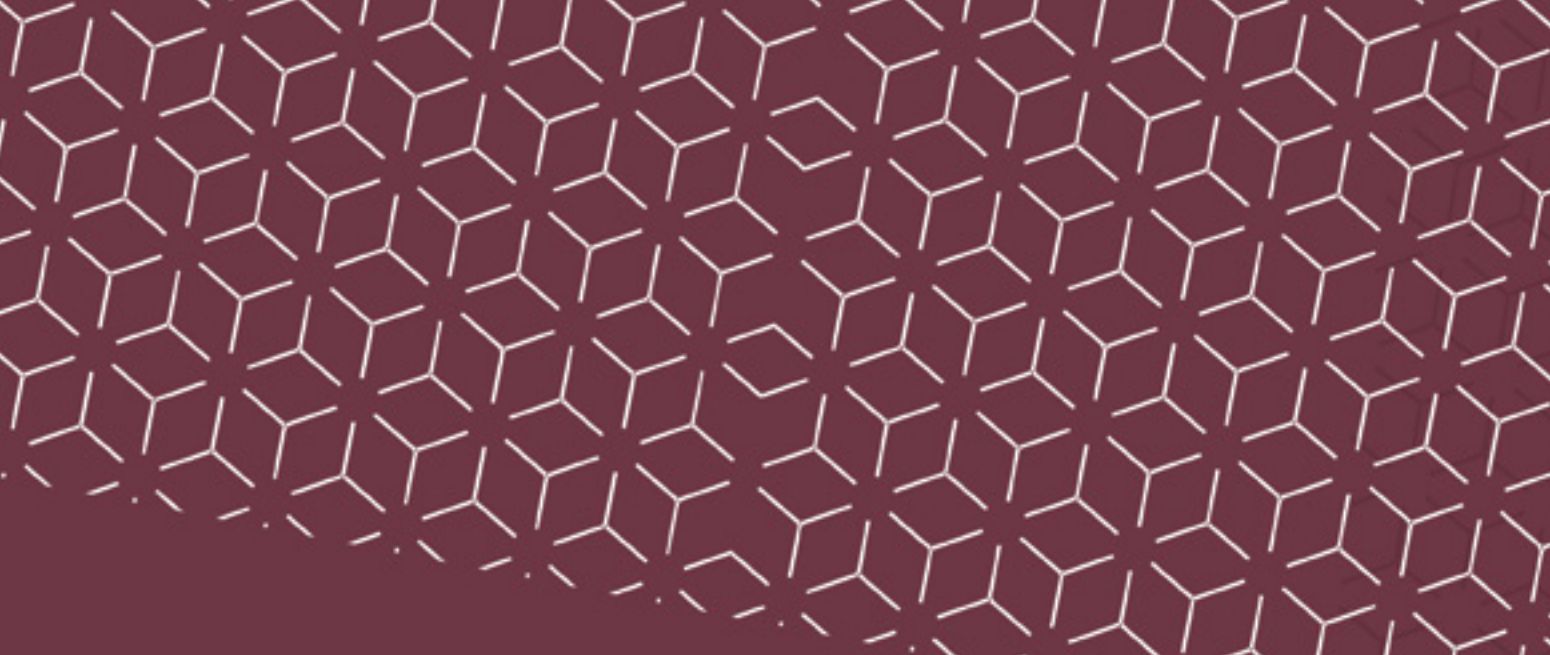
Printed by  
WalPrint

Rio de Janeiro - July 2017



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*More than 42 billion Brazilian reals were spent on a 30-day event. For the residents of the city, was it worth it? Besides the memories of the competitions that the entire world watched on TV, what remained after the party was over? In the search for the promised legacy, PACS presents an analysis in the form of a mosaic of issues to show what the situation is like in the Olympic city of Rio de Janeiro one year after the Games.*



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