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## ID 1636 | SPORTS MEGA-EVENTS AND URBAN LEGACIES: THE 2014 FIFA WORLD CUP, BRAZIL

Eduardo A. C. Nobre<sup>1</sup>

<sup>1</sup>Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo  
[eacnobre@usp.br](mailto:eacnobre@usp.br)

**ABSTRACT:** The idea of organising Sports Mega-Events had been defended by strategic urban planners as a way to attract considerable public and private resources to be invested in cities. In this respect, the city of Barcelona has been an outstanding example for the urban transformations as a result of the 1992 Olympic Games. The construction or renovation of ports, airports, public transportation and sports facilities, housing, hotels and tourism developments is regarded as the urban legacy of organising such mega-events. In October 2007, Brazil was chosen to organise the 2014 FIFA World Cup. Seemingly a natural vocation due to the country's historic relationship with football, the competition to host this mega-event was related to the political project of its governors during a period of rapid economic growth and the emergence of the country on the world scenario. Between October 2007 and July 2014 a series of projects in infrastructure, mobility and stadia construction was carried out at a cost of ten billion dollars. The aim of this paper is to understand the main results of the World Cup interventions in Brazil, which were its main urban legacy and who were the winners and losers in this process.

### 1 THE RATIONALE FOR SPORTS MEGA-EVENTS PLANNING

The idea of promoting sport mega-events has been defended by international urban strategic planning consultants as a way for cities to compete with each other for the 'scarce international investment' and achieve economic development in a 'highly competitive environment' of contemporary capitalism<sup>1</sup>. They say that when hosting these events, a considerable amount of public and private investment in

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<sup>1</sup> We refer here to the concepts of current capitalist development stage, where the global accumulation regime is given by the dominance of finance capital over the productive, made possible by international capital flows deregulation and the adoption of the neoliberal political and economic doctrine (Chesnais & Brunhoff 2005, Foster 2010, Harvey 1990, 2005).

infrastructure, services and employment-generating activities will be implemented in the city that would take longer to happen without them: it is the so-called LEGACY.

The mega-events are a short-term event requiring investments in a series of works for it to be carried out. In the case of sports mega-events, the two main and most important are the Olympic Games and the FIFA World Cup. From the late 1970s on, with the global television broadcast, there was a major transformation in their organisation, as the media worldwide exposure caused the event to become highly profitable for their sponsors. Thus, large multinational corporations, such as sports brands, automotive, beverage, electronics, food and telecommunications industries, have been investing billions of dollars expecting financial return from the exposure of their brands (Broudehoux, 2015).

The sports facilities needed (stadiums, arenas and gyms), transport infrastructure, telecommunications, hospitality (to accommodate the delegations, journalists and tourists) and related services have caused a series of works and investments in urban development, which many times had led to great urban transformations.

On the other hand, the global economic restructuring crisis of the 1980s has led to profound changes in the paradigm of urban planning and policy, making urban administrations to adopt a neoliberal approach, taking a more active attitude to attract economic development, adopting techniques of corporate strategic planning, moving from 'managerialism' to 'entrepreneurialism', in Harvey's words (Harvey, 1989).

The role that the city of Barcelona played in the 1992 Olympic Games is regarded as one of the first examples of this new paradigm, which uses the promotion of major event as integrant part of urban strategic planning, as can be seen in the words of Borja and Castells:

*The response to the awareness of crisis has been facilitated in some cities by the ability to attract and make use of a major international event. Barcelona has become a paradigmatic example of this. The strategic plan would not have been the framework for an ambitious urban transformation project, now partly implemented, without the spur of the 1992 Olympic Games. (Borja & Castells, 1997, p. 93)*

Since then, several municipal and national governments have struggled in the competition to host these mega-events, with the aim of promoting and transforming their cities to be 'sold' to the consumer market, becoming investment and tourist destinations on a global scale.

However, the sponsors' billionaire interests cause these interventions to result in strong physical-spatial and socio-economic impacts on the city and its residents. Sometimes, the combination of television, marketing and commercial rights sale of these events make these powerful transnational companies and the organizing committees to have a supranational decision power, dictating rules on the construction and location of the stadiums and equipment, even changing national and local legislation<sup>1</sup>.

Many authors have explored the impacts of mega-events planning. Kassens-Noor (Kassens-Noor, 2012), after analysing the transportation planning for four Olympic cities (Barcelona, Atlanta, Sydney and Athens) came to the conclusion that the IOC - International Olympic Committee had a strong influence on these projects. They turned out to be quite different from what had been planned for these cities prior to the bid. Worse yet, they represent a strong shift away from investing to meet these cities mobility real demand and eventually become great 'white elephants', with little use by local people after the games.

Furthermore, the impact of interventions and works regulations of these events has generally resulted in losses for local communities. In this aspect the main 'winners' of this process were the entrepreneurs, landowners and big business at the expense of the most excluded population sectors, especially the low-income residents of the surroundings and the small local businesses.

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<sup>1</sup> We remember here two emblematic cases: the first one was the demand of FIFA to change the location of Cape Town Stadium in 2010 South Africa World Cup for a photogenic place, with the sea in the background, avoiding its construction in the original planned location close to a poor neighbourhood and low income residential developments (Broudehoux 2015); the second case is the clash between the FIFA rules regarding spirits consumption in stadiums (since one of the main sponsors is a beer producer) and the national legal restriction on their consumption, which had to be relaxed in Brazil during the event.

Brimicombe (2013) evaluated the results of 2012 Olympic Games in London and came to the conclusion that the main legacy promises at national level were not met. First, the expenses for the event were much higher than the original budget (£ 9 billion against £ 2 billion), and the public sector was responsible for 90% of the total, despite initial promises on the contrary. The goals of transforming the UK into a sporting nation also did not occur: it was expected that one million young people would initiate sports activities for an hour at least three times a week after the games, and later this estimate was revised for just one hour once a week.

Even the urban legacy of the Games to London is questionable. Their location in the East End was proposed to promote an urban regeneration process in an area characterised by industrial transition with large environmental burden and strong presence of vulnerable low-income population. Considering the two main local goals, provision of social housing and jobs to meet local needs, the legacy also seems to have been a failure. Westfield Stratford City, one of the largest shopping malls in Europe, with GLA – Gross Location Area of 175,000 square meters, was built next to the Queen Elizabeth II Olympic Park, in order to provide economic activities and jobs to the area. However, according to the local plan draft conducted by the London Legacy Development Corporation only 20% of the ten thousand jobs created was directed to local population, in an area where there are serious unemployment problems (LLDC, 2013).

The Olympic Village was transformed into a luxury housing development, 'East Village London', and has been sold to the community. Prices of new homes skyrocketed: a new one-bedroom flat was selling at £ 300,000 in 2014, in contrast to two-bedroom terraced houses, which were being sold at an average of £ 230,000 (Zoopla Propriety Group, 2014). The Olympic Village building quality highly contrasts with existing vicinity homes and only 24% of the 2,818 new homes will be for social housing (Watt, 2013).

Four hundred homes have been demolished for the Olympic works and "Olympic-related gentrification and displacement processes associated with rising private housing costs have already been identified" (Watt, 2013, p. 104). The current low-income residents face uncertainty about the possibility to remain in the place in the future, bearing in mind that since the 1980s the Eastern Thames Valley has been subject to various urban regeneration projects, attracting many foreign investors such as Russian, Chinese and Arabs.

## 1.1 ORGANIZING A SPORT MEGA-EVENT IN A BRIC CONTEXT

Brazil is presently considered as a BRIC country. Due to its economy size and growth in recent years, Goldman Sachs chairman, Jim O'Neill, have coined this acronym to define the largest emerging market economies consisting of Brazil, Russia, India and China (O'Neill, 2001). After the Debt Crisis of the 1980s, Brazil overcame the economic crisis and controlled inflation with Plano Real stabilisation plan. However the economy continued to slide, growing at an average of 2.8% a year; the overvalued new national currency, the Real (R\$), and the free trade caused a deindustrialisation process and unemployment continued high (12.3%) (IBGE, 2014). In amidst of the Chinese led economic boom and commodities high valorisation of early 2000s, the Brazilian economy grew again at an average of 4% a year, reaching 7.6% in 2010, becoming the 7th biggest economy in the World<sup>1</sup> with a GDP at market prices of US\$ 2.3 trillion in 2014 (The World Bank, 2014).

The election of the leftist Luiz Inácio Lula da Silva<sup>2</sup> for president much contributed for these changes. During his office (2003-2010), Lula da Silva adopted a macroeconomic policy based in two fronts that became known as 'neodevelopmentalism'<sup>3</sup> (Ban, 2012). First, an aggressive economy and exports policies

<sup>1</sup> Behind: United States (US\$ 17.4 trillion), China (US\$ 10.4), Japan (US\$ 4.6 trillion), Germany (US\$ 3.9 trillion), United Kingdom (US\$ 2.9 trillion) and France (US\$ 2.8 trillion)(The World Bank 2015).

<sup>2</sup> Luiz Inácio Lula da Silva (1945- ) is a Brazilian politician. Former metal worker and trade union leader, he was one of the founders of the left wing PT – Partido dos Trabalhadores (Workers Party). After running three times for presidency, he was elected president in 2002 after approaching centre-left and re-elected in 2006. By the end of his term in 2011, he managed to elect his successor, Dilma Rousseff, also from PT.

<sup>3</sup> According to Ban (2012) 'neodevelopmentalism' entails a new form of state activism. It is a national capitalist development program meant to guide the transition of developing countries away from the Washington Consensus. It is based on the adoption of a development strategy that allows domestic firms to seize global economies of scale and technological updating processes, but also innovation policy and an activist trade policy targeted at investment opportunities for domestic firms.

boost financed by BNDES<sup>1</sup>, fostering the 'National Champions', major Brazilian enterprise groups in the fields of agribusiness, construction and industry (cement, beverage, food, petroleum oil and steel). Many Brazilian companies have consolidated as multinationals, expanding their presence especially in Latin America and Africa (Columbia Law School, 2007).

Second, the implementation of various economic and social programs to reduce extreme poverty. The minimum wage has had a real 75% increase, discounting inflation. 'Bolsa Família'<sup>2</sup> (Family Allowance), an income transfer program, was created to ensure the right to food and access to education and health for families in extreme poverty. And after almost twenty years of absence, the Federal Government returned investments in infrastructure in areas such as housing, sanitation, transport, energy and hydric resources through PAC – Programa de Aceleração do Crescimento (Growth Acceleration Program) with a prevision of a US\$ 237 billion investments for the 2007 three following years and in social housing production, creating in 2009 the 'Programa Minha Casa Minha Vida' (My House My Life Program) that initially aimed at producing one million homes, but reached three million units<sup>3</sup>. With these economic measures unemployment fell to 6.4% and 25 million people left extreme poverty (Báez, Rodella, Sharman, & Viveros, 2015).

It was in this favourable conditions context at national and international levels that Brazil jumped on the sports mega-events planning bandwagon, hosting the 2007 Pan-American Games in Rio de Janeiro, the 2014 FIFA World Cup and the 2016 Olympic Games again in Rio de Janeiro. The bids had the Government approval and even its proactive attitude from the beginning. More than that, organising such mega-events would crown President Lula da Silva political project, showing that the country, under his presidency, had finally the conditions to be recognised as an emerging power. In that sense the organisation of the 2007 Pan-American Games was a test for Lula da Silva's great ambitions, as can be seen in his own words:

*Normally the Olympic Games are organised by the rich and developed countries. With the Pan-American organisation, we want to prove that we can do equal or even better than any rich country of the World. We are going to organise the best Pan-American Games ever so that we can dream with other realisations... We are interested on bringing two events to Brazil: 2014 World Cup and after that, the Olympic Games. (JOL, 2006)*

Lula da Silva believed that organising such events would bring prosperity and political capital with the amount of investments that had to be done. In that sense, it represented the legitimate justification to boost the contractors (the 'National Champions'), national and local economies with public and private money for the works of new arenas, facilities and infrastructure.

## 1.2 THE 2014 FIFA WORLD CUP ORGANISATION

Despite wide criticism that 2007 Pan-American Games had received, specifically with regard to overpricing and the urban impacts (Mascarenhas, Bienenstein and Sánchez 2011), the Brazilian Government had decided to compete for the right to organize the 2014 FIFA World Cup. After FIFA ratification in 2007, eighteen cities entered a dispute to host the event. Despite the fact that FIFA would prefer fewer host cities (between six and ten), the Brazilian government pushed for a larger number (twelve), justifying it due to the country's continental dimension. In reality, this would allow investment distribution among different regions of the country, promoting the host cities transformation just in time for 2014 national elections, as can be seen in the Federal Government rationale on the legacy below:

<sup>1</sup> BNDES is the Brazilian National Social and Economic Development Bank (Banco Nacional de Desenvolvimento Econômico e Social), founded in 1952 that has played a fundamental role in stimulating the expansion of industry and infrastructure in the country.

<sup>2</sup> Created by the Federal Law 10,836/2004, it is an income direct transfer program to families in poverty and extreme poverty. In 2015 the program assisted 11.5 million households (23% of the national total), transferring R\$ 25.4 billion (US\$ 6.5 billion) in benefits Fonte bibliográfica inválida especificada..

<sup>3</sup> In four years, it reached a total of more than three million of contracted units, 53.3% of which for families earning less than three minimum wages (Santo Amore 2015).

*The objective of the Federal Government is to coordinate an investment program that will transform some of the most important capitals of the country, from North to South and from all regions: Belo Horizonte, Brasília, Cuiabá, Curitiba, Fortaleza, Manaus, Natal, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo. For all Brazilians, whatever the result of the World Cup will be, an important legacy in infrastructure, job and income creation will remain, promoting the country's image globally.” (Brazil, 2013)*

After the host cities definition, the Federal Government, under the Ministry of Sports, started to develop the necessary projects to carry out the World Cup. They were divided into three major groups, called planning cycles (infrastructure, support services and operational actions)<sup>10</sup>. The infrastructure projects were those that provided the greatest number of physical-spatial interventions, causing therefore the greatest impact on cities. They were divided into four types:

<sup>10</sup> These groups were divided into three planning cycles (Brazil 2013): infrastructure projects from 2009-2010 (stadia, urban mobility, airports and ports); support services projects from 2010-2011 (security, tourism infrastructure, telecommunications, energy, environmental sustainability and institutional communication); operational actions from 2011-2013 (airport and port operation; urban transport; energy supply, medical and transitory facilities)(Brazil. Ministry of Sports 2014).

1. Stadia;
2. Urban mobility;
3. Airports;
4. Ports.

In January 2010 the Minister of Sports, twelve state governors and twelve cities mayors signed the Responsibility Matrix agreement, where they committed themselves to carry out the necessary actions and works for the World Cup. The Federal Government was responsible for the renovation of airports (INFRAERO – Federal Airport Infrastructure Administration) and ports (Secretaria dos Portos – Department of Ports). However, as several airports have undergone privatisation, the franchisers also have borne the costs (58%). The urban mobility works were of various types, from building public transport systems and facilities, such as BRT – Bus Rapid Transit and LRV – Light Rail Vehicles lines, train or metro stations, to the construction of streets, roads and fly-overs. Largely the mobility works were related to the connection of the airports to the stadiums or to road adequacy in their surroundings. The costs were shared between the Federal Government (50%) and the local instance (50%), both state and city governments, depending on each case. The participation of Federal Funds came through CEF (Federal Savings Bank) loans under the PAC Mobilidade Urbana (Growth Acceleration Program – Urban Mobility mode). With regard to the stadiums, despite government promises to only invest in infrastructure, the largest amount of money was from public sources (92.7%). The BNDES has opened a credit line for companies with interest rates below the market. Municipalities and states granted tax exemptions, if not invested directly in the stadiums construction/renovation. Afterwards, public money, considering lines of credit, loans, tax exemptions or direct spending represented 84% of the 10.1 billion dollars<sup>1</sup> spent on 2014 FIFA World Cup organisation, being 51% from Federal Government and 33% from states or municipalities, as seen in table 1 (Brazil. Ministry of Sports, 2014).

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<sup>1</sup> The total amount was R\$ 27.1 billion (Reais) converted at an exchange rate of R\$ 2.68 for US\$ 1.00 for 23 December 2014, according to Brazilian Central Bank (<http://www4.bcb.gov.br/pec/conversao/conversao.asp>). These values can present some little differences as between the Responsibility Matrix signature in January 2010 and its final version in December 2014, the Real devalued 14% against the Dollar, discounted the inflation. From that date until March 1st, 2016, the Real has had a strong devaluation, losing 49% of its value, mainly due to an economic crisis and severe recession Brazil has been suffering.

|                           | Total Investment | Financed by Federal Government | Federal Investment | Local Investment | Private Investment |
|---------------------------|------------------|--------------------------------|--------------------|------------------|--------------------|
| Urban Mobility            | 3,260.1          | 1,637.2                        | 9.3                | 1,613.7          | -                  |
| Arenas                    | 3,131.7          | 1,425.5                        | -                  | 1,477.8          | 228.4              |
| Airports                  | 2,346.2          | -                              | 994.8              | -                | 1,351.4            |
| Ports                     | 223.3            | -                              | 220.9              | 2.4              | -                  |
| Other                     | 1,169.7          | -                              | 872.7              | 256.9            | 40.3               |
| <b>Total US\$ million</b> | <b>10,131.0</b>  | <b>3,062.7</b>                 | <b>2,097.6</b>     | <b>3,350.7</b>   | <b>1,620.2</b>     |

Table 1 – The final Responsibility Matrix investment by type of work  
Source: Brazil, Ministry of Sports, 2014.

From a regional point of view, investments were concentrated in the Southeast Region, the country's most developed. According to table 2, the total amount spent in São Paulo, Rio de Janeiro e Belo Horizonte accounted for 42.8% of the total.

|                           | Total Investment | Financed by Federal Government | Federal Investment | Local Investment | Private Investment |               |
|---------------------------|------------------|--------------------------------|--------------------|------------------|--------------------|---------------|
| São Paulo                 | 1,899.6          | 149.4                          | 255.9              | 385.7            | 1,108.7            | 18.8%         |
| Rio de Janeiro            | 1,446.8          | 589.8                          | 172.3              | 684.7            | -                  | 14.3%         |
| Belo Horizonte            | 979.5            | 502.6                          | 163.5              | 313.5            | -                  | 9.7%          |
| Cuiabá                    | 912.9            | 316.8                          | 39.2               | 556.8            | -                  | 9.0%          |
| Brasília                  | 810.1            | 18.8                           | 4.5                | 546.8            | 239.9              | 8.0%          |
| Recife                    | 625.1            | 402.7                          | 16.5               | 205.8            | -                  | 6.2%          |
| Fortaleza                 | 613.5            | 284.4                          | 154.1              | 174.9            | -                  | 6.1%          |
| Natal                     | 577.7            | 262.1                          | 110.1              | 65.3             | 140.2              | 5.7%          |
| Manaus                    | 488.7            | 149.4                          | 195.5              | 143.8            | -                  | 4.8%          |
| Curitiba                  | 418.2            | 162.9                          | 64.9               | 93.0             | 97.2               | 4.1%          |
| Salvador                  | 354.5            | 120.9                          | 66.8               | 166.9            | -                  | 3.5%          |
| Porto Alegre              | 190.0            | 102.8                          | 39.7               | 13.5             | 34.1               | 1.9%          |
| Other (all cities)        | 814.7            | -                              | 814.7              | -                | -                  | 8.0%          |
| <b>Total US\$ million</b> | <b>10,131.0</b>  | <b>3,062.7</b>                 | <b>2,097.6</b>     | <b>3,350.7</b>   | <b>1,620.2</b>     | <b>100.0%</b> |

Table 2: The final Responsibility Matrix investments by city  
Source: Brazil, Ministry of Sports, 2014. Elaboration by the author.

In order to speed up the works, the Federal Government enacted a new public tender law (Brazil, 2011) that allowed contractors and contract requirements to be flexibilized, thus reducing the process time from 250 to 90 days. This new tender regime has received many critiques from engineers and architects professional associations for giving the contractors too much power as they became responsible for the basic and executive projects, allowing them to define the works, changing its characteristics.

Another controversial law was the General Law of the Cup (Lei Geral da Copa) which established among other things (Brazil 2012): end of spirits consumption prohibition during the event; the revision of ticket discounts for students, elderly and handicapped; street commerce prohibition around the World Cup facilities; Federal Government civil responsibility for incidents and damages during the event; extended and free visas for World Cup foreigner workers and athletes; etc.

At the local level, contractors, entrepreneurs and the land-based elite entered in competition for resources and projects from the Federal Government. In many cases, investments in infrastructure and stadiums were directed to areas of potential expansion of the real estate capital, not without causing the eviction of low-income local population and planning legislation flexibility.

The large volume of public investment and little public return of the works caused a great population reaction, who took the streets of Brazilian cities in thousands demanding for public transport, schools and hospitals at 'FIFA standard', and crying slogans such as 'Cup for whom?' or 'There will be NO Cup' (BBC News, 2014). Organised social movements, composed by workers, students and intellectuals has joined together locally in the Comitês Populares da Copa (Cup Popular Committees) and nationally in the ANCOP (Cup Popular Committees National Articulation) denouncing the values spent on the Cup and human rights violation against the poor population evicted for the works.

## 2 THE CONTESTED URBAN LEGACY

The 2014 FIFA World Cup in Brazil took place in twelve host cities between June 12 and July 13, resulting in 64 games, 171 goals, audience of 3.43 million people in the stadiums, public of 5 million people in the Fan Fests (Brazil 2014). Despite fears that the works would not be ready for the event and that insurgent demonstrations could compromise it, the event took place without major problems. In the end, the Brazilian team suffered a shameful seven to one defeat to the Germans at the Mineirão in the fateful July 8 semi-final and then another three to one defeat to the Dutch in the Brasília July 12 third place contention.

Nevertheless, the event had good results as a tourism booster: a million foreign tourists came to Brazil and three million Brazilian tourists travelled during the World Cup (Brazil, 2014). Research done by the main national research institute with foreign tourists showed their great satisfaction with the event (Datafolha, 2014): 83% of respondents considered the World Cup organisation as excellent or good, 92% considered the stadiums' comfort and safety as excellent and good, 95% considered the Brazilian a sympathetic and hospitable people, 76% considered good the transportation to the stadium and 69% said they would live in Brazil.

But, if from the spectacle and tourism points of view the event was a success, why was it antedated and followed by large popular demonstrations? What went wrong?

First of all, there is the question of the huge amount of public funds that were used for the World Cup organisation despite promises on the contrary. In a country where 35.5% of the 47.3 million households are not connected to a sewage system (IBGE, 2011), spending 8.5 billion dollars of public money (out of 10.1 in toto) on a mega-event organisation seems to be blatantly wrong. Having this in mind, it is easy to understand the indignation of the social movements that have made demonstrations against the World Cup, shouting slogans like 'We want hospitals, public transport and schools at FIFA standards'.

The very nature of planning consists of social justice, or at least it should/used to. However the 2014 FIFA World Cup organisation has much disregarded this fact. Considering the planning process, it seems that sport mega-event organisation in Brazil has only reaffirmed the trend towards neoliberal urban planning, based on policies that emphasize economic opportunities, mainly to the great capital.

The 2014 FIFA World Cup organisation in Brazil was followed by a more flexible and 'business friendly' urban legislation: density parameters were upgraded, environmental restrictions were relaxed, tax exemptions were given, everything to attract investments around the stadia and the infrastructure works. This can only be understood considering the so called 'neodevelopmental' policies adopted at a national level such as PAC (Growth Acceleration Program) and PMCMV (My House My Life Program).

Designed to boost the building and the real estate sectors, neither of them took into consideration their urban impacts. So, Brazilian biggest contractors and a diverse myriad of real estate companies took advantage of public money to boost new urban development. In this sense, it was shown in many chapters that the main 'losers' of the 2014 FIFA World Cup organisation were the lowest-income and most-excluded strata, exactly the strata urban planning should care for.

According to the Brazilian Presidency Executive Office data, about 35.6 thousand people were removed from their properties as there have been 13.6 thousand recorded removals (10.8 thousand households and 2.8 thousand shops and other sort of properties), either by expropriation or forced eviction (Secretaria Geral da Presidência da República apud. ANCOP 2014, p. 39). These figures are 34 times more than the 2012 London Olympic Games as seen in section 1.

Most of these people were living in informal settlements such as favelas placed near the works sites. Many families were replaced to housing developments many kilometres away from their original place, generally in more precarious situation considering urban infrastructure and public facilities, though sometimes in better housing conditions. Their removal has assured higher levels of profitability for the real estate sector new developments in favoured urban areas.



Figure 1 – Favela removed for mobility works in São Paulo. Source: [https://www.vice.com/pt\\_br/article/esses-sao-os-resistentes-das-desapropriacoes-da-favela-buraco-quente](https://www.vice.com/pt_br/article/esses-sao-os-resistentes-das-desapropriacoes-da-favela-buraco-quente)

Considering the urban legacy main promise, the mobility works, it was also disappointing. Certainly the two current biggest urban problems in Brazil are mobility together with access to housing. Historically investments have been concentrated on road works that generally favours motorised individual transport (automobiles, motorcycles, etc.), despite the fact that the great majority of trips, 69%, are made by either non-motorised (foot or bicycle) (40%) or motorised collective (buses, trains, metros, etc.) (29%) (ANTP, 2012)<sup>1</sup>.

According to newspaper reports, one year after the World Cup only 21.4% of the mobility works were finished (Amora, 2015). The delays have majored the prices 33% in average, but sometimes have doubled or even tripled. Worse still, some works have been abandoned or postponed such as the VLT (light rail) of Cuiabá, capital of Mato Grosso State, whose trains (40) were purchased and are parked in a courtyard, as there are no tracks to put them on. Some have become ‘white elephants’ like São Paulo light rail, that left the State Responsibility Matrix since the stadium changed from its initial place and it now faces an undefined future (figure 2).



Figure 2 – Abandoned light rail works in São Paulo. Source: the author, 2016.

From the airports 10 out of 13 were ready (76.9%), however most of them were renovated by the concessionaires. The urban mobility promises failure has aggravated the political ambience since bad urban mobility conditions had been causing major demonstrations in many Brazilian metropolises since the famous ‘2013 June Journeys’ that took almost two million people to the streets (Watts, 2013).

Considered the stadia, eleven were finished and only one remained uncomplete (Cuiabá). However, the great question here is their usage after the end of the World Cup. According to a newspaper report, only football games are not sufficient to guarantee profitability in any of them (Terra, 2015). So, all of them have to search other financial return sources such as shows and other sports competitions to keep the budget

<sup>1</sup> The report was done for 438 Brazilian cities with a population over 60 thousand inhabitants, representing 64% of the national population (ANTP, 2012).

balanced. From the twelve built stadiums, three of them (Brasília, Cuiabá and Manaus) had ended 2015 with a deficit of R\$ 17.6 million (US\$ 4.5 million).

From the twelve stadiums, nine belong to the states and Federal District governments and three belong to local football teams (Atlético Paranaense in Curitiba, Corinthians in São Paulo and Internacional in Porto Alegre). Amongst the public ones, five are renovated and are now managed in a PPP scheme. All of these have caused a rise in ticket values that together with the FIFA standard renovation have caused the gentrification of the spectacle. Five stadiums are now managed by two of the Brazilian biggest contractor corporations, Odebrecht (first place) and OAS (third place), that are now being investigated by the Operação Lava-Jato<sup>1</sup> (Car Wash Operation) in the largest scandal of corruption involving Petrobras, the Brazilian Petroleum Corporation, five contractors and many politicians.



Figure 3 – Maracanã Stadium in Rio de Janeiro. Author: Daniel Basil. Public Domain  
 Source: [https://commons.wikimedia.org/wiki/File:Maracanã\\_2014\\_d.jpg](https://commons.wikimedia.org/wiki/File:Maracanã_2014_d.jpg)

Finally, after the mega-event euphoria, Brazil faces again economic and political uncertainties. If the planning of the sport mega-event began during a period of great optimism and economic growth for Brazil, its delivery occurred in a downturn, result of the exhaustion of the internal demand growth process, associated to less favourable international ambience. The 2008 international crisis, China's growth reduction and the end of the commodities valuation cycle due to oil prices sharp fall hit the Brazilian economy in full.

In the national arena, political crisis due to Operação Lava Jato media exposure, involving the ex-president Lula da Silva, has eroded the president Rousseff governance basis causing her impeachment. The delay on the Government response to the economic crisis and the worsening of domestic political ambience have led to market instability, foreign investment departure, a sharp 49% Real devaluation. The GDP fell from 2.7% growth in 2013 to 0.1% stagnation in 2014 and -3.8% recession in 2015 resulting in the downgrading of Brazil's investment grade by all risk agencies (Soto & Ayres, 2013).

All of these factors have altered the course of sports mega-events planning from now on in Brazil as the political and economic conditions that made it possible have now changed considerably. Unfortunately, it seems that for most of the Brazilians the 2014 FIFA World Cup left a bitter taste far beyond the defeat of their national team.

<sup>1</sup> Operação Lava-Jato is the largest investigation of corruption and money laundering Brazil has ever had. It is led by federal prosecutors and the Federal Police. The scheme involves Petrobras, major contractor corporations and politicians. Up to now, this investigation has resulted in 133 arrest warrants, 84 convictions and the search for R\$ 14.5 billion (US\$ 4 billion) of money diverted (<http://lavajato.mpf.mp.br/atuacao-na-1a-instancia/resultados/a-lava-jato-em-numeros-1>). The name lava-jato (car wash) comes from the beginning of the investigation that started investigating a car wash network that was used to launder money from criminal organisations.

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## ID 1734 | SOCIAL SEGREGATION IN ATHENS' METROPOLITAN AREA IN THE PRE-CRISIS PERIOD

Argyro Gripsiou<sup>1</sup>; Myrsini Fotopoulou<sup>1</sup>

<sup>1</sup>University Of Thessaly

[yrwgrips@hotmail.com](mailto:yrwgrips@hotmail.com) ; [myrsinifot@hotmail.com](mailto:myrsinifot@hotmail.com)

### 1 INTRODUCTION

This paper seeks to explore social segregation trends in Athens metropolitan area in the very first years of the economic crisis, and discuss the socio-spatial patterns of the metropolitan population, based on the 2011 statistical census data. The spatial aspect of social structures introduces a different dimension on social segregation trends, reflecting segregative outcomes of different socio-economic processes around the world. Varied and nuanced forms of social segregation present in various cities around the world, altering the way of measuring and evaluating the character of the progress. Nevertheless, a potential rise in social segregation depends upon certain mechanisms that allocate residential areas to different social groups (Maloutas, 2007). Hence, the contemporary economic crisis changes in turn the social impact of economic restructuring, and social segregation comes to terms with new realities.

Up until the early 2000s Athens hadn't undergone intense processes of socio-spatial division. Residential segregation in Athens remained relatively low by international standards before the outbreak of the economic crisis. During that period, the metropolitan area of Athens constituted a paradox paradigm of social segregation and social polarization, partially due to the spatial structure of the housing market and to the respective policy framework. Undoubtedly, eight years on since the outbreak of the crisis, the urban space of Athens has been exposed to the socially dividing effects of globalization, experiencing rising social inequalities, demographic changes, marginalization of lower income strata, reduction of social mobility, high unemployment rates, etc (Maloutas, 2007).

Exploring the factors that contribute to the development of social segregation patterns in Athens and elsewhere, one should certainly identify social polarization. According to some authors (Sassen, 1991), social polarization is the key factor for the generation of such phenomena. However, various approaches of social segregation claim that the impact of globalization on cities is more complex and diverse than social polarization alone. Hence, it has been underlined that both the formation of socio-spatial structures and the distribution of social groups along residential areas constitute dynamic processes whose roots are identified not only at the economic restructuring process but also at several other factors of regulatory, social, and cultural origin (Préteceille, 1995; Hamnett, 1994; Maloutas, 2014; Marcuse and van Kempen, 2002). Particularly in the case of Athens, the institutional and regulatory framework is considered to be the primary agent to define socio-spatial patterns. In this context, it is useful to draw attention to the particularity and the complexity of socio-spatial trends in the Greek capital city, and to approach social segregation as a dynamic and multifactorial phenomenon.