

postcard from brazil



Pedro Trengrouse is a lawyer, graduate of the Fifa Master programme and UNDP consultant to the Fifa World Cup 2014. Months after demonstrations in cities across the country, protesting at public spending, he offers a personal take on how Fifa and the Brazilian authorities can better communicate the benefits of staging the competition.

Fifa and the International Olympic Committee (IOC) should be extremely concerned about the extent of the impact of the recent public demonstrations that have been taking place all over Brazil against, amongst several issues, public expenditure on sporting events.

Brazil, being the sixth largest world economy, a prominent regional leader and a protagonist of the new world order, is definitely in a position of influence; nowadays whatever happens here reaches out to the world loud and clear.

Depending on how the relevant stakeholders react to the protests, individually and collectively, this public outcry could in itself be a great opportunity to enhance Fifa and the IOC's image as well as the status of sport as a tool for development and peace in modern society.

However, if the proper measures are not taken, it could jeopardise the very concept of sport events as a whole and Fifa and the IOC know very well how much time and effort were required to build a positive worldwide environment where sport events are welcome and sought after by almost every single country on earth.

'Under-promise and over-deliver.' This motto should be observed not only in regards to the relationship between Fifa and the IOC's commercial affiliates but also with the Brazilian people.

It is not wise to publicly present the Fifa World Cup and the Olympic Games as if they were a solution to several issues of Brazilian infrastructure – all the studies so far have been focused on social and economic impacts of investments in Brazilian infrastructure that are not essentially related to the events.

The cost of hosting the World Cup is very much smaller than advertised, especially considering that only the stadiums are in essence related to the event and their total cost adds up to R\$7 billion, which has been split into R\$3.7 billion as financing from the Brazilian Development Bank (BNDES), R\$2.7 billion from local governments and R\$612 million from private investments.

There are nine public and three private stadiums. Thus, taking into consideration that BNDES financing contracts will be paid by the private operation of the arenas, direct public investments represent less than 40 per cent of the total.

And more. On the contrary to what some people may think, it is not true that they are more expensive than the stadiums for the last World Cups. The most expensive stadium in Brazil cost at least three times less than Wembley and, according to a study made by a Danish NGO, the average cost per seat in Brazil is the same US\$5,000 as in Japan/Korea and South Africa, and at least 20 per cent less than at Green Point and the Sapporo Dome, for example.

Then again, if we consider that Brazilian clubs and the

private entertainment industry will use the stadiums post the World Cup, the cost of hosting is virtually nil, particularly when compared to the current Brazilian GDP which adds up to R\$4.4 trillion. All investments anticipated in the World Cup Matrix of Responsibilities, which brings together construction projects the government deems relevant for the staging of the event, are in the order of R\$25 billion in several priority infrastructure and service areas, such as airports, urban mobility, security, tourism, health and telecommunications.

Hence, it would be very interesting if Fifa orchestrated a joint effort with the Brazilian government and its commercial affiliates to clarify the real dimension and benefits of the World Cup to the country.

World Cup legacy to Brazil: improvement of Brazilian soccer

Brazil is commonly referred to as the country of soccer. Nevertheless, Brazilian clubs are far from reaching their full potential. There is data to support the position that Brazilian soccer generates R\$11 billion per year and 400,000 jobs, whereas it could reach more than R\$60 billion per year and three million jobs if the clubs had better management and a better calendar of fixtures.

There are approximately 800 professional football clubs registered in the CBF system. Only 100 have official matches to play all year round. The vast majority play an average of 19 matches over a period of four months per year. On the other hand, top Brazilian clubs play up to 75 matches per year. An estimate made by FGV shows that if there was a calendar of fixtures of at least nine months per year for all Brazilian clubs, it would generate R\$600 million per year and almost 30,000 jobs.

It is undisputed that 12 new stadiums will boost Brazilian soccer but Fifa and the World Cup could be a catalyst for important improvements in the overall structure of soccer in Brazil.

Fifa's revenues from the World Cup in Brazil will exceed US\$4.5 billion and its 2010-2014 budget to developing soccer worldwide, with concrete initiatives such as the Goal Programme, adds up to US\$800 million. How much of this budget will be invested by Fifa in Brazilian soccer development?

In Africa, Fifa invested US\$70 million to develop local soccer – US\$39.7 million to build 54 pitches and US\$15.5 million to support local clubs and competitions. Does Brazil not deserve at least the same investment?

Could Fifa, Conmebol, the CBF and Brazilian clubs join efforts to discuss issues such as club management and calendar of fixtures, putting together a plan to improve Brazilian soccer, leveraging the 2014 World Cup?