Cristina Alvarado

December 23, 2014

Rio de Janeiro

In Brazil, oil production is slow and foreign oil companies are worried about investing their money into a country that may not be able to meet the world’s demand. Brazil has not found any new basins since 2008 and faces the challenge of developing the pre-salt area at a cost of $237 billion. The pre-salt area is oil under a shifting cap of salt. The extreme challenges of getting at the oil has forced Petrobras, Brazil’s largest corporation and one of the world’s fastest growing oil companies, to invest billions of dollars in new equipment and advanced technology. As costs skyrocketed, Petrobras racked up enormous debt, naming it the world’s most indebt major oil company. They were forced to import and sell gasoline at below-market prices, which had cost the company twenty billion since 2008. However, Petrobras’ upstream production is expected to grow significantly in the coming years as it continues to develop its pre-salt reserves. Recently, one hundred and forty four exploratory wells have been drilled in the pre-salt area and eighty two percent found oil. I think that this is a very good thing for Petrobras and hopefully this is the start to their rise back to the top of the industry. Located off the coast of Rio de Janiero there was a new oil discovery where eighty percent of Brazil’s oil is extracted. This location contains an estimated twenty five million barrels of recoverable heavy oil, which is great for Brazil. This well could produce up to three thousand barrels of oil per day. This is great for Brazil because it could intensify work near existing fields in production, reduce production costs, and accelerate the extraction of new oil volumes.

About six percent of Brazil’s population lives in favelas. About sixty five percent of favela residents are a part of Brazil’s middle class. Most of the homes are made from brick and cement, have running water, and about nighty nine percent have electricity. Sanitation is a big problem in the favelas. Sewage flows down a large channel in the middle of the houses. Another large problem is drug-trafficking gangs. Because the 2014 World Cup and the 2016 Summer Olympics are being held in Rio, Brazil’s government wanted to bring down the levels of violent crime and improve Rio de Janeiro’s image. They started a project that sent about three thousand police and soldiers into the favela to disarm the drug gangs, arrest major traffickers, and set up permanent positions on the streets. There was a fight over territory by two different gangs but it was ended after police entered the favela and shot the leader. I think this was a very good thing for Brazil because the cleaning up removed the fear that kept visitors away.

Rocinha is one of the largest of Rio de Janerio’s roughly one thousand favelas. Rocinha began taking shape about ninety years ago when poor black migrants began to occupy a sugar cane and coffee plantation on the outskirts of Rio. In the favelas the black population is nearly sixty percent where as in the richer districts it is just seven percent.

In Rocinha, more than half of the adults are unemployed and only five percent of the population makes more than four hundred a month. Eighty one percent of working residents have low paying jobs in places such as hair salons or internet cafes. Also, one quarter of children between the age of fifteen and seventeen are still not in school. These percentages amazed me because it is shocking to think children around my age are not in school. The Brazilian government is attempting to improve the quality of life in the favela with the Growth Acceleration Program. This one hundred and seven million dollar project has funded a variety of different projects all aimed to improve the favela. Some projects included painting the apartments in bright pastels and surrounding them by parks and playgrounds, a sports complex, and a cultural center and library. The government wants people to think that they did it for the good of the people living in the favela, however, some think it was aimed more for tourists. Another project was done by a French company that consists of a steel track that winds around the top of the favela. It could cost the state more than three hundred million dollars and would provide visitors with panoramic views of the favela. The community is divided between businessmen and the overwhelming majority of residents who do not see a need for it. I agree with the residents and believe that the money should go towards improving the sewer system and better hospitals. It also makes you wonder whether all the projects that are being funded to fix the favela will come to a stop once the World Cup and the Olympics are over. According to the article, Brazil’s government is known for giving attention and cash to poor communities when it is politically beneficial for them then abandoning them.

The Guanabara Bay is heavily polluted with things such as televisions, plastic bags, floating bed frames, and dead animals. Part of Rio’s Olympic bid was a promise to clean up the dirty Guanabara Bay. Starting the effort are ten “eco-boats” that scoop up trash from the bay’s waters. The cities surrounding the bay heavily contribute to the polluted waters. Eighteen thousand liters of sewage per second are put into the bay because only thirty four percent of Rio’s sewage is treated, the rest is just dumped into the waters. The level of fecal matter in the bay is one hundred and ninety eight times higher than the legal limit that is set in the United States. That astonishes me! How can the Brazilian government allow this to happen and why does it take something like the World Cup or the Olympics to create change? The beaches are assessed weekly by Rio’s Environment Institute and most of them across the bay are not suitable for swimming. Because the Olympic sailing competitions will occur in those waters, many people fear that the garbage and pollution will affect the sailing. After reading the article, I feel a little worried too because of the seven river treatment units they have planned, only one has been built so far and there are only about thirty months left. Biologist Mario Moscatelli says, “We have the money and we have the technology. What we don’t have are serious politicians.” Just by reading these articles, I completely agree with Mr. Moscatelli. After the Olympic games will all the money and the “political will” disappear?

It is a shame that the Brazilian government needs a motive just to clean and improve the quality of its cities.