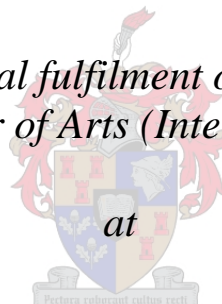


**The Politics of Bidding and the Politics of Planning:  
A Comparison of the FIFA World Cup in Germany  
and South Africa**

by

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## **Declaration**

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the owner of the copyright thereof (unless to the extent explicitly otherwise stated) and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Date: 4 December 2008

## **Abstract**

This study focuses on the bidding for sports mega-events, their subsequent planning, and the politics surrounding these processes. The specific examples analysed here are those of the FIFA Football World Cup™ in Germany in 2006, and the forthcoming 2010 World Cup to be hosted by South Africa. The events are examined against a backdrop of increasing competition to host mega-events, spurred on by a widespread belief in the economic benefits that result from hosting, with a frequent disregard for the social and economic costs involved. Four central research questions are addressed in the course of this thesis. The first is the role of corporate actors and their influence on mega-events, the second is the question of what processes characterise both the bidding and planning stages of an event, including the main actors, agendas and discourses involved in both of these stages. Thirdly, the significance of hosting the World Cup in both the German and South African case is examined, and fourthly, the long-term implications of South Africa's hosting of the 2010 World Cup, both for the country itself and for developing nations more broadly, is considered. The research methodology used for this thesis is predominately qualitative, and utilises mostly secondary sources, including books, academic articles, press articles, and information off the official websites of the football organisations involved. The main findings of this thesis are that while both countries in question had seemingly compelling reasons for hosting the World Cup, and while benefits can stem from the event, the longevity of such benefits is questionable, and the costs involved can be especially heavy in a developing context such as that of South Africa. Furthermore, those that stand to benefit the most from the events include transnational corporate actors, with the implication that significant financial gains never reach the host economy. Nevertheless, an ever-increasing willingness on the part of numerous nations to host mega-events means that the German and South African cases can provide lessons for future hosts, and South Africa's World Cup has particular significance as a test case for mega-events hosted by developing nations. Finally, this thesis stresses the need for further research in this field. It also aims to break some new ground by examining the commonalities and contrasts to be found in the bidding and planning processes of a mega-event as carried out by a developed and a developing nation.

## Opsomming

Hierdie studie fokus op die bodprosesses vir groot sportbyeenkomste (“mega-events”), die daaropvolgende beplanning vir hulle, en die politiek wat hierdie groot gebeure kenmerk. Die spesifieke voorbeelde wat ontleed word, is die 2006 en 2010 FIFA Sokker Wêreldbeker™, wat in 2006 in Duitsland plaasgevind het, en in 2010 in Suid-Afrika aangebied sal word. Hierdie groot sportbyeenkomste word bestudeer en ontleed in die lig van die toenemende internasionale mededinging om sulke byeenkomste aan te bied. Sulke mededinging spruit voort uit die algemene veronderstelling dat groot sportgebeure ekonomiese voordele vir die gasheerland inhou. Dit gaan egter ook dikwels gepaard met ’n verontagsaming van die sosiale en ekonomiese kostes verbonde aan so ’n groot sportbyeenkoms. Vier sentrale navorsingsvrae word in die studie aangespreek. Eerstens, wat is die rol van korporatiewe rolspelers en hul invloed op hierdie groot sportbyeenkomste? Tweedens, wat is die kenmerke van die prosesse rondom die bod- en beplanningsfases en wie is die hoofrolspelers, en wat is die agendas en diskoerse gedurende elk van hierdie fases? Derdens word die belangrikheid vir Suid-Afrika en Duitsland om die Wêreldbeker aan te bied, bestudeer. Vierdens word die langtermyn implikasies van sulke sportgebeure vir gasheerlande in die ontwikkelende wêreld oorweeg. Die klem val op wat die impakte van die 2010 Wêreldbeker op Suid-Afrika sal wees, sowel as wat die breër implikasies van sulke byeenkomste vir ontwikkelende nasies is. Die navorsingsmetodologie is hoofsaaklik kwalitatief van aard, en sekondêre bronne, wat boeke, akademiese artikels, persartikels en inligting van die amptelike webwerwe van die relevante sokkerorganisasies insluit, is meestal gebruik. Die hoofbevindinge van die tesis is dat, terwyl daar oortuigende redes is om ’n Wêreldbeker aan te bied, en baie voordele daaruit kan voortspruit, kan die langsewendheid van hierdie voordele bevraagteken word. Die rede hiervoor is dat in ’n ontwikkelende konteks soos Suid-Afrika, die kostes verbonde aan so ’n groot sportbyeenkoms baie hoog kan wees. Wat meer is, dié wat die grootse voordeel uit hierdie groot sportbyeenkomste trek, is gewoonlik transnasionale korporatiewe rolspelers. By implikasie bereik die volle finansiële opbrengste nooit die gasheer-ekonomie nie. Desnieteenstaande beteken die toenemende bereidwilligheid deur verskeie nasies om groot sportbyeenkomste aan te bied, dat lesse geneem kan word uit die wedervaringe van lande soos Suid-Afrika en Duitsland. Vir toekomstige gashere is die 2010 Wêreldbeker van belang omdat dit ’n

toets is of ontwikkelende nasies sulke groot byeenkomste kan aanbied. As uiteinde beklemtoon hierdie tesis die behoefte na verdere navorsing. Dit het ook ten doel om nuwe velde te betree deur die bestudering van die verskille en ooreenkomste in die bod- en beplanningsprosesse vir groot sportbyeenkomste soos uitgevoer deur, onderskeidelik, ontwikkelde en ontwikkelende lande.

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## Contents

<b>Abstract</b>	<b>ii</b>
<b>Opsomming</b>	<b>iii</b>
<b>Acknowledgements</b>	<b>v</b>
<b>Abbreviations and Acronyms</b>	<b>viii</b>
<b>Chapter 1: Introduction</b>	<b>1</b>
1.1 Background to the study	1
1.2 Research questions	4
1.3 Significance of this study	5
1.4 Literature review	5
1.5 Theoretical framework	10
1.6 Research methodology	12
1.7 Limitations and delimitations	15
1.8 Thesis structure	16
<b>Chapter 2: Germany, South Africa and the FIFA World Cup</b>	<b>17</b>
2.1 Introduction	17
2.2 Germany	17
2.3 South Africa	23
2.4 Initial commonalities and contrasts	31
<b>Chapter 3: Practicalities and Processes of Sports Mega-Events</b>	<b>34</b>
3.1 International political economy	34
3.2 The costs and benefits of mega-events	41
3.3 Actors, agendas and discourses: an analytical framework	49
<b>Chapter 4: Actors, Agendas and Discourses – A Thematic Analysis</b>	<b>59</b>
4.1 Introduction	59
4.2 Actors	59
4.3 Agendas	65
4.4 Discourses	71
<b>Chapter 5: Conclusion, Long-Term Implications and Future Directions</b>	<b>77</b>

5.1 Introduction	77
5.2 Summation of thesis findings: addressing the four central research questions	77
5.3 Winners and losers at the 2006 and 2010 World Cup tournaments	78
5.4 Implications for South Africa and other would-be hosts in the long-term	83
5.5 Trends and directions for the future	91
<b>Bibliography</b>	<b>94</b>



## **Abbreviations and Acronyms**

AOL – America Online

BBC – British Broadcasting Corporation

CAF - Confédération Africaine de Football

CBA – Cost-benefit analysis

CEO – Chief Executive Officer

DFB – Deutscher Fußball-Bund (German Football Federation)

FIFA – Fédération Internationale de Football Association (International Federation of Football Associations)

FNB – First National Bank

GDP – Gross Domestic Product

GEAR – Growth, Employment and Redistribution

GIS – Geographic Information System

GMI – Global Market Insite, Inc.

GWS - Gesellschaft fuer Wirtschaftliche Strukturforschung mbH (Institute of Economic Structures Research)

IBC – International Broadcast Centre

ICC – International Cricket Council

ICL – International Computers Limited

IOC – International Olympic Committee

IRB – International Rugby Board

JSE – Johannesburg Securities Exchange

LOC – Local Organising Committee

MA - Massachusetts

MICE – Meetings, Incentives, Conferences and Exhibitions

PR – Public Relations

SA – South Africa

SADC – Southern African Development Community

SAFA – South African Football Association

SWC – Soccer World Cup

TNS – Taylor Nelson Sofres

UEFA – Union Européenne de Football Association (Union of European Football Associations)

WM – Weltmeisterschaft (World Cup)

## **Chapter 1: Introduction**

### **1.1 Background to the study**

The role of sport in the contemporary world has become more prominent in recent years, and the ever-expanding scale of sports mega-events hosted globally is one of the ways in which this heightened visibility of sport manifests itself. The number of actors involved has also grown to include national governments, among others. This has resulted in sports events being assigned a greater political and economic role, stemming from a widespread belief that hosting such events brings with it significant benefits, particularly in economic terms. The events themselves are characterised by large-scale spectacles, extremely high viewing and attendance figures, and brief periods of euphoria, national unity and cultural celebration, enhanced by the presence of top teams and athletes as well as mass media interest. Black and van der Westhuizen (2004:1195) point out the capacity of sporting events on such a scale to cause “otherwise sober people to suspend their critical faculties on a mass basis”. Horne and Manzenreiter (2006:18) contend that while mega-events promise moments, however brief, of “festive intercultural celebration”, it would be “a failure of the social scientific imagination to be seduced by the allure of mega-events”. The Fédération Internationale de Football Association (FIFA) World Cup™ is one of the larger of such events, and while it is not as big as the Olympic Games in terms of attendance and participation, it is the world’s largest sporting event in terms of the size of its television audience (Toohey et al., 2003:175). The competition that surrounds countries’ bids to host the World Cup is considerable, as are the costs of both bidding and hosting the event. However, the perceived benefits that are thought to stem from hosting the FIFA World Cup™ mean that states continue to engage in bidding for it. This thesis focuses on the Football World Cup as bid for and hosted by two countries, Germany in 2006 and South Africa in 2010. Central to this study will be the examination of the similarities and contrasts in the way in which the FIFA World Cup™ unfolded during the bidding and planning stages in both Germany and South Africa, including implications for the future.

A considerable and ever-growing body of literature covering sports events does exist, reflecting the ever-increasing role sport plays in the modern world, but little has been done to further the study of sports mega-events in the field of

international political economy. In addition, the majority of existing literature stresses the need for further research into the subject. Numerous reasons exist for examining sports mega-events in greater detail. Foremost among these, and central to this thesis, is the issue of countries pursuing the chance to host mega-events as part of their development strategy. States increasingly engage in event-driven strategies, as they seek to derive the expected benefits of these events, and break into a cycle where the successful hosting of one hallmark event<sup>1</sup> can lead to hosting more such events in the future. However, these strategies are often pursued by states without paying proper attention to the social and economic counter-costs of mega-events (Cornelissen and Swart, 2006:108), and thus greater understanding of such counter-costs is important, particularly in the context of developing nations, which have limited resources to invest into bidding and hosting in the first place. While supporters of event-driven strategies tend to place excessive emphasis on the benefits that can be derived from involvement in the mega-event market, a growing body of research into the subject appears increasingly to indicate that the drawbacks of hosting mega-events can in fact outweigh the gains (Cornelissen and Swart, 2006:110). However, it is stressed that more research is needed in order for such findings to be conclusive. It is important to note that this is not limited to economic impacts, but extends also to social impacts, among others. Ohmann et al. (2006:145-6) suggest that with further study into the social impacts of sporting events, it will become possible to identify trends, and subsequently to manage both positive and negative impacts before and during the event, rather than simply assess them afterwards.

The issues of costs and limited resources are particularly relevant to South Africa as a developing nation, and will be examined in more detail in the course of this thesis. The way in which South Africa manages the 2010 World Cup will be an important test case for developing countries, among which event-driven economies are becoming increasingly commonplace. Significantly, this is manifested in the African continent's attempts to engage in the mega-event circuit. Further to issues of development and economic benefits, Horne and Manzenreiter (2006:16) have pointed out that the analysis of sports mega-events allows for the study of a number of overlapping issues of contemporary interest to social scientists, including "centre-

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<sup>1</sup> Hallmark events have been defined as "major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal, and profitability of a tourism destination in the short and/or long term" (Ritchie quoted in Kim et al., 2006:86). Within this definition sport is one of seven event categories (Groves et al., 2003:323).

periphery relationships related to governance in world sport, power relations between nation states, supranational sport associations and the sports business, the media-sport-business connection and the cultural production of ideologies". Certainly, the study of sports mega-events appears to be relevant to such issues and numerous others affecting the contemporary world. It is useful to view the study of sports mega-events within the broader context of international political economy, where it can also be seen as a part of government strategies for attracting flows such as those of investment and tourism by projecting a certain identity. Such flows can bring considerable financial gains with them. For example, it has been estimated that during the 2002 Football World Cup, co-hosted by Japan and South Korea, almost 60% of tourist arrivals in South Korea were there because of the World Cup, which translates into \$1.6 billion<sup>2</sup> in sales, \$374.4 million in income, and \$870.2 million in added value (Goliger, 2005:174). It is because of figures such as these that states frequently strive for the rights to host a mega-event, often with little regard for the costs that will simultaneously be incurred. In the case of South Korea, ten new stadiums had been built, at a cost of nearly \$2 billion, and it has been suggested that tourist arrivals during the World Cup had actually fallen more than one third short of predictions (Cornelissen and Swart, 2006:110). While tourism patterns were altered somewhat by the World Cup, it has been suggested that the overall number of visitors to South Korea during the event stayed at the same level as the previous year, at 460,000 (Baade and Matheson, 2004a:13). In addition, it has been suggested that while research has shown certain sporting events to have a positive economic impact, the same may not necessarily be true for events staged in the developing world, which has played a much lesser role in events hosting than the developed world to date. For instance, Campbell (2007:2) cites research on nine sporting events in the UK, which were found to have generated additional expenditure of nearly \$3 million, before posing the question of whether South Africa, given its developing status and its distance from the developed world, can hope to benefit from the Football World Cup in a similar manner. It must be stressed that in this case, not only are the events cited not nearly on the same scale as the FIFA World Cup™, but also that any figures taken from studies on the impact of sporting events must be treated with extreme caution, as numerous discrepancies have been shown to exist when it comes to measuring

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<sup>2</sup> All currencies in this thesis are given in US Dollars, at exchange rates of USD 1 to EUR 0.68, USD 1 to ZAR 6.82 and USD 1 to GBP 0.49 (exchange rate correct as of 22 November 2007).

economic impacts in such studies. This is an issue which will be discussed in greater detail in the course of this thesis.

It is interesting to note that states are increasingly acting like businesses, in attempting to gain competitive advantage over each other in attracting tourism and investment, as well as other factors which they consider conducive to bringing about development and economic growth. Indeed, another significant factor that motivates states to pursue event-driven economies is the potential of mega-events to shape a state's identity and to project a positive image of the host nation to the rest of the world, as well as to domestic constituencies. It will be demonstrated in the course of this study that both Germany and South Africa, despite their significant differences, have used the FIFA World Cup™ as a tool for the broader purposes of nation-building.

## **1.2 Research questions**

It is necessary at this point to outline a number of research questions. Four such questions have been identified as being particularly important in this thesis. Firstly, what is the role of corporate actors in mega-events, both generally and specifically pertaining to the FIFA World Cup™ in these two instances? An examination of corporate actors will lead to the issue of ownership of the event, and the elites who wield considerable power over such events and stand to benefit the most from them taking place. Secondly, what are the dominant processes that characterise both the bidding and planning stages of the World Cup? These include political manoeuvring and development, particularly that of infrastructure necessary to host a World Cup, and the subsequent influx of tourists into a given country, which is hoped for even if it does not necessarily materialise. Thirdly, focusing on the 2006 and 2010 events more closely, how and why is the World Cup, and the processes involved, important to both Germany and South Africa? This will include both countries' motivation and justification for hosting the World Cup. The fourth and final question posed is what are the long-term implications of South Africa's hosting of the 2010 World Cup? The implications in question are varied, including the tangible economic and developmental aspects, and the intangible effects on the country's image and global standing. As mentioned previously, this will set an important precedent for the future role of developing countries in the hosting of sports mega-events, and will furthermore have wide-reaching implications for the place of

developing countries in the international system. South Africa's pan-African ambitions, a unique feature of the country's World Cup campaign compared to other mega-event hosts, are also covered in these long-term implications.

### **1.3 Significance of this study**

As mentioned previously, the two cases being examined in this thesis are very recent, allowing for this study to contribute to research into two specific events, which has been fairly limited to date, namely the FIFA World Cup™ in 2006 and 2010. Furthermore, much of the existing mega-event literature either examines the events on a general level, or looks at individual events or individual countries' engagement in the mega-event market. A cross-event, cross-country study such as this one may be useful in identifying certain patterns and dynamics common to multiple events, as well as the contrasts between the events, but in greater depth than a study conducted on a general level. In addition, this thesis examines numerous aspects of the events in question, rather than being limited to one type of impact, such as social or economic, as many existing studies are. This demonstrates that a mega-event affects its host in a multitude of complex ways, and is used to examine the numerous processes present in the bidding and planning for sports events in greater depth than some of the existing research. Ultimately, an emphasis on the need for further research is evident in much of the literature on sports mega-events, and this study aims to go at least some way towards addressing this need.

### **1.4 Literature review**

An important starting point for this thesis is the existing literature on the global role of sport, mega-events, and football in particular. It has frequently been stressed by most authors in this field that the study of sport has been limited thus far, yet several significant strands of literature do exist. The main themes of this literature are frequently closely interlinked, often as a result of overarching themes such as globalisation. It is important at this juncture to point out a distinction made by Roche (2006:30) in his analysis of the Olympic Games. He outlines two views of globalisation that exist in academic discourses, these being what he calls 'basic globalisation' and 'complex globalisation'. In brief, basic globalisation assumes that globalisation is a process that cannot be resisted by actors such as nation states, and that standardisation and uniformity are promoted in all affected spheres. Complex

globalisation, on the other hand, suggests that actors such as nation states, among others, can influence globalisation processes, and that differentiation and particularisation are also possible outcomes. Roche (2006:30-1) goes on to suggest that these two perspectives are useful terms of reference in examining the Olympics, and that perhaps the Games are viewed better still in terms of complex rather than basic globalisation. Thus it is important to bear these two perspectives in mind when considering other sports mega-events, including the FIFA World Cup™, as globalisation remains one of the key themes running through the study of all such events. Furthermore, the idea of state 'branding' comes into play here as developing states attempt to reposition themselves more favourably within the international system through the pursuit of mega-events and the simultaneous projection of themselves as unique brands with a positive image. Sport is also often discussed as part of broader manifestations of globalisation in the form of tourism, as well as in relation to the role of multinational corporations, which are frequently involved as sponsors or other stakeholders in mega-events. Nauright (2004:1325) writes about the sport-media-tourism complex, which unites the major event stakeholders, and heightens the already existing inequalities felt by those who compete to stage the events. Meanwhile, literature on these broader manifestations of globalisation of which mega-events are a part, such as that on tourism, must also be considered. Cornelissen (2005:676) states that little is known about how a destination's image relates to economic and developmental impact of tourism on the destination. Despite this, tourism is increasingly a sector through which national governments hope to boost economic growth, and mega-events play an ever-growing role in this. Another aspect which Cornelissen (2005:685) stresses is the role of producers within the political economy of tourism, such as tour operators, who often have a greater impact on the image of a destination than governments do, to the point where a government's success in promoting a certain image is contingent upon the actions of these producers. This issue could certainly come into play in the run-up to 2010 and South African attempts at imaging. Meanwhile Swart and Bob (2007:373-391) examine the 2010 World Cup within a broader context of sport tourism and discuss the need for a national South African sport tourism strategy that needs to be developed to go beyond 2010, and more importantly to go beyond focusing on mega-events alone (2007:387-389).



Development is another central theme in much of sports mega-event literature, with authors discussing the increasing number of countries pursuing event-driven economies in the hope that events they host will act as catalysts for significant economic growth and development. Following on from this, much attention has also been focused in the literature on the dichotomy between the projected outcomes and actual outcomes of such mega-events. The interest in the macroeconomic impact of mega-events has increased together with the costs of hosting the events themselves. Sterken (2006:4-5) has suggested that the Football World Cup requires \$10-20 billion to be staged, of which operating costs are only a fraction, while investment costs have increased considerably. Another important issue mentioned in much of the literature is that of identity, and how it is projected through mega-events. Black and van der Westhuizen (2004:1205) outline several factors which are cited by supporters of mega-events-driven strategies and debated in the literature on sports, the main of which include identity-building and signalling, development and the promotion of political liberalisation and human rights. In addition to potentially negative economic outcomes, it has been suggested that intangible impacts such as that of identity can also have negative outcomes. This is not only because a badly-hosted event can project a negative image of the host nation to the rest of the world, but also because the process of displaying a certain culture and identity can also go a long way towards reinforcing negative stereotypes, as it tends to focus on ready-made markets (Nauright, 2004:1325). This is particularly pertinent to South Africa as it attempts to boost the international status of 'Africa' and 'Africans' through the 2010 World Cup.

While it has been suggested that there is generally a shortage of research on mega-events in the context of the developing world, and Africa in particular (Swart and Bob, 2004:1312), some significant literature relating to Africa and football does exist. For example, Darby (2003:8) argues that while it has been marginalised in numerous ways, the African continent asserts a considerable amount of influence on football and FIFA, especially given that almost a quarter of the nations who vote at the FIFA congress are African. Darby (2003:19) goes on to suggest that Africa's struggle for influence within FIFA, which has traditionally been dominated by European nations, is reflective of broader African-European power relations. Meanwhile Alegi (2001:1) points out the important political role that football plays in contemporary South Africa, and discusses the attempts by the South African government to use football as a unifying factor for this diverse nation. Alegi

(2007:315) also looks at South African football in the context of an international political economy where elites stand to benefit while grassroots football suffers. It is also argued elsewhere that the role of sport in the modern world has shifted considerably from its political use to its economic use in recent years (Horne and Manzenreiter, 2006:18). In examining the Football World Cup, it is important to bear in mind these various discourses, be they related to sport in general, or to football more specifically, and it is necessary to note how they relate to the two World Cup events being examined here. A significant limitation of the existing literature is the lack of studies spanning across numerous countries which have hosted a given event, while single-event studies are much more common. It is hoped that this limitation will be addressed in the future, and in the meantime, this thesis aims to break some new ground by offering a comparative perspective. Studies of a comparative nature do exist, but they are currently fairly rare. These studies apply the broader academic debate on costs and benefits of hosting mega-events to specific events and countries. Examples include an ex-post analysis of the 1998 and 2006 FIFA World Cup™ events by Allmers and Maennig (2007). An even more pertinent example to this thesis is an economic study of the upcoming 2010 World Cup informed by the 2006 event, by Du Plessis and Maennig (2007).

In addition to literature which examines sport as a part of broader globalisation processes, and the social or cultural impact of events, a number of studies exist which calculate the costs and benefits of hosting a mega-event, both before (ex-ante) and after (ex-post) the event has taken place. However, several authors have pointed out the methodological flaws in calculating costs and benefits in such a manner, as various factors can frequently be overlooked, and such studies may also disregard the extent of economic growth that may have taken place without the event being held, for instance. Furthermore, the independence of ex-ante evaluations is questionable (Matos, 2006:2), as they tend to be commissioned by event organisers, and thus are far more likely to produce results which support a government's decision to host an event in the first place. Kurscheidt (2006:2) points out that ex-ante studies are more common for the Olympics than for the World Cup, and that there is a general lack of ex-post studies given that once the event's organisers have received their funding, they tend to be less concerned about post-event evaluation which runs the risk of producing negative results. Despite the flawed nature of these studies, it is increasingly agreed among economists that they can be useful in backing up decisions

relating to sports events, and that a cost-benefit analysis (CBA) is the most accurate method of calculation (Kurscheidt, 2006:9). While this thesis will not focus extensively on the calculations as produced by such studies, the flaws inherent in them will be discussed in slightly greater detail further on. As well as the much-debated economic benefits that come with the hosting of hallmark events, it remains important to consider the intangible benefits that can be derived from them, including identity-projection and the enhancement of democracy, but again, research into these has been limited thus far (Van der Merwe, 2007:67).

In addition to studies that examine the economic impact of mega-events, some, albeit limited research has been done into the social impacts. In addition to examining the actual impacts, it is possible to look at the perceptions of the host community or sport tourists about the impact of an event. An example relevant to this thesis is the research carried out by Ohmann et al. (2006) on the perceptions of Munich residents about the effect of hosting the 2006 World Cup on their city. Other studies provide insights into the perceptions of tourists, such as those carried out by Kim and Chalip (2004) into motivations for travelling to the 2002 World Cup, and by Kim and Morrision (2005) into how being at the 2002 World Cup changed perceptions of South Korea among tourists. A study of perceptions of crime in South Africa in the run-up to 2010 (Donaldson and Ferreira, 2007) provides some insights into the issue of tourist safety set against fears about the country's high crime rate. For those states especially concerned with enhancing their image and attracting tourists, the findings of these studies can be considered especially useful. Such studies can, however, be considered problematic by those striving to calculate an event's impact, as they are entirely subjective, and may contain information which is not necessarily quantifiable. On the other hand, these empirical studies are helpful in demonstrating the ways in which host communities and tourists are affected by a specific event. After all, a shared perception of an event being successful is something that event organisers hope to attain along with tangible impacts. Public sentiments such as pride or euphoria brought about by an event are frequently harnessed for political purposes, and this serves to demonstrate the importance of this aspect of a given sporting event, however intangible. It has furthermore been suggested that perceptions surrounding an event are important, as they can enhance the host community's sense of ownership over the event (Ohmann et al., 2006:130), and support for it. Moreover, given the use

of mega-events in destination imaging, the perceptions of tourists who attend the event can be of extreme importance to the host government.

### **1.5 Theoretical framework**

The theoretical context for this study must now be taken into consideration. Primarily, this is international political economy, and the changing role of sport within it. This ties in well with the four research questions set out earlier, as factors such as ownership of the event and those who stand to benefit from the event taking place are particularly important within the context of international political economy. The main feature of the global political economy, and one worth noting at the outset of this thesis, is the vast inequality between the developed states of the global North and the developing states of the South. Thus, the countries of Europe, along with the United States, have historically enjoyed political and economic advantages over their poorer, developing counterparts. This is very much apparent in the competition to host sports mega-events, as the developed world has to date been able to host many more events than developing nations, and on the occasions that these poorer nations have been able to host major events, the response from the likes of the global media has often been a critical one, implying that these countries are ill-equipped to be mega-event hosts. The media can thus be argued to play a considerable part in affecting how states come to be viewed globally when they attempt to host major sporting events, and one can go even further to argue that the inequalities inherent in the international political economy are thereby perpetuated. Even more significant than the role of the media in international political economy, however, is the role of corporate bodies and large sporting organisations. FIFA is one of the foremost among these, being the main decision-maker and beneficiary of all its World Cup events. Thus, while the competition between states for hosting rights, economic and image benefits is one of the dominant features of the global political economy, non-state actors often wield an influence far greater than the states themselves. As Alegi stresses, the World Cup is ultimately a profit-making venture, generating 90% of FIFA's revenue and most of the decisions the organisation makes will be aimed at enhancing its World Cup product (2007:320). This leads on to another significant point, that sport, which is also one of the fastest-growing and largest sectors of the world economy (Cornelissen, 2007:246), is increasingly being commercialised and run like a business. As Cornelissen points out, the political economy of sport is "marked by a particular

economic rationale and set processes of commercialisation and corporatisation” (2007:242). This brings considerable benefits to elite sports and those involved in them, but at the same time, sport at a grassroots level tends to get neglected. In South Africa’s case, Alegi argues, this mirrors recent macroeconomic trends (2007:328), and again, this can be suggested to affect a great many developing countries as they struggle to raise their global standing.

As mentioned above, a noteworthy feature of international political economy is the emergence of the ‘competition state’, whereby nations increasingly have to compete on the global stage in much the same way that businesses do, although this stage remains vastly uneven. The ‘branding’ of nations comes into play here, with countries attempting to develop and project a certain image which will enhance their competitive advantage and attract global flows such as those of tourism and investment. Here, it is also useful to view sports mega-events within governments’ broader tourism strategies. As well as national governments, it is important to bear in mind that sporting mega-events are largely driven by undemocratic organisations, whose decision-making often lacks transparency, and who often fit into global flows in such a way as to benefit from mega-events at the expense of local communities (Horne and Manzenreiter, 2006:18).

The symbolic value of states competing to enhance their position on the global stage must be taken into consideration, as a country’s ability to host a mega-event must be endorsed by other actors, and this depends largely on international recognition of the country’s political, social and economic capacity (Swart and Bob, 2004:1312). Sport and image-promotion through the hosting of sporting events are becoming increasingly linked to themes of identity, power and inequality (Black and van der Westhuizen, 2004:1196-8), all of which are central to the study of international political economy. Black and van der Westhuizen (2004:1202) assert that the role of sport in the contemporary world has changed significantly from being an expression of goodwill to an attempt to enhance a nation’s prestige, going on to state that this suggests a “complex and multidimensional response by state elites to the exigencies of globalisation”.

It is important to view the discussion of the bidding and planning for the 2006 and 2010 World Cup events against this backdrop of considerable inequality within the global political economy. South Africa will be shown to be at a disadvantage compared to Germany in certain respects, yet nonetheless striving to compete with its

developing counterparts for a share of the mega-event market. This unfavourable positioning in the global economy can be said to be a useful framework for considering the South African case. However, it will also be demonstrated in the course of this thesis that a developed country such as Germany does not enjoy as much authority as it would like on the global stage, because non-state actors are increasingly becoming more prominent and powerful. As a result, it seems true that domestic objectives “have to bend to the preferences and intentions of actors belonging to the overarching international political economy” (Cornelissen, 2007:257). It is within this context of competition for global positioning and ever-stronger non-state forces that the hosting of the FIFA World Cup™ events must be considered.

### **1.6 Research methodology**

There are a number of reasons why these two countries in particular were chosen for this comparative study. Firstly, in terms of time scale, the event was hosted by Germany very recently, and the subsequent hosting of it by South Africa is currently less than three years away at the time of writing. The long-term benefits and costs incurred by Germany during its hosting of the 2006 World Cup have yet to manifest themselves, and planning of the 2010 World Cup is currently ongoing, meaning that a complete picture of how the event will take shape has yet to emerge. On the other hand the timing of these two events allows for some new ground to be covered, which is especially relevant to South Africa and the longer-term implications of its hosting of the tournament. Secondly, Germany is a developed country situated in the economically advanced global North, while South Africa is still developing, and located in the global South, on a continent with a history of economic and political turmoil, and a largely negative image. The African continent has yet to host a sports mega-event on the scale of the FIFA World Cup™. While both developed and developing countries are increasingly involved in competing to host mega-events, there are certain important differences between the two types of countries, their motives for hosting such events, and the implications of their hosting them. This makes it all the more interesting to look at the contrasts between Germany and South Africa in terms of their respective World Cup tournaments. A further point of interest is that South Africa and Germany both bid for the 2006 World Cup, and South Africa went on to bid for the 2010 tournament after losing out to Germany in its first bid

attempt. This will later be argued to be indicative of South Africa's less favourable position in the international system, and also of South Africa's concerted efforts to enhance this position through bidding for mega-events.

Given the theoretical framework which will shape this thesis and sport's place in the international political economy, as discussed briefly in this chapter, the two FIFA World Cup™ events will be analysed with a focus on three broad themes: firstly the actors, secondly, their agendas and thirdly, the discourses involved in both the bidding and planning stages of the World Cup. Some broader discussion on the actors, agendas and discourses prominent in sports mega-events more generally will first be required, before focusing the analysis on the South African and German cases. These overarching themes encapsulate the issues set out in the four main research questions for this thesis, and serve to link the two FIFA events to the international political economy. It is necessary to place considerable emphasis on this link, because despite the limited research into sports mega-events within the field of international political economy, sport is increasingly becoming a part of it. Indeed, major modern-day sports events are driven by the same forces that drive and shape the international political economy more broadly. These global forces can also be characterised by the presence of certain dominant actors, agendas and discourses, as is reflected on the smaller scale of sporting events, and thus an analysis of these forces in football will thus also serve to provide insights into greater processes at work on a global level.

In terms of the methodology used to approach this thesis, the research undertaken is primarily qualitative, as it uses the specific examples from the two countries in question, and often involves themes which cannot be quantified. The range of sources used is predominantly secondary, including books and academic articles, discussion papers, which can be divided into academic papers and consultancy papers, and also press articles. Additionally, information and news stories off the official websites of some of the main organising bodies involved, such as FIFA, as well as the Deutscher Fußball-Bund and the South African Football Association, Germany and South Africa's respective football bodies, is used. A variety of information from different sources was sought in order to cover diverging view-points and to inform an objective study, free from the bias which affects certain types of articles relating to sports mega-events. While it is recognised that articles from the websites of FIFA, the DFB or SAFA may put a more positive spin on the hosting of a World Cup, it is simultaneously clear that these websites are a good

source of facts and figures pertaining to each event. However, all the available information was ultimately weighed up and incorporated into this thesis if considered to be relevant, with contrasting opinions and assertions also included in order to maintain a balanced, objective approach. In sourcing relevant information, academic journal archives were found to be particularly useful. The websites of various universities and think tanks were also of use, as were websites relating to conferences on sports mega-events.

The academic articles involved are a mixture of those focusing on the theoretical aspect of sporting mega-events, articles discussing various more practical aspects of specific mega-events, and empirical studies such as those into host community and tourist perceptions of a given event. The information used is of a varied nature, covering different impacts and aspects of mega-events, as well as examining Germany and South Africa's engagement with mega-events historically. The articles ranged from those on the broad theme of sports mega-events to specific articles specific mega-events, which were examined both in isolation and comparatively. Only a couple of articles comparing elements of the 2006 and 2010 FIFA events under examination here were found (Kersting, 2007; Du Plessis and Maennig, 2007). Again, this approach ensures that this thesis is based on wide-ranging information, from which a broader context can also be provided for the South African and German World Cup experiences. Certain authors are particularly prominent in the bibliography, with several of their articles being cited. This may be indicative of the fact that there are still comparatively few researchers focusing on sports mega-events. Additionally, ex-ante economic impact studies such as those carried out by Ahlert (2001; 2005), and some ex-post studies such as Maennig's collaborations with Du Plessis (2007) and Allmers (2008) were looked at during the preparation of this thesis. However, given the difficulties inherent in calculating, let alone predicting the economic impact, as well as the intention of this thesis to examine mega-events beyond their tangible economic effects, little attention is afforded to such economic forecasts in the course of this study. The relevant press articles cited in this thesis also come from varied sources. In Germany's case a number of relevant news pieces were to be found online on the BBC News website. Although this service covers news stories on a global scale, its coverage of South Africa's case has been limited compared to that of Germany. This serves to reinforce a point made later in this thesis about the bias of the global media, and the sports and



Western media in particular, in its focus on North America and Europe. Thus, press articles on South Africa's preparations for the 2010 tournament largely had to be sourced elsewhere, contributing to the variety of sources used overall.

### **1.7 Limitations and delimitations**

As mentioned previously, the topic of this thesis can be seen as limiting, in that it focuses on only one mega-event among many, and on two specific instances of this event taking place. Another limitation of this study is the lack of primary sources available. Moreover, the fact that one very recent mega-event and one which is yet to take place are being examined may be disadvantageous because it means that there is a lack of academic research into specifically these two events upon which to base this thesis. As mentioned earlier, however, this can be an opportunity for this study to be more original as well as a limiting factor. It is also extremely important to mention at this point that because the South African World Cup has yet to take place, an analysis of the planning process in the run-up to this event may not be entirely satisfactory, as it cannot take into account any developments that may occur between now and 2010. In terms of a worst case scenario, there has been some concern and speculation that FIFA may pull out of South Africa altogether if frequent rumours at the time of writing were to be believed, although FIFA president Joseph Blatter has firmly stated on a recent inspection of the country that only "an act of God" would see the tournament taken away from South Africa (Gleeson, 2007). Nonetheless, great care must be taken in this situation to avoid excessive speculation about the future, unless it is based on solid evidence presently available. Thus, the discussion of long-term implications will be based on current trends and examples from elsewhere, while emphasising that South Africa remains a unique case in that it is the first African country to host a first-order sports mega-event on the considerable scale of the FIFA World Cup™. The focus will be more on South Africa than on Germany on the whole. It remains important to compare and contrast the two, but bearing in mind current trends in international political economy whereby peripheral states are gaining greater visibility by attempting to engage with global dynamics, at a considerably greater risk given their limited resources, South Africa's hosting of the 2010 World Cup will be particularly significant in terms of lessons learnt and benchmarks set.

## **1.8 Thesis structure**

The rest of this thesis will be set out as follows: the second chapter will provide the background to both Germany and South Africa's bidding for and hosting of the World Cup. Some of the contrasts between the two countries will also be outlined here, including the pan-Africanist aspect of the South African bid. Subsequently, Chapter 3 will build further on the theoretical component mentioned earlier, and discuss the existing body of literature on mega-events in greater detail. This chapter will also consider the German and South African cases in the context of the international political economy, examining the uneven playing field on which the two states engaged in bidding for the World Cup. Furthermore, the flaws in the argument that hosting mega-events necessarily brings about extensive development will be looked at, and linked to the two countries being studied. This chapter will culminate in the setting out of the analytical framework focusing on actors, agendas and discourses involved in mega-events on a general level. The fourth chapter will bring the focus on the two events under discussion, and apply a thematic analysis of the actors, agendas and discourses, spanning across both the bidding and planning stages of Germany and South Africa's FIFA World Cup™ tournaments. This will tie in with the important issue of the impact of such events on a host country and its people, as well as the question of who benefits the most from the event taking place. Simultaneously, it is hoped that a more complete picture of the processes which characterise the bidding for and planning of a World Cup will emerge by the end of the fourth chapter. The pan-African element of South Africa's involvement in the mega-events circuit, mentioned in Chapter 2, will be expanded on yet more at this point, as it forms a significant part of the South African government's agendas and discourses surrounding the 2010 bid, as well as the earlier 2006 bid. Chapter 5 will contain some concluding remarks about the findings of this study, as well as suggesting specific areas where further research is needed in the future. It will also address the question of long-term implications for South Africa and other future hosts of mega-events.

## **Chapter 2: Germany, South Africa and the FIFA World Cup™**

### **2.1 Introduction**

In order to gain a more complete understanding of the processes at work in Germany and South Africa's bidding for and hosting of the FIFA World Cup™, the background to each country's involvement with mega-events, and specifically the 2006 and 2010 World Cups, must be examined. It will be demonstrated in this chapter that while there are significant contrasts between the two states, especially in terms of their respective places in the international system, some similarities do exist nonetheless. In particular it will be argued that while coming from different positions, both countries have attempted to build their identity and unify their nations through the hosting of the World Cup, as well as seeking to enhance their standing in the global political economy. Significant contrasts outlined here will include South Africa's pan-African ambitions as related to the World Cup.

### **2.2 Germany**

The case of Germany is a unique one given its status as a developed, European nation, because 20th Century Germany has been plagued by tragedy and hardship, the nadir being the existence of the Third Reich, and the Holocaust perpetrated by Hitler's Nazi Party. Prior to this, Germany had shouldered the blame for World War I, resulting in a period of severe political instability and economic decline. Following World War II, for which the country was again held accountable by the international community, Germany was split into two states, one communist and one capitalist, which co-existed uneasily between 1945 and 1990 against a backdrop of Cold War politics (Merkel, 2006:14). Throughout this period, West Germany strove to be a political and economic leader among the nascent European Community, and since 1990 the newly reunified Germany has aimed to maintain and consolidate this position in what has since become the European Union. From 1945 until reunification, West Germany worked to develop its industry and trade, and its gross domestic product (GDP) grew steadily, until in 1990 it was ranked as the third largest economy in the world, after the US and Japan (Gethard, 2006:53-4). Despite attaining this status as a highly developed economy, however, the country has recently suffered an extended period of economic decline, with unemployment figures in 2006 exceeding

five million, the highest number since the late days of the interwar Weimar Republic (Merkel, 2006:14). This economic stagnation can be partially attributed to a failure to bring East Germany's living standards in line with those of its Western counterpart (Gethard, 2006:58).

Germany's history of engagement in the mega-events circuit is also a troubled one, marred by misfortune and lasting negative impressions. The 1936 Olympic Games in Berlin resulted in the projection of a negative image of Germany, as the Nazi Party attempted to use the event to promote Aryan racial supremacy, and Hitler refused to acknowledge the achievements of black multiple-gold-medallist Jesse Owens. Subsequently, the 1972 Olympic Games in Munich, while intended to celebrate a new beginning and Germany's, or at least West Germany's, readmission into the international system, ended in tragedy with the murder of Israeli athletes by Palestinian extremists. Germany has also previously hosted the Football World Cup, in 1974, during which an even more concerted effort was made to disassociate the country from the negative legacy of the previous mega-events. This time the event, characterised by huge media interest in the aftermath of Munich in 1972 (Merkel, 2006:25), was largely successful, but nonetheless took place against the backdrop of a divided Germany, and a high level of tension between the two states, most visible when the two German sides had to face each other in the early stages of the tournament.

German football has also experienced its share of difficulties. Having been commercialised comparatively late, it went on to suffer from corruption and match-fixing scandals, the last of which unfolded as late as 2005, as well as the bankruptcy of Borussia Dortmund, one of the country's top clubs (Merkel, 2006:14-5). This is a clear demonstration that football did not go unaffected by the general economic downturn that Germany has suffered in recent years. Furthermore, East German football clubs remain poor, lacking the access to sponsorship and resources enjoyed by clubs in the West. Only one East German club, Hansa Rostock, is in the top domestic league (Bundesliga), and the club was relegated after the 2004-2005 season (Gethard, 2006:59). The 2005 match-fixing crisis, where referees were found to have manipulated the results of at least ten matches in the first, second and third divisions, along with the German cup competition (Merkel, 2006:21) proved detrimental to Germany's attempts at promoting a more positive image in the run-up to the 2006 World Cup. These events echo the situation at the 1974 World Cup, when numerous

players, as well as certain clubs, managers and administrators, had become embroiled in a large match-fixing scandal, which tainted the integrity of German football as a whole, in the years running up to the event (Merkel, 2006:19-20). The recent scandal in 2005 has been said to have sent German football into a state of disarray (Gethard, 2006:57), and according to sports media discourse, resulted in the sport's worst crisis in over three decades (Merkel, 2006:21). The effect of this is that not only the image of German football, but the country's reputation as a whole, took a considerable knock. Another factor worth mentioning is the commercialisation of football in Germany, as elsewhere. This resulted in the traditional football supporters, who were predominantly working class, finding themselves increasingly alienated from their teams, as ownership of the game was transferred to corporate sponsors, among others. This process has since unfolded on a global scale, and will be discussed in greater detail in later chapters, where the role of corporate actors in football will be focused on. Nonetheless, football remains hugely popular in Germany, and the national side has enjoyed considerable success, most notably at the 1974 World Cup, where victory on home soil for West Germany was of enormous symbolic value following the country's readmission into the international community.

It is with Germany's history and existing legacy of mega-event hosting in mind that the country's bid to host the 2006 World Cup must be considered. A substantial amount of tension between the former East and West German states had continued to exist, and there was still dissatisfaction with the manner in which reunification had been handled by Helmut Kohl's government (Merkel, 2006:23). Thus, one of the purposes of hosting the World Cup was as part of the country's efforts to strengthen the sense of unity and forge a singular German identity. Franz Beckenbauer, one of West Germany's first 'superstar' footballers, and later a manager of the Bayern Munich football club and coach of the national German side, was a key figure in the World Cup, having "masterminded the successful bid to host the 2006 World Cup for a 're-united' Germany" (Merkel, 2006:26), subsequently becoming the president of the organising committee for the event. The fact that such emphasis was placed upon the concept of a reunited Germany demonstrates the significant role that mega-events are thought to play in identity formation and nation-building. While the economic benefits are also extremely important to a potential host state, the German bid appeared to focus much more on intangible benefits such as its image, both domestically and internationally. The legacy of the two Olympic Games the country

had hosted was another factor which drove Germany to bid for the World Cup in an effort to create a more positive image of German-hosted mega-events, free from association with racism or terrorism. It has been acknowledged that negative episodes such as the Munich 1972 incident can have a severely detrimental impact on the international attractiveness of the host nation (Matos, 2006:7), and boosting Germany's international attractiveness became a central feature of the 2006 World Cup.

The awarding of the rights to host the 2006 World Cup to Germany by FIFA was a controversial move, as South Africa was arguably the favourite during the bidding process, although Germany's bid had numerous advantages relating to existing infrastructure and a far higher level of development. Nonetheless, South Africa was expected by many to be the host of the 2006 World Cup until "dubious voting of the Executive Committee" (Kurscheidt, 2006:4) of FIFA saw Germany win by one vote, when a delegate who was expected to vote for South Africa abstained instead. This is reflective of South Africa's considerably less favourable position in the international community. It also demonstrates the lack of accountability characteristic in sporting organisations such as FIFA. However, it must be noted that following this incident FIFA changed its policy on hosting to rotation between the six confederations which make up the organisation, and became committed to allowing an African nation to host the subsequent World Cup, which South Africa was duly awarded.

In the meantime, preparation for 2006 was underway in Germany. A number of ex-ante studies predicted positive results to come from the event. For instance, Ahlert (2001:125) carried out a cost-benefit analysis in 1999-2000, in which the results of different simulations all showed that hosting the World Cup would positively influence income and employment in Germany. This study also suggested that in the longer-term, a positive impact on GDP growth would be seen. In a further study prepared by Ahlert (2005:14) in 2000-2001, he reiterated that the preparation and hosting of the World Cup would impact positively on GDP over the period of his simulation (2002-2010). However, as noted in Chapter 1, such ex-ante studies ought to be treated with caution, particularly given the debate that surrounds methodology used in ex-ante assessments of mega-events. Ahlert (2005:22) himself pointed out that his calculations of a positive economic impact are rough calculations only, and liable to change along with the overall economic situation in Germany. Nonetheless, the

World Cup was forecast to have a positive impact on the country's economy, with several experts predicting a boost of \$11.8 billion to Germany's GDP, as well as an influx of 3.2 million visitors, who were predicted to spend around \$4.4 billion during the event (Merkel, 2006:27). Others were somewhat more modest in their estimates. For instance, in a post-event review of the World Cup, Davis (2006:1) suggests that the expected number of tourists was in fact only one million, but he also cites a study that had forecast the financial boost to the German economy to be as high as \$14.8 billion. In any case, given the economic stagnation that was present in the years leading up to 2006, attaining this positive impact became all the more imperative for the German government and the Local Organising Committee (LOC).

Preparations for 2006 included the upgrading of existing stadiums and infrastructure as well as the construction of new stadiums, such as the Allianz Arena in Munich. Schröder's Social Democratic government allocated \$365.6 million for the refurbishment of the football grounds in Berlin and Leipzig, and \$5.5 billion for the improvement of Germany's roads (Merkel, 2006:27). On top of this, LOC head Franz Beckenbauer had the task of promoting a positive image of Germany globally, in such a way as to highlight the country's newfound unity and show Germany to be a tourist- and investor-friendly nation. Indeed, the official slogan of the 2006 World Cup became 'A Time To Make Friends'. Extra security has become a further requirement for any large-scale international event in the aftermath of the 11 September 2001 terrorist attacks. Germany's own history of terrorism at the 1972 Olympics meant that bringing in extra security measures was all the more important, particularly given that the incompetence of the Bavarian police had largely been blamed for the death of the Israeli athletes in Munich (Merkel, 2006:24).

In their study of Munich residents' perceptions of the World Cup's impact, Ohmann et al. (2006:143) mention extensive upgrading of infrastructure that was carried out in Munich alone. This included the construction of the new Allianz Arena football ground, at a cost of \$421.8 million, as well as \$148 million invested into the upgrading of Munich's subway and road system. Similar investments were carried out on a national scale, as the 12 host cities prepared themselves for an influx of tourists. As well as the Allianz Arena, new stadiums were constructed in Frankfurt, Hamburg, Gelsenkirchen and Leipzig (Soccerphile, 2005), while others were modernised and extended. The fact that German infrastructure was highly developed prior to the 2006 World Cup meant that the country was already at an advantage as it set out to plan the

event, and did not require the scale of modernisation that would have been necessary in other, less economically developed locations. Nonetheless, as mentioned above, investments into the upgrading of infrastructure and facilities were considerable.

Although the actual impact of the 2006 World Cup will be examined in greater detail in the subsequent chapters of this thesis, in brief it is fair to say that the immediate impact on the German economy was hugely overestimated. Where certain studies had predicted the German economy to grow by 0.5% as a result of hosting the World Cup, the actual growth as calculated by the country's Institute for Economic Research was 0.25% (Davis, 2006:1). While the Deutscher Fußball-Bund (DFB), the body that governs German football, cited additional tax revenue of \$1.9 billion resulting from the event (DFB, 2007a), this figure can be put into perspective by viewing it against the total of \$6.8 billion spent by Germany on infrastructural development (Davis, 2006:1). Du Plessis and Maennig (2008:6) stress that it is significant that infrastructure costs exceeded those of stadium construction, given that the necessary infrastructure already existed in Germany and was relatively well-developed. Meanwhile Germany became host to two million tourists, who spent \$888 million (Davis, 2006:1). While this exceeds lower estimates of one million visitors, it falls far short of the more optimistic estimates of 3.2 million tourists, spending an amount of up to \$4.4 billion, as mentioned earlier. Minister of the Economy Michael Glos pointed out that 50,000 jobs had been created by the event, although half of these were temporary, but suggested that the best immediate outcome of hosting the World Cup was the enormous improvement in Germany's image (Davis, 2006:1). Indeed, the increased popularity of Germany among groups such as tourists and investors is likely to impact positively on the country's economy in the long-term, but the short-term economic outcome of 2006 remains disappointing.

As stated previously, the impact of the 2006 World Cup will be analysed in closer detail in Chapter 4 of this thesis, at which point particular actors and sectors that stood to benefit from the event will be identified. This will make it possible to present an analysis of the actors involved spanning across both the 2006 event in Germany, and the 2010 World Cup in South Africa, demonstrating the dominance of certain corporate groups as well as FIFA itself, largely at the expense of other domestic actors in the two host countries. Before this can be done, however, it is necessary to provide the background to South Africa's hosting of the 2010 FIFA



World Cup™, and to identify some initial similarities and contrasts present in Germany and South Africa's bidding for and planning of their respective events.

### **2.3 South Africa**

Perhaps the most significant feature of South Africa's history, and one which continues to affect the country's political and economic sphere, is its racially polarised society. These racial divisions were firmly entrenched during the apartheid era, between 1948 and 1994, and the progress that has been made towards reconciliation through nation-building, though noticeable, has been limited. South Africa continues to have one of the highest levels of income inequality in the world as indicated by Gini coefficients (Hiller, 2000:442). As is the case with all spheres of South African life, sport has been deeply affected by issues of race. Traditionally, rugby and cricket were predominantly the preserve of the whites, while football had an enormous following among South Africa's black majority and to date remains the sport that is most representative of the country's demographics. Sports teams were also affected by the policy of separate development, and the international community eventually reacted against this by barring South Africa's participation from numerous international sporting events. More broadly, apartheid meant the duplication of institutions, so that they could cater separately to blacks and whites, and this hampered the country's economic development considerably, along with the general neglect of the dispossessed black population. Thus, South Africa emerged from apartheid with a highly unequal distribution of resources between the rich and poor sectors of society, manifested in figures such as the 28% unemployment rate (Goliger, 2005:174), although other sources estimate unemployment to be as high as 40% (Cornelissen, 2004:1297). In terms of its economic position in the world, South Africa had a GDP per capita of \$11,192 in 2004, compared to Germany's \$28,303, and with regard to its Human Development Index, based on life expectancy, literacy and income, South Africa was ranked 121st in the world in 2006, while Germany was 21st (Campbell, 2007:9). These statistics are indicative of how much more challenging it will be for South Africa than it was for Germany to host a successful World Cup given the enormous costs of hosting.

Since its readmission into the international community, South Africa has been particularly active in bidding for different sporting, and other, mega-events

(Cornelissen, 2004:1294). Most notably, the country hosted the 1995 International Rugby (IRB) World Cup, the 2003 International Cricket Council (ICC) World Cup, the 1996 African Cup of Nations and the 1999 All-Africa Games, as well as bidding unsuccessfully for the 2006 FIFA World Cup™ and for the 2004 Olympic Games to be held in Cape Town. These bids, whether successful or not, can be shown to highlight “South Africa’s enthusiastic participation in the world economy of sport” (Alegi, 2001:1). The motivating factors behind this are numerous. To begin with, South Africa used sport as a means of promoting its re-entry into the international community following its apartheid-era isolation. On a domestic level, the events it hosted shortly after the end of apartheid were used as nation-building tools, promoting feelings of unity among a population that had been divided for so long. At first, the international community’s approval of South Africa’s new democratic system of government, as well as the ‘Mandela factor’ overrode practical issues such as South Africa’s limited capacity to host mega-events (Van der Merwe, 2007:72). Victory on home soil at the 1995 IRB World Cup had a powerful symbolic appeal, and did serve to unite the nation, albeit briefly. Increasingly, South Africa has also come to pursue mega-events because of the supposed ability of such events to enhance political and economic standing on the global stage, and the overriding theme of recent bid campaigns has shifted to the country’s status as an African nation, somewhat at the expense of the ‘Rainbow Nation’ promoted during the 1995 Rugby World Cup. Alegi (2001:3-4) suggests three primary objectives that the Football World Cup was seen to serve by those responsible for driving South Africa’s bidding for this event. Firstly, it was thought it would encourage capital construction and heighten the country’s international visibility. Secondly, it was to be used as a means of eliciting national pride and unity, though it must be stressed that this objective was very much aimed at the country’s black population rather than any other racial group. Thirdly, the World Cup was to allow local powerbrokers the chance to consolidate or renegotiate their positions within the power structures present in South African sport, and in society more broadly.

One theme that can be seen throughout the various factors driving South Africa to pursue an event-driven strategy is that of identity and image promotion. For instance, the shift from rainbow nationalism to Africanism rests upon the concept of forging a new identity for the country both on a domestic and international level. Simultaneously, there is an attempt to showcase South Africa as an attractive

destination for tourism and investment. If this is to succeed, it is widely thought that long-term economic benefits will be considerable. A certain amount of success in promoting a new image of a united South Africa had come about as a result of the 1995 IRB World Cup, but Nauright (2004:1327) points out that this event had in fact presented South Africa in ways that “resonated with white rugby supporters”, especially as the new government was initially careful not to alienate the white elite which still had ownership of the country’s resources. However, given that South Africa is increasingly striving to be a leader among African nations, it has recently been engaging in considerable efforts to ‘Africanise’ its identity. Furthermore, the successful hosting of a mega-event such as the World Cup is thought to help the host nation attain great power status (Alegi, 2001:3), and thus an event-driven strategy can be considered to have been a part of former president Thabo Mbeki’s agenda of enhancing South Africa’s international standing not just in Africa, but also globally.

On top of this, there exists a link in South Africa between hallmark events and strategies of urban regeneration, as pointed out by Campbell (2007:3). As South African cities are characterised by a vast gulf between rich and poor areas, and urban decay as well as comparatively poor infrastructure, such strategies are badly needed, although the question of whether mega-events fit in with effective urban regeneration policies remains highly debatable. Van der Merwe (2007:67) adds another aspect to South Africa’s motivation for pursuing mega-events, stating that not only are they pursued for their financial and developmental gains, as well as identity-building and signalling benefits, but also for their qualities which enhance democracy and human rights. Certainly, as a country which has sought to make human rights a priority since the onset of democratisation, South Africa would find the latter qualities of mega-events extremely appealing.

It is also useful to view South Africa’s campaigning to secure its place within the mega-event circuit as part of the country’s broader tourism strategy. After all, tourism has been identified by the South African government as a significant catalyst for economic growth, and the country has recently made a concerted effort to boost its tourism industry, including through bidding for mega-events, as well as expanding its Meetings, Incentives, Conferences and Exhibitions (MICE) market (Cornelissen, 2005:680-1). While sport tourism is a very distinct sector of the broader tourism industry, a positive impression of South Africa among sport tourists could eventually translate into an improved image globally for the country. Tourism is also another

industry through which South Africa has increasingly sought to promote its status as an African nation.

The bid for the rights to host the 2006 World Cup came as something of a surprise, given how little time had passed since the failed Cape Town Olympic Bid, and how much more investment would be required for a Football World Cup compared to any event previously hosted by South Africa (Cornelissen, 2004:1296-7). However, football's enormous popular appeal in the country meant that domestic support for the bid was far more likely to be forthcoming than in the case of bids for other events, particularly those driven by white elites, as in the case of the Olympic bid. Furthermore, economic arguments, based on impact studies carried out in support of the bid, lent a considerable amount of weight to the assertion that South Africa would benefit enormously from hosting the World Cup. The study commissioned by the bid committee claimed that the World Cup would lead to additional direct expenditure of \$1.4 billion, contribute around 2% to the country's GDP, generate \$483.6 million in tax revenues, create some 129,000 new jobs and attract at least 500,000 tourists (Alegi, 2001:11). Given South Africa's high unemployment rate, its efforts to boost economic growth, and its attempts to expand its tourism sector, these figures were likely to be convincing on a domestic level, although it is important to bear in mind the tendency of such impact studies to inflate the potential benefits to be gained from an event.

South Africa's bid was also well-received by FIFA, and especially FIFA President Joseph Blatter, a long-time supporter of the African cause. The initial round of the bidding process for 2006, held in August 1999, saw the South African bid committee give a well-argued presentation, and submit a dossier which was considered extremely impressive, with FIFA insider Emmanuel Maradas suggesting that South Africa was regarded as the front runner to host the event, followed by England and Germany (Alegi, 2001:10-1). As mentioned previously, however, South Africa lost out by a single vote when Charles Dempsey of New Zealand, who was expected to vote in favour of South Africa, unexpectedly abstained, against orders from his Oceania confederation, and possibly under the influence of European or Asian interests within FIFA (Alegi, 2001:12-3). This is indicative of the dominance of certain groups of interests within the organisation, often at the expense of others such as the African members, which will be examined in greater detail in the subsequent chapters of this thesis. A positive outcome of this debacle, however, was that FIFA

went on to reorganise the manner in which it awards the rights to hosting the World Cup, paving the way for South Africa to bid successfully for the 2010 tournament.

The bid for 2010 built on the widespread support for the previous bid, and was framed by much of the same rhetoric about giving Africa an opportunity. Additionally, the bid focused on dispelling some of the negative perceptions surrounding the African continent, particularly the assumption that Africa was incapable of hosting an event on the scale of the Football World Cup. The economic impact of hosting the event in 2010 was found to be even greater according to a CBA study carried out for the bid committee. This time, it was predicted that the 2010 World Cup would contribute more than \$3.1 billion to the economy, including \$1 billion in taxes generated, and would create more than 150,000 jobs (Bohlmann, 2006:13). Changes to the bid from that of 2006 included the extension of the number of host stadiums to 13 (Cornelissen and Swart, 2006:118), allowing for a more even spread of the expected benefits of the event. This time, as only African nations were bidding, in line with FIFA's new rotation policy, South Africa easily emerged as the favourite, and was duly announced as the host of the 2010 tournament in May 2004, with 14 out of 24 votes against Morocco's 10 and none in favour of Egypt (Cornelissen, 2004:1300).

Unlike Germany, which had extensive, well-developed infrastructure already in place when it was awarded the 2006 hosting rights, South Africa faces an enormous challenge in developing its infrastructure in order to cope with the requirements of the event. Although in awarding it the 2010 hosting rights, FIFA had essentially indicated a belief that South Africa had the capacity to host a successful World Cup, the country has yet to deliver an adequate infrastructural base of international standards, and has stressed its commitment to doing so (Goliger, 2005:174). Campbell (2007:4-5) cites the South African Minister of Finance's 2007 Budget Speech, according to which the government is to contribute \$2.6 billion towards the World Cup, with \$1.2 billion going towards the construction of five new stadiums and the upgrading of five existing ones, and \$1.3 billion to be spent on transport infrastructure, while the host cities contribute a further \$381.1 million towards the costs of the stadiums. Upgrades are being carried out at the country's international airports, and other projects planned to coincide with the 2010 tournament include the building of the R25 billion Gauteng Rapid Rail Link (Campbell, 2007:6). A further issue that South Africa is attempting to deal with in preparation for 2010 is the reduction of its crime rate. Although Swart

and Bob (2004:1318) argue that an aspect of crime in South Africa is linked to perceptions and international media portrayals, it nonetheless remains a fact that South Africa has one of the highest crime rates in the world, including a significant level of violent crime, with recent estimates of more than 19,000 murders and 400,000 assaults per year (BBC News, 2007). A considerable amount of effort and resources will have to go into ensuring visitor security at the event, and the South African government plans to recruit 30,000 more police in time for the tournament (BBC News, 2007).

One useful manner of viewing South African preparations and their implications is by breaking them down into five categories. First, there is the infrastructure and urban planning, second, capital investments, thirdly host city preparations, fourthly tourism expectations, and lastly crime, as mentioned above. These various aspects overlap to some extent, but it is nonetheless helpful to break down preparations and view them individually as well. In terms of infrastructure, numerous projects are underway, and expected to bring considerable benefits to the country by the organising elites. These aspects involving urban planning are an area where South Africa diverges from Germany somewhat in their overall agenda for the World Cup, as South Africa is tying preparations in with policies of urban regeneration to a considerable extent. However, the World Cup may simultaneously impact negatively on urban regeneration. For instance, it has been suggested that major host cities including Durban and Johannesburg have temporarily overlooked their goals of improving their environments, especially among their poverty-stricken neighbourhoods in order to focus on the immediate challenge of hosting the World Cup, hoping that this will result in benefits to their citizens in the long-term, albeit at citizens' expense in the short-term (Robinson, 2007:10). In terms of capital investments, again various projects are being carried out, both relating to stadium construction and infrastructural development. The extent of returns on these investments remains to be seen, and also depends to a certain degree on post-event management of the various projects. Moreover, it is hoped that future capital investments will be attracted through hosting a successful World Cup. Closely linked with the first category of infrastructure and urban planning is the broader category of host city preparations. As well as general infrastructure upgrading, host cities have considerable work to do in terms of improving their accommodation capacity, security, and various amenities catering to tourists. Again, this poses a danger that the

needs of the urban poor will largely be overlooked in the run-up to 2010, especially as these poor neighbourhoods tend to fall outside the cities' sports and tourism circuits. The fourth category, of tourism expectations, is also high on the agenda of the host cities, as well as of the country as a whole. However, the implications for tourism in 2010 depend to a considerable extent on the way South Africa is marketed overseas, not only by its own government and organisations, but also by external tour operators. Lastly, the issue of crime remains one which requires a great deal of work in the coming years if the country is to be made safe in time for the World Cup. While some \$525 million was allocated for spending on justice and crime prevention in 2006 (Africa Research Bulletin, 2006:17148) cutting down crime rates is a complex task which needs to be co-ordinated among numerous bodies. It has been suggested that while the 2010 World Cup provides an opportunity to develop an integrated approach to crime, it also poses the risk that the host nation may not be able to deal with the full spectrum of events or incidents that require a rapid and integrated response (Haskins, 2007:8). One final danger to all of the various aspects of South Africa's preparations, as acknowledged by Finance Minister Trevor Manuel is that despite being allocated substantial funds, municipalities often struggle to deliver (Africa Research Bulletin, 2006:17148). In order to address this the South African government is attempting to become more involved in raising the capacity of the municipalities, because concerns exist that if the government does not help the municipalities to deliver, the World Cup will not be a success (Africa Research Bulletin, 2006:17148).

With regard to early pre-event impact, Goliger (2005:177) has suggested that the prospect of hosting the World Cup has already impacted positively on some sectors of the construction industry, with certain companies enjoying a surge on the Johannesburg Securities Exchange, but generally it is still far too early to be able to analyse the impact on the South African economy. Meanwhile, Cornelissen and Swart (2006:121) assert that planning towards the event so far has been of a varied nature, with a certain amount of a success, but also significant miscalculations. Among these was the LOC's decision to revise the number of host stadiums back down to ten (Cornelissen and Swart, 2006:118), a move which was not received well by those cities which were now to miss out. Additionally, shortly after South Africa won the rights to host the World Cup, disputes broke out between the LOC and the South African Football Association (SAFA), the body that governs national football, which was simultaneously undergoing serious financial problems, all of which served to

dampen the early enthusiasm about the 2010 World Cup (Cornelissen and Swart, 2006:117-8). Such problems threaten to undermine SAFA's image and authority in a similar way to the corruption scandals that damaged the DFB in the run-up to the 2006 World Cup. In this case, however, difficulties experienced by SAFA and the 2010 LOC also create concerns over the country's ability to host the event in the first place. Nevertheless, ambitious plans for hosting the event successfully are being pursued by a variety of actors across South Africa, some of whom will be examined in greater detail in the subsequent chapters.

One significant aspect of both of South Africa's Football World Cup bids, as well as the planning currently taking place, is their pan-African character. Much stress has been placed on the fact that this will be an African World Cup, thus automatically giving it a unique quality compared to previous tournaments. This aspect was central in gaining support for the bid from other African states, although in both the bids for 2006 and for 2010 this was problematic as Morocco was also bidding and attempting to draw on the same pan-African element. The slogan of South Africa's 2006 bid, 'It's Africa's Turn!' signifies the centrality of its pan-African basis (Cornelissen, 2004:1297). The symbolism of being the first African nation to host a mega-event on the scale of the FIFA World Cup™ was an important motivating factor to bid in the first place. This also ties in with Thabo Mbeki's broader agenda for the continent, and his championing of the African Renaissance, whereby he sought to promote African growth and democratisation and challenge negative stereotypes of Africa, such as those widely held by the developed world. A notable strength of the World Cup bid was that South Africa, given its advanced position compared to the rest of the continent, was optimally placed to promote Africa's elevation through the hosting of such a huge mega-event (Cornelissen, 2004:1303). The pan-African aspect of South Africa's policy had been gaining increasing prominence even prior to the bidding for the Football World Cup. The country had hosted the African Cup of Nations and the All-Africa Games, as well as 'Africanising' the 2003 ICC World Cup, through co-hosting it with Zimbabwe and Kenya, lending the whole tournament an 'African Safari' motif (Van der Merwe, 2007:73). This was used to demonstrate that African nations had the technical capacity to host first-order sporting events, as well as setting a precedent for giving such events a unique African character, something that South Africa is regarding as an important element of the forthcoming 2010 World Cup.



It has been argued that key elements of Africa's international relations were replicated in South Africa's bids for the World Cup (Cornelissen, 2004:1295). This is related to Africa's negative positioning in the international political economy, which will be discussed in more detail as this thesis progresses. It is also important to note that South Africa's identity as an African nation is a problematic one, disputed by other states on the continent (Cornelissen, 2004:1304). This is largely due to South Africa's contradictory presentation of itself, whereby on the one hand it distances itself from the rest of Africa, drawing attention to the fact that it is considerably more advanced, politically stable, and free from much of the rest of the continent's problems, and on the other it attempts to project an African identity despite these differences.

#### **2.4 Initial commonalities and contrasts**

An early commonality that can be identified between the German and South African cases is that although both have experienced economic difficulties that they hope to address through attainment of the supposed economic benefits of hosting mega-events, they place almost as much emphasis on needing to draw on non-material benefits, such as those of image and identity. Germany had put a considerable amount of emphasis on using the 2006 World Cup as a nation-building tool to strengthen the sense of unity between East and West Germany. Simultaneously, the country strove to improve its image internationally, with a degree of success that its previous attempts at hosting mega-events did not manage to attain. South Africa, meanwhile, has previously used mega-events for bringing about unity among its population, and although it aims to enhance its image abroad through the 2010 World Cup, the identity it is attempting to project has shifted from that of the 'Rainbow Nation' to that of an African nation. At the same time, however, South Africa is making efforts to stand out from other African nations by projecting an image which is more developed, with better infrastructure, and none of the problems that the rest of the world stereotypically associates with the African continent, such as war, disease and famine. This pan-African aspect to South Africa's involvement in the mega-events circuit will be examined in greater detail further in this thesis, as it forms a significant part of South Africa's unfavourable position in the international system. Importantly, at the same time as trying to reposition itself more favourably against the developed nations of the global North, the country is aiming to be a leader among

African nations, and thus cannot afford to distance itself too much rhetorically from the rest of the continent.

Given the enormous popularity of football globally, neither country had much difficulty in securing domestic support for their bids. However, Germany's more favourable position, both internationally and within FIFA, can be seen in the fact that it became the eventual host of the 2006 tournament, despite the considerable efforts of South Africa's bid committee. Another contrast is that economic growth, while a significant motive in both cases, is not as imperative for highly industrialised Germany as it is for South Africa, which is placing an enormous amount of emphasis on solving its economic problems through the hosting of the 2010 World Cup. South Africa's attempt to incorporate the World Cup into its urban regeneration policies comes at a point where the country's hosting agenda contrasts considerably with that of Germany, a host which needed to do little in terms of urban regeneration in tandem with the 2006 tournament. Additionally, the type of identity the two nations are attempting to project through hosting the World Cup differs somewhat. South Africa is setting out to project an image which is very much tied to its continent, while breaking away from the negative perceptions generally associated with Africa. Meanwhile, the only negative perceptions Germany had to contend with were those of its past involvement with mega-events, and of its history more generally. The country's position as a leader in Europe could only work in its favour, given Europe's favourable status in the international system. Thus, Germany's identity projection through the 2006 World Cup was much more focused on the country as a single investor- and tourist-friendly entity, while South Africa is promoting its image with much more of a focus on being situated on a continent which has much to offer to the international community.

Before one can analyse the actors, agendas and discourses in both the South African and German cases in greater detail, it is necessary to contextualise them by taking a closer look at issues of international political economy and globalisation, and where the Football World Cup, as hosted by these two countries, fits into this. As well as the countries and specific events under examination here, it is furthermore necessary to discuss mega-events more generally, their role within the international political economy, and the flaws in the arguments for hosting them. These flaws are often overlooked by actors involved in bidding, but as developing countries, with limited economic resources, increasingly become involved in the mega-event circuit,

the issues of costs and actual impact as opposed to projected impact become all the more significant. Chapter 3 examines these various issues, and builds on the literature and theory reviewed in the previous chapter, before setting out the framework within which the German and South African cases will be analysed in closer detail.

## **Chapter 3: Motivations: Perceived Advantages of Hosting Sports Mega-Events**

### **3.1 International political economy**

The backdrop for the hosting of mega-events is the vastly unequal international system, where the developed world has always dominated the developing world, both politically and economically. This manifests itself in numerous ways. For instance, colonialism was one obvious manner of asserting political dominance in the first half of the 20th Century. More recently, since the dismantling of colonial systems, the developed world has been reduced to dominating the global system primarily through economic means, thus resulting in the proliferation of neoliberal economic policies in recent decades. International sport has not gone unaffected by these trends. Horne and Manzenreiter (2006:14) assert that external relationships with sports mega-events in the case of developing or semi-peripheral states continue to be shaped by colonial and neo-colonial ties. Thus, existing imbalances in the international system are frequently perpetuated, despite developing nations' hopes that breaking into the mega-events market will help them to boost their international standing and redress these imbalances. Furthermore, Horne and Manzenreiter (2006:15) go on to argue that sport policy as shaped by governments has developed in the past two decades in the context of "the spread of neoliberal economic ideology and globalisation", whereby sport has increasingly become used for political and economic purposes, while increasing government involvement is proportionate to the growing importance of sporting events to politicians. However, the assertion that concern about sports mega-events has swung from their political use to their economic use in recent decades (Horne and Manzenreiter, 2006:18), while largely true, can be disputed to a certain extent. South Africa, for instance, has used mega-events to boost its political status, both in Africa and the wider world. While this is partially done with the aim of gaining economic benefits in the long-term, the political aspect remains essential nonetheless. Indeed, it can be argued that the political and economic benefits to be gained from mega-events are so closely entwined that it may be impossible or unnecessary to attempt to identify which takes priority. This can be demonstrated in both the German and South African cases, where a whole variety of interlinked political and economic factors motivated the two countries to bid for the Football World Cup.

The vast gap that exists between developed and developing nations has not prevented developing nations from attempting to engage in hosting international sport, with both developing and developed nations striving to project certain 'brands' which they hope will help to attract media interest, and subsequently, inflows of capital through heightened levels of tourism and new investment (Nauright, 2004:1326). This is what Nauright (2004:1326) terms the sport-media-tourism complex, which has found a place at the centre of development strategies, be they local, regional or national. The Football World Cup, with its enormous global television audience, offers a considerable opportunity to project a certain image of the host country on a massive scale. This is all the more important to developing states, as the global broadcasting media is predominantly based in North America and Europe, and thus inclined to giving those regions greater coverage (Black and van der Westhuizen, 2004:1201) when it comes to sport. Thus, for semi-peripheral states, the chance to host a mega-event allows them to enjoy a vastly increased level of access to the global media, through which they hope to project a positive image to the world. Given the negative perceptions that frequently surround developing states, notably in Africa, this image-projection opportunity presented by the hosting of a hallmark event is incredibly appealing, and can be seen as one of the main factors that motivate developing nations to bid for mega-events. As mentioned previously, this can backfire and result in a lasting negative representation of the host nation, but it is generally considered by those seeking to break into the mega-event circuit that the outcome in terms of the host's image is far more likely to be favourable.

Generally speaking, despite the increasing participation of developing nations in bidding for sports mega-events, the argument that persistent global inequalities have a considerable effect on a given state's ability to bid successfully, as pointed out for instance by Swart and Bob (2004:1312), appears convincing. However, once again, FIFA's changed policy of rotating the World Cup between its confederations, have allowed the more disadvantaged nations a somewhat greater opportunity to participate in the mega-event circuit. Nonetheless, South Africa can be considered to be far more developed than the majority of African countries, and thus at a greater advantage than the poorer nations on the continent when it comes to procuring the hosting rights to an event. On top of this, South Africa had the added strength of calling on the symbolic power of Nelson Mandela and its achievement in overcoming apartheid as part of its bidding campaigns, a significant factor which other African

countries lack. Africa's position within FIFA can be seen to be similarly indicative of the continent's broader position in international political economy, with the African bloc's struggle against the dominant European interests exemplifying more general core-periphery relations (Darby, 2003:19). While this is generally true, there are nonetheless added complexities in Africa's relationship with FIFA, which allow the continent to exercise some authority in voting, among other facets of FIFA practices.

Following on from the point that global inequalities impact on a state's ability to bid successfully, they also affect a state's capacity to host events, particularly those events on a larger scale. Black and van der Westhuizen (2004:1200) suggest that this point is self-explanatory, but go on to assert that it is increasingly because of the perceived benefits these mega-events are thought to bring that semi-peripheral states strive to become involved in bidding contests despite lacking the hosting capacity. A number of these perceived benefits have already been mentioned in the course of this thesis, but opinions differ as to which benefits are the most important to bidding countries. As has been shown by early comparisons between the German and South African cases, it is in fact a combination of factors that motivates states to bid for mega-events, and unique circumstances surround each example. Nonetheless, there is a consensus among the numerous states that engage in bidding for events that hosting will bring them considerable benefits in both the short and long term. Matos (2006:2) suggests that there are three main benefits that bidders for mega-events consider to be their primary motivation, these being economic growth, infrastructures legacy and image promotion. The reasoning behind this is that these three factors are quantifiable and convertible into monetary figures, or at least more so than any other supposed benefits. A factor as broad as 'economic growth' encompasses within it a whole host of other aspects and sectors in a given state's economy that may stand to benefit from the hosting of mega-events. The tourism industry is an example of such a sector, which is increasingly considered to be an important one in terms of contributing to a country's overall economic growth. Indeed, Cornelissen (2004:1294) points to a global shift from traditional wealth-generating activities such as manufacturing to sectors such as tourism, events and sport. Thus, the fact that states pursue economic growth does not require debating, but it is the sectors through which they attempt to achieve this growth that warrant looking at.

To build on the tourism factor, it can also be useful to view mega-event bidding within the broader context of states' tourism strategies. It has been suggested

that there has been a recent increase in the use of tourism-linked competitiveness strategies, including the hosting of hallmark events, as well as international business and conference tourism (Cornelissen, 2005:675). Meanwhile, Toohey et al. (2003:167) point to a recent strengthening and transformation in the relationship between sport and tourism, in particular via the growth in sport tourism. As elsewhere, the developing world is at a disadvantage in this area, given its limited resources and capacity to host both sporting and non-sporting events. As a result, states on the periphery have to develop an innovative and attractive brand in order to make up for their other limitations in attracting events, tourism and investment. Indeed, Nauright (2004:1331) argues that “diversity sells”, and thus spectacles that are put on around mega-events, particularly when they draw on exotic cultural aspects of the host, can help to promote a positive image, and enhance a state’s competitive advantage in the international tourism market. In South Africa, bodies such as the International Marketing Council are working towards rebranding the country in a positive manner, something which has been considered particularly necessary following decades of the negative image that came with apartheid, and current negative representations of South Africa which result from internal problems such as the high crime rate. The 2010 World Cup will thus provide a huge opportunity to showcase the country and leave a lasting positive impression on visitors, which can translate into an improved image in the long-run. While estimates of the number of tourists due to arrive specifically for the 2010 tournament have been revised from an initial 900,000 to a more modest figure of at least 350,000 (Gleeson, 2007), the South African government hopes that overall tourist numbers will rise to over 10 million in the whole of the World Cup year (BBC News, 2007), and making a positive impression on such a large number of people could certainly have considerable long-term benefits.

Sport and sporting events can also be utilised by elites on a domestic level to push their broader agendas. For instance, it has been suggested that politicians’ attempts to use the bidding for and hosting of sports mega-events as “opportunities to build and project common political identities” (Black and van der Westhuizen, 2004:1205) are of particular pertinence to states in the global South, given their frequently heterogeneous nature, or lack of political or social unity. However, Black and van der Westhuizen (2004:1205-6) also point out that the building and projection of identities can occur in a manner that polarises society and marginalises certain

groups, such as gender groupings or certain social classes. Where football is concerned, a complex relationship exists between the sport and those social classes considered at highest risk of marginalisation, as football has historically been the sport of the working class, and enjoys a high level of support among the poor, including both in Germany and South Africa. Indeed, the South African bid campaign played heavily on the link between the sport and the previously dispossessed among the country's population. However, the commercialisation of football can be argued to alienate the sport from its traditional support base, and at a World Cup in particular, access to the event is costly, serving to exclude the poorer among local supporters. Prices at the 2006 World Cup, for example, ranged between \$66.6 for a group match and \$888 for the final match (Campbell, 2007:11), and in a poorer country such as South Africa, this could certainly be an excluding factor for local supporters.

Issues of exclusion could also come into play in ethnically diverse communities with a history of social exclusion. Not only is the ethnic factor used in the marketing and branding of a destination, but mega-events have increasingly been used to integrate previously excluded groups. For instance, Nauright cites Sydney's bid for the 2000 Olympics, in which Aboriginal Australians were used, and much of the rhetoric was focused on involving Aboriginals in the event (Nauright, 2004:1328-9). As it transpired, however, the Aboriginal community was excluded from any decision-making relating to the Olympics, and were only involved in advisory bodies such as the National Indigenous Advisory Committee and the Multicultural Commission, set up by the Sydney Organising Committee for the Olympic Games, in which no Aboriginals were included (Nauright, 2004:1329). A significant part of the 2010 World Cup in South Africa is focused on the previously excluded, and the fact that the bid had such high levels of support among the black population, as well as the fact that the LOC is composed predominantly of Africans has already gone a considerable way towards bringing in the previously excluded, at least in terms of ethnicity. However, given the fact that the previously excluded constitute the majority, rather than a minority, of the population, having the event reach all of the desired social and ethnic groups will be problematic.

The hosting of mega-events is also widely thought to have a positive impact on social benefits such as democracy and the promotion of human rights. The Olympic Movement in particular strongly supports human rights values, at least rhetorically. However, while on the one hand states with particularly poor human



rights records can be excluded from international sport, as demonstrated by apartheid South Africa's lengthy isolation, the commitment on behalf of sporting organisations is questionable as demonstrated by, on the other hand, the awarding of the 2008 Olympics to Beijing. Historically, several examples of undemocratic and repressive behaviour being overlooked by sporting organisations exist, including the 1936 Olympics in Berlin during the Nazi era. Black and van der Westhuizen (2004:1200) concede that a sporting event may indeed "generate societal pressures towards greater democratisation" but assert that the sustainability of this effect remains very much debatable.

An extremely important issue to be looked at before moving the discussion on to the real versus the expected impact of sports mega-events, and one which features prominently in discussions of international political economy, is that of globalisation. This phenomenon has had a considerable impact on identity, the role of sport in the contemporary world, and many of the other aspects previously discussed. It is also a useful context for considering sporting mega-events, and thus warrants examining. An in-depth discussion of the phenomenon of globalisation is beyond the scope of this thesis. However, for the purposes of adding greater depth to the analysis of mega-events, the definition as cited by Swart and Bob (2004:1312) of globalisation being "a process whereby economic, political and cultural transactions are less and less constrained by national boundaries and the sovereign authority of national governments" is useful and succinct. While globalisation is increasingly relevant to sport, "mainstream globalisation analysis has yet to discover sport as a relevant social phenomenon" (Roche, 2006:29), contributing to the all-round dearth of detailed analysis and literature on sporting mega-events to date. Nonetheless, it has been asserted in existing literature that sport over the past three decades has "assumed an ever greater role within the globalisation process" (Nauright, 2004:1325), and it has also been argued that sporting mega-events should not be divorced from commercial and political forces, given the prevailing global environment (Swart and Bob, 2004:1323). The impact of this is that sport has come to be affected by other global issues and threats to global stability, which notably include terrorism. Incidences of terrorism have occurred at past events, with the 1972 Olympics in Munich being the most noteworthy example. More recently, the September 11 terrorist attacks in the United States, and the resultant heightened visibility of terrorism could be said to have had a detrimental effect on Morocco's Football World Cup bid, as an Arab nation.

South Africa was meanwhile successfully able to use the fear of terror attacks to its advantage during the bid process, promoting its status as a peaceful nation, free from the threat of terrorism (at least compared to many other states, including Morocco). While some debate exists over how likely sports events are to be targeted by terror groups, Toohey et al. (2003:173) contend that both the Olympic Games and the FIFA World Cup™ can be considered to have been prime targets ever since it became possible to broadcast these events worldwide. Since the September 11 attacks, extra security measures at mega-events have become a much higher priority for event organisers. The implications of this growing fear of terrorism over the current decade remain to be seen in the long-term, especially if a mega-event does get targeted by a terrorist organisation.

A significant outcome of sport being affected by global issues in this manner is that security at major events has been an organisational priority since the 1972 Munich Olympics, and post-September 11 it has become all the more imperative. Additionally, sport has become integrated with global capitalism, which manifests itself through, for instance, the heavy involvement of commercial sponsors. Similarly to the impact on a domestic level, which was previously mentioned in relation to German football, this can be seen to be alienating the local communities that form the traditional support base of various sports. It is furthermore worth noting that a significant function of sport in the era of globalisation is the maintenance of cultural links between certain states in the global North and their former colonies in the South, including the Francophone nations and the Commonwealth. This has been suggested to lead to the promotion of intra-regional (as opposed to merely national) identities (Black and van der Westhuizen, 2004:1198).

The question of how identities are influenced by globalisation is a broad one. Here, Roche's (2006:30-1) definitions of 'basic' and 'complex' globalisation, as discussed in Chapter 1 of this thesis, can be useful. In particular, complex globalisation ties in with the way that states and cities go about attempting to project certain brands through the use of mega-events, an example being South Africa's projection of the 'Rainbow Nation' at the 1995 IRB World Cup and other events, until its more recent shift towards a pan-African identity. Roche (2006:31) himself suggests that mega-events such as the Olympics ought to be viewed in terms of complex rather than basic globalisation. This seems to be a convincing argument, given that states and cities attempt to give the mega-events they host unique characteristics as

influenced by local culture. Globalisation could even be considered to be a driving force of the promotion of unique identities, because it brings with it the possible threat of cultural homogenisation. As Black and van der Westhuizen (2004:1200) point out, “in a world crowded by the ubiquity of mass consumerism, image and emotional packaging, the need for differentiation has become all the more important”. The opportunity to host a highly visible mega-event is also an opportunity to project a renewed image of the host’s identity. However, it has been argued that attempting to project a national, or even regional, identity in such a manner can be problematic. Nauright (2004:1328) points to an “imagined vision of local culture for global consumption”, whereby the history of the host nation or region is offered up to audiences in a manner that is misrepresentative, perhaps emphasising one aspect of local culture at the expense of others. Another risk is that the local community has values forced upon it which never existed in reality, such as a sense of unity. Such representations of local culture are also unlikely to dispel pre-existing stereotypes about the hosts.

The benefits that are thought to be derived from the globalising economy have resulted in disadvantaged states attempting increasingly to engage in it, in an attempt to reposition themselves more favourably in the international system, and for fear of being marginalised otherwise. The above discussion has set out some of the main reasons why states pursue the rights to host mega-events, and the theoretical context underpinning this, which is the international political economy and the inequalities inherent in it. It is now necessary to examine some findings about the true impact of mega-events, as compared to the optimistic expectations of material and non-material benefits that states frequently use as their justification for pursuing these events.

### **3.2 The costs and benefits of mega-events**

It is widely believed that the hosting of events will stimulate economic growth and development in a number of ways. For instance, according to Hall (2006:64) there are three major factors that make the hosting of events appear attractive. Firstly, the infrastructure required to host such an event is crucial to further economic growth, secondly the event is considered to promote greater business vitality and economic development, and thirdly, the ability to attract such events could be considered as a performance indicator of a host state or city’s ability to compete on a broader level. These beliefs can galvanise those that can expect to benefit from these factors, such as

business interests, and the companies that would take part in the provision of infrastructure, into pursuing and taking control of an event-driven agenda, while emerging data indicating the actual costs and limited benefits of hosting mega-events gets overlooked. In basic terms, as a state prepares to bid for, and subsequently plan, a mega-event, studies are carried out to ascertain the projected impact, and in such studies benefits are frequently overestimated, while costs tend to be underestimated. This is unsurprising considering that studies are carried out in support of the bids, with the elites behind the bid having already decided to pursue the event in question regardless of the true cost. As mentioned above, Matos (2006:2) breaks down the main costs and benefits into the categories of economic growth, infrastructures legacy and image promotion. Another useful way of categorising the main costs and benefits would be under the following three grouping: firstly, economic and developmental (including infrastructures legacy), secondly, image and international prestige, and thirdly, the social impacts.

In the first category, and in terms of the most obvious, monetary costs, these can be long-term as well as short-term, because stadiums or monuments built specifically for the event, at a considerable expense, can end up costing much more than they are worth to maintain in the long run, as experienced by Olympic hosts Montreal, Atlanta, Sydney and Athens (Horne and Manzenreiter, 2006:14). While it is argued by supporters of event-driven strategies that new stadiums and other sporting facilities benefit the local community and boost economic development in the long-term, Alegi (2001:11) points out that more recent empirical studies “uniformly conclude that metropolitan and central city economic development is not likely to be affected by a sports team or facility”. Instead, these facilities run the risk of putting a drain on public funds. While such facilities may ultimately benefit sports teams or athletes, allowing them to improve their performances in future competitions, Black and van der Westhuizen (2004:1206) suggest that this emphasis on elite sport comes at the expense of mass sport within the local community, and this has more recently also been asserted by Alegi (2007:315). Such an effect can also be replicated across other industries, leading to the question of how much the host community benefits from the waves of construction and urban regeneration that precede a mega-event. The issue of the ultimate beneficiaries of these processes will be examined in greater detail in the subsequent chapters of this thesis.

It has been asserted that opponents of mega-events, as well as researchers into the subject, largely disagree with the arguments in favour of mega-event hosting, and the disagreement is “not of substance but of scale” (Matos, 2006:2). That is to say, they do not believe economic benefits to be as substantial as they are claimed to be by supporters, and they believe costs to be greater than suggested. This is the result of a number of factors, including the aforementioned bias of impact studies commissioned by those bidding for a given event. Furthermore, an early cost that can be incurred in the run-up to a mega-event, still in monetary terms, is a result of time constraints, when pressure to have facilities and infrastructure completed on time can lead to budgets being heavily overrun. This adds to the eventual running costs of the facilities, as mentioned above. Supporters argue that these and other costs will be outweighed in the long run by benefits such as a return on investments, and increased visitor spending. However, there is an increasing consensus among scholars that there is no or little empirical evidence for a sizable economic impact stemming from sporting events, including the Football World Cup in particular (Kurscheidt, 2006:2). More specifically, the hosting of events has not been found to impact significantly on domestic economic indicators such as household income (Campbell, 2007:3). Such findings make the claims that mega-events stimulate economic growth seem doubtful. Additionally, a benefit frequently cited by mega-event promoters is the creation of a vast number of jobs, but given the very nature of mega-events, many of these jobs prove to be temporary, as was the case in Germany in 2006, thus demonstrating another instance of the benefits being overstated. The fact that mega-events can have some positive impact and stimulate investments along with a degree of economic growth is not entirely questionable however. There is a broad consensus among scholars that some of the expected benefits do materialise, but as Cornelissen and Swart (2006:110) point out, these gains may be offset by, for instance, the manner in which the event in question is organised, or by a particular set of corporate interests tied to the event. After all, planning an event on such a considerable scale is a complex matter, and the eventual financial outcome (as well as other results) is subject to a number of external factors, and very difficult to predict accurately.

This leads to the fact that numerous problems have been identified with the manner in which ex-ante impact studies are compiled, and their calculation methods. Matos (2006:4) suggests that the total economic impact of an event, of which the primary impulse is an increase in autonomous expenditure, is extremely difficult to

calculate because of a number of factors such as crowding out, redistribution at the expense of certain non-event-related sectors of the economy, causality and dead-weight. While these factors will not be discussed in too much detail, they generally lead to suggest that either certain sectors enjoy an economic boost while others suffer at their expense, or economic growth and development takes place regardless of the event. Thus including this growth into the event's total impact is questionable. In addition, miscalculations are frequently attributed in the relevant literature to the use of 'gross' as opposed to 'net' measures of direct spending stemming from the event (Baade and Matheson, 2004b:345). If such a method is used, receipts associated with the given event are summed up, without accounting for decreased spending attributable to the event (Baade and Matheson, 2004b:345), representing another instance of overstated benefits and understated costs. A further factor is the existence of opportunity costs, whereby money invested into preparing for the event does not get spent elsewhere in a host's economy, and thus the development of infrastructure or amenities not related to the event is held back, or an opportunity to get a higher return on potential investment is overlooked in favour of investing into a sporting event. This could be particularly problematic in developing economies which lack basic facilities such as those for education or healthcare. With regard to ex-post studies, they may have the advantage of analysing an event that has already taken place, all of the factors that make economic impact so difficult to calculate still apply. As mentioned previously, there is generally a dearth of ex-post studies, but those that exist tend to be more modest than their ex-ante counterparts in their calculations of economic impact (Sterken, 2006:3).

As well as opportunity costs, the costs of construction in the run-up to the event, and operational costs during and after the event, it is important to bear in mind the considerable resources required for bidding in its own right. In order to be considered as a potential host for first-order events such as the FIFA World Cup™ or the Olympic Games, states have to demonstrate a significant pre-existing capacity and resources that would ultimately render them capable of hosting the event. Once again, factors such as opportunity costs come into play, with opponents of event-driven strategies, especially in developing nations which increasingly seek to engage in the mega-event market, arguing that already scarce resources could be better spent elsewhere. Nonetheless, it has been suggested that bidding in itself can have several benefits, even if the bid is ultimately unsuccessful. These include the promotion of the

bidding nation's image abroad, the creation of jobs, however temporary, and the development of public and private sector partnerships (Swart and Bob, 2004:1313).

Impacts on a host state's image fall into the second category of costs and benefits as outlined above. Even given all the problems with accurately assessing the economic impact of an event, this remains far easier to measure than image benefits, which are extremely difficult to quantify. The improvement in a host's image constitutes a significant intangible effect and it seems fair to assert that states vying to host mega-events increasingly attach as much, if not more, importance to the effect this will have on their image globally as they do to immediate economic gains. Campbell (2007:10) makes the important point that as this image factor is coming to play an ever-increasing role in the overall agenda for hosting a mega-event, the success of the event cannot be judged on profit and loss alone. Further to this, the enhancement of a nation's image can result in increased economic growth in the long run as the nation may attract more tourism and investment, and is thus closely interlinked with long-term economic impact. The image aspect is also linked with other potential benefits. For instance, with reference to the Olympic Games, it has been suggested that the bidding city is granted considerable media exposure, and may have the opportunity to unite disparate domestic stakeholders through the bid, however temporarily (Andranovich et al., 2001:127). However, more research needs to be carried out in this area so that this effect can be evaluated more efficiently, as once again, it forms a significant part of the justifications used for hosting such events with little empirical evidence existing to date to back up these assertions. There also exists a risk that this will backfire if the event is hosted badly, resulting in a negative effect on the host country's image, and a subsequent drop in autonomous expenditure.

In order to gain a more complete understanding of the broad impact of mega-events, the social effect, which makes up the third category of costs and benefits, must also be taken into consideration. Similarly to economic and political impacts, the social impacts of a mega-event can be both positive and negative. Ohmann et al. (2006:131-3) cite a number of effects that have been identified by researchers, with the negative including an increase in crime, bad behaviour and the dislocation of locals, while the positive include a sense of collective sharing of the event, unity, and the enhancement of local quality of life through urban regeneration. Ultimately, the overall social impact is likely to be as unique and varied as the event itself, dependent on a whole host of factors, including the scale, duration and location of the event. The

social impact is also likely to be influenced by local culture and the way in which this is imprinted on the event by the host nation. Out of the examples of social impacts listed above, the negative seem more tangible than the positive, and could thus be considered more prominent in the aftermath of a mega-event, but nonetheless the positive but intangible impacts such as the local community's sense of pride, unity and collective sharing or ownership of the event should not be overlooked.

In addition to the difficulty of calculating the overall success of a given sporting event, there is the question of subjectivity, and what exactly constitutes success. After all, both FIFA and the host governments declared the most recent World Cup events, in 2002 and 2006, a great success, but the fact that the immediate economic result in Germany was far below expectations has been mentioned earlier in this chapter, while the facts that tourism levels were lower than expected in South Korea and that the economic outcome was offset by the costs involved in planning and hosting were discussed in Chapter 1. Nonetheless, for certain hosts, non-material benefits of a given event can be more important than the economic outcome. For instance, an event's ability to unite a country's people, however temporary that effect may be, has been prominent in various instances, including at the 1995 IRB World Cup in South Africa. Germany in 2006 also experienced success in this area, with the tensions between East and West Germany being temporarily forgotten, and this being declared part of the success of the 2006 World Cup together with the country's improved image overseas. However, it is important to remember that the actors involved such as FIFA, the LOC in question and the host government have it in their interest to declare the event as successful regardless of what targets were not met or what costs were overrun. Ultimately, the overall success of mega-events is a complex, multidimensional thing, and in order to evaluate it fully, a detailed analysis of the numerous factors involved ought to be undertaken, however complex such a task may be. For instance, Ritchie (cited in Kim et al., 2006:87) categorised the impacts of mega-events, both positive and negative as falling into six different areas. These are economic, tourism/commercial, physical, sociocultural, psychological and political. A thorough analysis must take account of a given mega-events' impact across such varying categories. An additional point about assessing the impact of mega-events is that the nature of the studies involved could have a bearing on future decisions. Sterken (2006:8) suggests that as event-specific circumstances are crucial to the outcome of the event and the subsequent economic analysis, individual results may be



less useful than a cross-event study. This could potentially also apply to other kinds of analysis as well as the ex-post economic studies to which Sterken (2006) is referring, as much of the existing work is limited to single-event studies. Such cross-event research could be extremely helpful in identifying trends which future event hosts could learn from, or harness.

In the meantime, the view that these events are highly useful in driving economic growth and development is very firmly entrenched among those elites that participate in the bidding and planning of mega-events. Thus, 'boosters' including governments and corporate actors continue to argue that the benefits that will flow from the hosting of major sporting events easily justify the costs and risks involved (Black and van der Westhuizen, 2004:1195). These justifications are particularly necessary given the amount of public money spent on the hosting of sports events, including considerable sums that go towards stadium construction and refurbishment. This is especially problematic in a developing context, with opponents asserting that the money would be far better spent elsewhere in the developing nation's economy. This argument has been directed at South Africa's eager participation in numerous bidding campaigns, together with the contention that the events do little to improve the lot of the marginalised (Cornelissen and Swart, 2006:113). Given that inequality between the rich and poor is already a significant problem in South Africa, concerns that the hosting of mega-events serves to increase domestic inequalities are a serious matter for consideration by those striving to place the country firmly on the mega-event circuit. Despite much rhetoric from the drivers of South Africa's World Cup bids about this being an event that will involve the poor masses and will be beneficial to them, widening inequalities could be a potential negative impact of the 2010 tournament, both within South African football and in the country's broader economy. Furthermore, it has been suggested that as with other such events, projected benefits for South Africa have been hugely overstated, and may also be short-term benefits only. This is particularly pertinent to impacts such as job creation, and given that as many as half of the jobs created can be temporary, the matter is only compounded in this instance by the fact that 82% of South African companies use temporary labour and 45% use contract labour (Alegi, 2001:15). Another issue for the South African LOC and government to consider in the run-up to the event is the ever-increasing cost of security at the event. As it is, security measures at the last two FIFA world cups, that is to say since September 11, have been costlier and stricter than ever before, and

South Africa will also have to take its high crime rate into account when planning the security of visitors. While these issues and implications for South Africa's 2010 World Cup and for the country's engagement with mega-events thereafter will be discussed in greater detail in Chapters 4 and 5, one more issue ought to be mentioned here, that being the question of legacy planning. With South Africa's numerous bids and planning for the 2010 event being costly as it is, the long-term costs of facilities and infrastructure built should be taken into account and managed carefully. South Africa has had a problematic record with this in the past, and Cornelissen and Swart (2006:111) cite the numerous infrastructure projects carried out in Cape Town in tandem with the 2004 Olympic Bid, stating that while these projects "still mark the landscape of the city, few have contributed substantially to subsequent development programmes, or have been incorporated into the planning related to other mega-events".

Before moving on to a thematic analysis of the actors, agendas and discourses involved in the bidding and planning of the 2006 and 2010 World Cup tournaments, two trends in the broader field of sporting mega-events will be mentioned. These will be further discussed towards the end of this thesis, where implications for the future will be looked at. The first trend, as found in research carried out by Sterken (2006:14), is that in the long-term, the GDP growth among nations that hosted the Olympic Games exceeds that of nations that hosted the Football World Cup. He goes on to suggest that this could be the result of the International Olympic Committee (IOC) selecting hosts with higher growth potential than FIFA does for the World Cup (Sterken, 2006:22). Given the higher cost of hosting an Olympic Games this could certainly be true, and a look at recent Olympics hosts will show that they tend to be cities in developed countries. As FIFA adapts to its policy of inter-confederation rotation with regard to World Cup hosts, it will be interesting to see whether the gap in long-term GDP growth between Olympics hosts and World Cup hosts will widen as more developing nations have the opportunity to host the World Cup. On the other hand, it could be that the IOC goes the same way as FIFA in allowing previously marginalised nations the opportunity to host the games, thus narrowing the gap in post-event GDP growth. However, given the entrenched inequalities which hold developing states back from engagement in the mega-event market, and the dominant interests of developed nations in keeping the hosting rights largely limited to themselves, this currently seems an unlikely scenario.

The second trend to be mentioned has to do with the ultimate beneficiaries of mega sporting events, with some limited progress being made to distribute the benefits more evenly among the host community in the case of the Olympic Games. Black and van der Westhuizen (2004:1207) point to an emerging trend towards “Games bids being carefully planned with the professed intent of diffusing benefits and promoting ‘human development’ on the basis of extensive consultations and ‘social impact’ assessments”. While intent does not necessarily translate into action, this nascent trend has the potential to be an extremely positive development, especially if it were to be replicated across other major sporting events. It would, however, need to be enforced more strictly by bodies such as FIFA and the IOC, although current configurations of interests within these bodies largely preclude this. Cape Town’s Olympic Bid has been the first to link the Games to the “human development needs of a third-world city” (Hiller, 2000:441). Despite the enormous difficulty of realising human development goals in line with a sporting event, this could be considered a positive step towards harnessing the forces that shape mega-events for the greater public good. On the other hand, there also exists a risk that adding a human development angle to the planning for a mega-event could lead to higher public expectations (Hiller, 2000:456) in the run-up to the event, and greater subsequent levels of disappointment. It is worth bearing in mind that South Africa, as a developing nation with a far greater need for human development than many previous World Cup hosts, will be an important test case for the future of poorer nations hosting major events. How much, if any, action will be taken to back up South African rhetoric about sharing the benefits of the 2010 World Cup among the poorer sectors of society remains to be seen.

### **3.3 Actors, agendas and discourses: an analytical framework**

Having discussed the various issues affecting mega-events on a more general level, it is now necessary to focus on three aspects of mega-events, namely actors, agendas and discourses, which form the framework for analysing the 2006 and 2010 FIFA World Cup™ tournaments in closer detail. This section discusses the role of certain actors, their agendas, and the discourses involved in mega-events on a broader level, and the subsequent chapter narrows the focus to the FIFA World Cup™, and the German and South African cases more specifically. The intention is that a clearer picture of the processes at work in the case of these two mega-events will emerge by

the end of Chapter 4, paving the way for long-term implications for South Africa and other future event hosts to be considered in the concluding chapter.

The vast scale of events such as the Football World Cup or the Olympics, and the considerable amount of preparation and resources that are required to go into such an event, mean that a complete analysis of every single actor involved is practically impossible. After all, apart from the global governing body of the particular sport in question, the host government, the local sports governing body, the LOC, corporate sponsors, and other elite actors, which already comprise a considerable number, a vast amount of other actors are involved in the construction of stadiums and infrastructure, destination marketing and image promotion for the host nation, security provisions, and various other projects taking place around the main event. This can be further broken down into the activities occurring in each host city in the case of the FIFA World Cup™, with the cities attempting to promote their own image in line with the overall image of the host country, carrying out urban renewal projects, and perhaps planning other types of entertainment for tourists, this being particularly pertinent to the leisure and hospitality industry. In addition to the multitude of actors involved in this vast array of activities, there is also the event related merchandise to consider, as well as local businesses attempting to attract event tourists to the products they offer. Thus, a complete list of actors involved may be virtually endless, as all sectors of the host economy attempt to align themselves with the event in order to draw on some of its professed benefits. For the purposes of this thesis, the actors discussed here will be broken down into international and domestic actors. These can be further sub-divided into political and economic actors. On the domestic level, the actors can be broken down further still into those involved broadly in the bidding and planning processes, such as national governments and the national organisation in charge of the sport in question, and those involved on a smaller-scale, local level, such as the city level, which also warrant discussing. However, this thesis is primarily concerned with those that shape and drive the bidding and planning of the World Cup, and thus little discussion will be afforded to the smaller-scale actors, such as the disparate interests involved within a host city. Those that stand to lose out from the dominant interests of certain elites in the bidding and planning process in the German and South African context will be examined in the following chapter.

On an international level, corporate sponsors, as well as the manufacturers of sporting equipment and the broadcasting media, wield a considerable amount of

influence at mega-events. Indeed, it has been said that “transnational corporations along with nation-states are the most powerful forces in shaping the globalised society” (Cooper and Wahab quoted in Groves et al., 2003:322), a dynamic that has been replicated in the arena of major sporting events. However, it is the global sports governing body, in this case FIFA, which dominates every single event. This dominance ranges from allocating the host of each World Cup, setting out its stadium and infrastructural requirements for the host nation, closely monitoring the planning process and decision-making, to collecting a considerable portion of revenue generated by the event. In line with the view that nations are increasingly behaving like businesses in their quest to attract mega-events, as well as in other sectors of the international political economy, Kurscheidt (2006:7) suggests that the allocation of hosting rights for the Football World Cup resembles a franchise system, with FIFA the monopolistic supplier and exclusive holder of property rights. Faced with intense competition by numerous nations to host the World Cup, FIFA can therefore impose stringent requirements which would-be hosts must meet, or prove themselves capable of meeting in time for the event, in order to be considered. Generally speaking, these include the availability of ten high standard stadiums, spread across the entire country in question, and which are able to accommodate 32 teams and 64 matches (Cornelissen and Swart, 2006:112). The stadiums must have the capacity to seat 40,000 to 60,000 spectators (Baade and Matheson, 2004b:345). Other infrastructural upgrading is also likely to be necessary, and the extent of this upgrading depends on the host country in question, and their pre-existing capacity in terms of transport, accommodation, and other sectors catering to inflows of tourists. At the bidding stage, the decisive criterion in the final vote to elect a World Cup host is professed to be a country’s capability to meet FIFA’s technical requirements, as assessed by FIFA’s technical committee (Cornelissen, 2004:1300). In practice, however, internal politics, personal connections and manoeuvring of interests within FIFA have a huge role to play in the allocation of tournament hosts, and until recently FIFA has been largely unaccountable for this process, which takes place behind closed doors. This situation is closely mirrored by that of the IOC, which dominates all decision-making relating to any given Olympic Games, and has generally been considered to be an undemocratic and unaccountable organisation, though as with FIFA, some effort, however limited, has recently been made to rectify this.

One other group of international actors worth mentioning because of their constant presence spanning across all major sporting events are the global sports media, including broadcasters and sports journalists. Together with the commercial sponsors mentioned previously, broadcasting increasingly contributes to FIFA and the IOC's event revenue, with the media paying ever more for broadcasting rights. The growth in football's television revenues has been linked the intensification of bidding for the World Cup (Alegi, 2001:2) as the event became increasingly visible globally. This growing media role is manifest in the fact that as far back as 1998 the cumulative television audience for that year's World Cup in France reached 40 billion people, according to FIFA's own figures (Alegi, 2001:2). As viewing figures continue to rise, developing nations increasingly become involved in bidding for the World Cup, in the hope of attracting, among other things, the high level of international media coverage, access to which is generally limited for the developing world as a result of the global sports media's overwhelming North American/European bias, as mentioned in the previous chapter. This can, however, backfire if the media views, and consequently presents, mega-events held in the developing world in a negative manner, an issue which will be examined further in the subsequent chapter in relation to South Africa.

Elite actors on a domestic level, such as the host government, the domestic sporting body and business interests allied to the event, are said to be very much dependent on two agencies, the media and the mass of volunteers involved in mega-events (Horne and Manzenreiter, 2006:15). The media are necessary to generate publicity for the event and host nation, as well as to boost the more long-term image-related benefits and sponsorship, while the volunteers are essential for the effective functioning of numerous aspects of the event in question. It is also necessary to mention another group of smaller-scale domestic actors who are particularly significant as their presence also shapes the outcome and character of the World Cup in question, these being the host cities. The process engaged in by cities bidding to host matches and other necessary World Cup infrastructure such as the International Broadcast Centre (IBC), presents these locations with the opportunity to showcase their particular qualities, as well as accelerate urban renewal and other projects. In developing countries, where urban renewal can be closely linked to mega-events, urban politics stand to be heightened considerably as competition to derive some of the event's professed benefits on an urban level intensifies. The conflicts which arose

in Cape Town over the location of the city's World Cup stadium (Alegi, 2007:318-322) provide a clear example of such intensified urban politics.

While all of the main actors outlined above have an influence on both bidding and planning for World Cup tournaments, it must be remembered that ultimately, much of the main decision-making comes down to FIFA and the 'family' of corporate interests closely associated with it. Nonetheless, actors from the host nations have their own agendas which they attempt to fulfil by hosting the World Cup. These agendas also come into play and therefore warrant examining, together with the agendas of those who dominate global football, and the question of how the interplay of these various agendas can affect the outcome and character of a World Cup.

A clear common purpose among the various interests involved is gaining from the event in question, both economically and in terms of image or reputation. In FIFA's case the economic agenda is particularly important given that FIFA finances practically its entire operation through World Cup revenues, which makes it probably the world's richest sports governing organisation (Kurscheidt, 2006:4). A significant portion of these revenues come from sponsors and broadcasters, and thus FIFA has it in its interest to protect the rights of these bodies. Additionally, given how much it stands to gain, it is in FIFA's interest to ensure that each World Cup event is perceived as successful and turns a profit, thus ensuring a considerable degree of focus on the preparations carried out by each event's LOC. Recent World Cups, and particularly the awarding of the 2010 Finals to South Africa, are also indicative of FIFA using this event to open or expand markets for football (Baade and Matheson, 2004a:5), showing that the organisation's agenda cannot be said to be purely economic. Voting for an African host is indicative of a notable shift from the early years of FIFA's existence, when the World Cup hosts were limited to European and South American nations, as the traditional powerhouses of football, and when the organisation's primary aim was to promote the development of the European game and protect the interests of its European members (Darby, 2000:73).

At this point African agendas and issues affecting Africa's position in the international system come into play, because as long as African nations have been members of FIFA, they have struggled against dominant European interests for a better position within the organisation. For the newly independent African states that emerged in the 1960s, becoming involved in the international sporting community, particularly through football, became tied with broader goals of forming a national

identity and asserting themselves on the global stage following decades of colonialism. This conflicted with FIFA's European bloc's aims of preserving their hegemony in global football, and as a result, the European members sought to marginalise the Confédération Africaine de Football (CAF) as much as possible and limit their voting power in the early days of CAF's membership of FIFA. While progress was made towards giving CAF more leverage by FIFA presidents dedicated to developing football in Africa and elsewhere on the periphery, such as Havelange and Blatter, the power struggle between CAF and the UEFA bloc remains evident to this day. Indeed, the vote on the host of the 2006 World Cup is a recent manifestation of this relationship. Africa constitutes a powerful voting bloc within FIFA, meaning that the continent's football agenda cannot be ignored by FIFA, especially not by anyone vying for the organisation's presidency (Darby, 2003:19). Nonetheless, African nations continue to find themselves in an unfavourable position, within FIFA as well as within the broader international system, and FIFA largely continues to be regarded as an instrument of neocolonial domination by various non-European football associations, including the African associations (Cornelissen, 2004:1302).

The agendas of certain domestic elites are visible in the trend whereby politicians use sport and mega-events more specifically as a political commodity. A prominent manifestation of this is the presence of political figures on bid committees. Linking their image with a successful mega-event can enhance politicians' status on a national and global level, and they can use to event as leverage to obtain support and finances for various projects (Matos, 2006:12), as well as attaining personal goals of aggrandisement. This can, of course, backfire if the event is not perceived to be a success, or if the politician in question fails to fulfil their promises about the impact of and preparations for the event. Manifestations of the political usage of mega-events include harnessing the event for the purposes of nation-building, or promoting a state's wider foreign policy goals. Utilising sport to unify a nation can become especially important in contexts of heterogenous or fragmented societies, especially in the developing world. It must be stressed, however, that the need for unity is not unique to the developing world, as Germany's case can be seen to demonstrate. The potential, however debatable, of a major sporting event to enhance a country's democratic status can also be considered particularly important to many post-colonial states where democracy tends to be fragile and very recent.



It is also necessary to consider the agendas of one very significant group of actors, the corporate interests linked to the World Cup and other mega-events. For these companies, making a profit from each event can be seen to be the main objective. However, this is a somewhat simplistic manner of looking at what corporations stand to gain from being linked to FIFA for the World Cup. To break it down further, these actors are guaranteed exclusivity and plenty of advertising opportunities, and are also presented with the chance to boost their brand internationally and globalise their product further. Groves et al. (2003:322) assert that corporations utilise internationalisation strategies in consumer products and services that “partially depend on the popularity and power of sports”. Furthermore, because the corporate presence at a mega-event is manifested in a multitude of ways, including “promotion, publicity, on-site activation, hospitality, advertising, merchandising and brand-building” (Groves et al., 2003:323), their visibility on a global scale can only be heightened. In addition, the interaction of the various corporate actors at the event can result in long-term sponsorships or other types of partnership, especially given the prominence of sponsors in sport on both a national and more localised level. Domestic corporations associated with the event stand to gain similar benefits, such as the chance to advertise their products to a global audience and leverage business opportunities in export and investment (Lee and Taylor, 2005:595). However, while local corporate interests are widely involved in mega-event bids and preparations, it must be noted that those corporations most visible at the World Cup itself tend to be largely transnational in nature.

As these various actors attempt to maximise their benefits from the mega-event, conflicts can arise over financial issues, in negotiations between host governments, cities and the LOC on the one hand, and the sporting body and the official sponsors on the other. Matos (2006:4) points out the fact that the majority of revenues are negotiated directly between the awarding body, and the private sector, such as broadcasters and sponsors, which means that a substantial part of the financial benefits never gets to the host economy. This comes on top of the considerable running and investment costs of a mega-event, which are largely covered by the host nation. The LOC does receive some of the revenues, including from ticketing, but as Sterken (2006:5) notes, ticketing revenues have decreased in importance over the years, compared to the revenues from broadcasting and sponsoring, which in this instance goes directly to FIFA.

A final point to make about agendas in this section before looking at discourses is that all of the actors mentioned above, with their various agendas, including benefiting economically or in terms of image from the event, have it in their interest to have the event perceived as a success, regardless of the actual outcome. This results in an overstating of what the event achieved after it has taken place, as well as earlier in the bidding and planning stage, when these exaggerations of the expected benefits serve to justify the costs involved. While success is of paramount importance to the host nation, it is also in FIFA's interest to have each World Cup considered successful, as it is in the IOC's interest to have each Olympic Games considered a success, so that nations keep competing for hosting rights, and sponsors and broadcasters keep paying for the right to be associated with the success. It is now necessary to examine some of the discourses used by the various actors involved in mega-events, as they strive to fulfil their various agendas through hosting a successful event.

Before considering the discourses utilised by the specific actors in the subsequent chapter, it is necessary to mention powerful discourses that have gained overwhelming prominence in international relations over recent years and encourage actors such as nation states to behave in a certain manner. For instance, Hall (2006:67-8) cites the neoliberal discourse of competition, and its global hegemony, which makes it difficult to contend with the assertion that the hosting of mega-events is anything other than beneficial to economic growth and development. In a similar vein, Swart and Bob (2004:1323) point to the "seductive discourse of development", empowerment and equity, which drives states to bid for mega-events although this discourse actually serves to mask the reality of processes where resources and decision-making are increasingly concentrated in the hands of a small elite. These discourses, proliferated as a result of the global dominance of neoliberalism in its various forms, are the driving force behind the burgeoning mega-event industry, and have an overwhelming appeal, particularly for developing nations, desperate to get a share of global wealth and power.

In bid discourses generally, both on a domestic and international level, it is frequently argued that public spending on mega-event infrastructure ought to be viewed as investments that generate positive economic returns which exceed returns that would be generated by any alternative use of these funds (Baade and Matheson, 2004b:345). Given the near impossibility of accurately measuring opportunity costs,

this assertion is not only difficult to back up with empirical proof, but also difficult to argue against. This, combined with other instances of the post-event benefits being exaggerated, is often considered necessary by bidding and organising committees in order to secure public funds and gain support from a sometimes sceptical public (Baade and Matheson, 2004a:21). In addition, Hiller (2000:454) notes that the link between mega-events and boosterist ideologies, in which business interests tend to be equated with the good of the community, means that mega-events also come to be equated with the public good. While the economic argument may sometimes be used on an international scale, for instance in the case of a developing nation defending itself internationally and justifying its bid, it is primarily directed at a domestic audience, as their support may serve as significant legitimisation for bidding in the first place. Thus, bid discourses can be observed to be occurring on two levels. Firstly, on a domestic level, elites engage in legitimating exercises, and secondly, on an international level, bidding processes are “characterised by extensive state bargaining, leveraging and negotiating that draw from established political and economic ties or loyalties” (Cornelissen, 2004:1294). On a domestic level, it has been suggested that sentiments such as nationalism are frequently harnessed to promote commonality of purpose (Nauright, 2004:1329).

One significant set of discourses that needs considering is the variety of discourses used by the media. Dimeo and Kay (2004:1268) suggest that public knowledge and understanding of a mega-event is “essentially the product of mediated representations”. Developing nations can be considered to be more at risk of widespread criticism should they not live up to the expectations of the predominantly Western sports media. This is suggested to be the case because sports journalists may have little expertise in the areas of politics and culture, and because they may come to view other nations in terms only of their ability to organise a mega-event, becoming unsympathetic to the broader issues affecting developing nations in the process (Dimeo and Kay, 2004:1264). The nature of media discourse with regard to developing nations can be seen to have postcolonial elements, whereby Western cultures construct ‘others’ in oppositional, frequently inferior, terms (Dimeo and Kay, 2004:1264). Dimeo and Kay (2004:1265-8) go on to cite the example of the 1996 ICC World Cup, co-hosted by India, Sri Lanka and Pakistan as an example of the media recycling “prejudicial stereotypes” and applying them to the shortcomings of that particular event. The implication here is that these Asian nations were subsequently

considered unfit to host mega-events in the near future, and their negative position in the global system was seen to be reinforced.

The above serves to provide an outline of the broad role of actors, agendas and discourses in mega-events, and how these can be seen to shape the character of given events. This discussion also provides a framework which can now be applied to Germany and South Africa in order to analyse their respective FIFA World Cup™ tournaments in closer detail. This is what Chapter 4 sets out to achieve, and having discussed the particularities of the two events in question, more specific commonalities and contrasts between the two can be identified. In addition, the question of which interests stand to gain from the World Cup and which stand to lose out will then be addressed in Chapter 5.

## **Chapter 4: Actors, Agendas and Discourses – A Thematic Analysis**

### **4.1 Introduction**

This chapter seeks to analyse the main actors, their agendas, and the discourses involved in both the bidding and planning stages of the FIFA World Cup™ in the cases of Germany in 2006, and South Africa in 2010. In the process, some of the commonalities and contrasts in the two cases as identified in Chapter 2 will be built on, and it is hoped that a more complete picture will emerge that addresses some of the research questions set out in the introduction to this thesis. Subsequently, the specific actors that stand to benefit most and lose most from the hosting of sporting mega-events, particularly in the specific cases of Germany and South Africa, will be examined in Chapter 5. Following on from this, the issue of long-term implications, both for South Africa and hosts of future mega-events more broadly, will then be addressed. It must be stressed that the three themes of actors, agendas and discourses are likely to overlap, but nonetheless an attempt will be made to analyse them theme by theme.

### **4.2 Actors**

Mega-events are said to be characterised by “the presence of large global and highly mobile players who are involved in publicity, marketing, event organising, and the financial underwriting of sports events” (Cornelissen, 2004:1293). In the context of the Football World Cup, FIFA, as the global governing body of football, and the primary decision-maker when it comes to awarding hosting rights and shaping the tournament, resides at the top of the hierarchy. It is closely allied with a number of corporations who act as the official sponsors and partners in a given World Cup event. For the 2006 tournament in Germany, these included Coca-Cola, Yahoo, Adidas and MacDonald’s (Wilson, B., 2006a), who paid around \$59.2 million each (Wilson, B., 2006d) in order to be linked to the World Cup. As these corporations tend to enjoy a good relationship with FIFA and stand to benefit from receiving some of the direct revenue generated by the tournaments they sponsor as well as boosting their own brands, continuities can be seen between the specific corporations involved across events. For instance, McDonald’s is also sponsoring the 2010 World Cup, while Adidas and Coca-Cola are official partners of FIFA for the event, as well as other

corporations including the Emirates airline, Hyundai-Kia Motors and Sony (FIFA, 2007). Indeed, Adidas and Coca-Cola have been closely involved with FIFA since the 1970s, when former FIFA President João Havelange first used this alliance in order to secure finances for the realisation of his ambitious football development programme (Darby, 2003:7-8). While the presence of these international players is a constant in all World Cup events, the other main actors involved are comprised of domestic elites from the bidding or hosting nation in question. Individuals within this domestic faction may stand out, a notable case being Franz Beckenbauer in the bidding and planning for FIFA 2006, but broadly speaking these actors are composed of the local football body, such as the DFB in Germany and SAFA in South Africa, members of the government, business interests from the bidding or hosting country, and possibly some high-profile figures involved in local football. The alliance of dominant actors in global football has been replicated on a national level, with corporate interests becoming closely linked with football interests, mostly through sponsorship. A good example of this is the role of telecommunications giant Vodacom in sponsoring South Africa's two most popular football clubs, Kaizer Chiefs and Orlando Pirates (Alegi, 2001:5). These corporate actors are visible at the bidding as well as the planning stages of a World Cup, with seven major companies sponsoring South Africa's bid for the 2006 event, these being First National Bank (FNB), Vodacom, Telkom, South African Breweries, ICL (owned by Fujitsu), Southern Sun and the Industrial Development Corporation (Alegi, 2001:5). These companies then stood to become involved in providing services at the event, had it not been awarded to Germany instead. However, this relationship between business and football in South Africa has continued through the bidding stage for 2010 and in the planning thereafter, with FNB and Vodacom being named the tournament's main official national supporters (FIFA, 2007).

Given the sums paid by sponsors to FIFA, and the fact that today more than 20% of FIFA's gross revenue comes from sponsors (Goliger, 2005:176), the global football body has become extremely concerned with protecting the rights of the sponsors and ensuring that no other company can be linked with official advertising and merchandise, nor can non-official products be retailed within the stadium grounds. Such a situation was particularly noticeable in Germany in 2006, and sponsors are increasingly demanding that this exclusivity for their products be extended beyond the reach of the stadiums to cover each host city as a whole (Hall,

2006:61). This affects not only local producers, but also representations of local culture. For instance, given that in Germany fast food rights were held by the likes of Anheuser-Busch (the makers of Budweiser), Coca-Cola and McDonald's, visitors were unable to buy authentic local German beer or sausage, as host cities had agreed to allow the sponsors exclusivity in 'public' places while matches were on (Hall, 2001:61), having to make do with these globally-renowned products instead. The implication that benefits flowing from sporting events are being redirected from host economies to commercial sponsors (Cornelissen and Swart, 2006:117) is yet another factor that makes it difficult for nations to justify their bids for such events with economic arguments. An additional impact of FIFA's tough stance on sponsorship rights in Germany was the removal of local sponsors' names off stadiums, with seven out of twelve stadiums renamed to "FIFA WM Stadion" (WM being the acronym for Weltmeisterschaft, the German for 'World Cup') for the duration of the 2006 tournament. Meanwhile, any signs and adverts within the stadium grounds bearing the names of their usual sponsors were removed, including Allianz in Munich and AOL in Hamburg (Wilson, B., 2006d). Effectively, this meant that FIFA temporarily had full ownership of the football grounds being used in the World Cup, and full control over each stadium's name, and what was allowed to be advertised and retailed within the given stadium's premises, again suggesting that most of the direct revenue from the World Cup did not go into the host economy but to FIFA and its official partners for the 2006 event.

In terms of the global football body's control over allocating hosting rights and its relations with potential host nations, FIFA has been accused of "corruption, financial mismanagement and cronyism" (Darby, 2003:16). This ties in with allegations that Charles Dempsey was under enormous internal pressure, which ultimately led him to abstain from the vote on the 2006 hosts, including death threats and personal bribery (Baade and Matheson, 2004b:344). The 2006 vote has also been suggested to have been the result of the manoeuvring of anti-Blatter interests within FIFA. Yet, as mentioned previously, the outcry that followed the controversial awarding of the 2006 Finals to Germany prompted FIFA to restructure its procedures for choosing a World Cup host, thereby enhancing hosting opportunities for its poorer confederations, and going some way towards making the bidding process more transparent. However, while the opportunity afforded to developing nations to be more involved in the mega-event circuit can be seen as a positive development on the

one hand, it also places additional pressure on these nations to provide a hosting capacity that is on a par with that of developed nations.

As in the case of all major sports events, the media had a large role to play in Germany, and has been prominent in putting pressure on South Africa during their preparations for FIFA 2010. Issues such as crime and the lack of transportation infrastructure have been discussed in some detail, and it is likely that the media will play a considerable role in shaping how the 2010 World Cup will be viewed on a global level once it has taken place. In addition, it is important to mention a significant aspect of the media's role in the World Cup in both 2006 and 2010, this being the presence of the International Broadcast Centre (IBC). The IBC is a sophisticated unit responsible for collecting data from all of the host stadiums, processing it in order to suit broadcast systems worldwide and transmitting it live, so that the global audience can enjoy the games as they unfold, with no delay. In 2006 the IBC was based in Munich, serving to enhance the city's image as a centre of advanced technological and scientific expertise (Wilson, B., 2006c). In South Africa in the run-up to 2010, Johannesburg has been chosen as the location of the IBC (SA Government, 2007). Considering that South Africa does not enjoy the same reputation as Germany for being highly advanced in the fields of science and technology, the presence of the IBC could go some way towards enhancing this reputation. However, this is very much dependent on the IBC functioning optimally, with no technical problems.

While the main beneficiary of a World Cup has generally been shown to be FIFA, domestic elites, who drive bidding and planning for the event, also have many of their interests tied to it, ranging from improving their own international standing and reputation to pushing through other items on their agenda to coincide with the tournament. The danger of this in a South African context is that a minority stands to accrue any benefits stemming from a World Cup at the expense of the poor majority, despite the emphasis on this majority in South Africa's bid rhetoric. Alegi (2001:14) suggests that a South African World Cup would disproportionately benefit a few rich and popular football clubs, such as Kaizer Chiefs and Orlando Pirates, as well as their owners and a small group of elite players, while leaving intact the "deep inequalities inherited from the past". Also standing to reap the benefits of the World Cup on a domestic level are commercial interests such as FNB, corporate actors involved in construction, a small political elite within the national government that can link their



names to the event if it is perceived to be successful, and promote their policies for South Africa and the wider African continent on the back of the event, and arguably certain host city interests which could potentially benefit from the investment into infrastructure and urban regeneration that may take place. In the latter case it must be stressed that the country-wide effects of hosting a mega-event are frequently replicated on a smaller scale, with the city suffering from the costs of the event as well as enjoying its benefits, and with certain elites likely to end up far better off than the majority in the event's aftermath.

There are certain individuals that can be prominent in bid campaigns and subsequently in the planning stages for a given event. As mentioned previously, in the case of Germany, much of the perceived success of the World Cup can be attributed to the role of Franz Beckenbauer. A popular and highly respected former footballer and coach, Beckenbauer has been widely praised for his success in uniting Germany behind the bid, and his role in shaping the character of the 2006 World Cup. Such was Beckenbauer's perceived success throughout his football career and his contribution to German football, that he went on to join the FIFA Executive Committee in 2007 (DFB, 2007b). In South Africa, meanwhile, both the bids for the Football World Cup as well as the current planning process have been headed by Danny Jordaan. Alegi points out that although his position as CEO of the bid committee, and later the LOC, technically makes Jordaan second in command to bid and LOC chairman Irvin Khoza, Jordaan was the bid's leading personality (Alegi, 2001:4-5). Jordaan's credentials as an anti-apartheid activist, former political prisoner on Robben Island, and member of the non-racial South African Soccer Federation during the 1980s (Alegi, 2001:5) helped to boost the bid committee's profile and support on a domestic level. However, Jordaan's popularity among the football-supporting population did not necessarily extend to South Africa's football elite, and following the awarding of the 2010 World Cup disputes broke out within SAFA over the composition of the LOC for the event. In particular, the source of disagreement lay in the question of whether Jordaan or higher-ranking SAFA officials should head the LOC, with the matter only being resolved following intervention by Blatter, who indicated his preference for Jordaan (Cornelissen and Swart, 2006:118). Indeed, Blatter's close interest in South Africa's hosting of the World Cup has been prominent since the country's first bid. Had the vote for the 2006 host gone to plan, with Dempsey having voted in favour of South

Africa instead of abstaining, Blatter would have had the deciding vote, seeing the hosting rights being awarded to South Africa for 2006 instead of 2010.

With regard to host cities, certain cities were at a considerable advantage to begin with as World Cup preparations began for the 2006 and 2010 events. In Germany's case, the fact that West Germany was considerably more developed and wealthier than its East German counterpart put would-be West German host cities at an advantage from the start. This combines with the fact that West Germany is also physically larger than East Germany, resulting in only two of the twelve German host cities, Berlin and Leipzig, being located in East Germany (Soccerphile, 2005). In South Africa's case, certain cities with pre-existing sporting and tourism infrastructure were always likely to be World Cup hosts while the lesser cities have fought to be included, some with a degree of success, and others to no avail. For instance, despite its failed Olympic bid, Cape Town's attempts to position itself on the events circuit have been fairly successful, and the city's role in the 2003 ICC World Cup proved it capable of hosting first-class sporting events, as well as bringing in an extra \$30 million in benefits for the city (Gibb, 2007:544-5). Other major cities such as Johannesburg and Durban also have considerable event-hosting experience, both sporting and otherwise, and while the 2010 World Cup will be by far the largest event hosted in South Africa to date, this experience and some pre-existing infrastructure has been helpful as a platform for launching the preparations for 2010. Two of the smaller host cities included in the ambitious plans for 13 World Cup venues, Orkney and Kimberley (Goliger, 2005:175), have since been excluded from the event as the number of venues was reduced back to ten, and plans for a second venue in Pretoria have also been scrapped, with only the city's existing rugby stadium, Loftus Versfeld, now due to be used for the tournament.

As mentioned previously, in 2006 Munich placed particular emphasis on its technological and scientific expertise, with a view to appealing to business people as potential investors and elevating the city's status globally. Nuremberg, meanwhile, became a centre for modern art for the duration of the 2006 tournament (Wilson, B., 2006b). In South Africa, the process of cities bidding to host matches served to highlight concerns about crime, but now that the host cities have been set out, planning is underway to make the matches in each city a success. To this end, the organisers from the nine host cities, along with government officials and the LOC convene on a monthly basis at the Host City Forum in order to co-ordinate

preparations (SAFA, 2007). These host cities will also strive to showcase their particular talents at the World Cup and project a positive image of themselves to tourists and investors alike, something that Germany was particularly successful at in 2006. Having outlined the main actors and sets of interests involved in both the German and South African cases, it is now necessary to examine their agendas more closely in the next section.

### **4.3 Agendas**

This section builds on some of the issues outlined above when examining the main actors involved in bidding and planning for the 2006 and 2010 World Cup tournaments. As mentioned in the previous chapter, all of the actors have it in their interest to maximise their own earnings, boost their image and have the event considered a success all around. To this end, and in an attempt to replicate some of Germany's hosting success in South Africa, FIFA has appointed DFB General Secretary and Senior Vice-President of the 2006 LOC Horst R. Schmidt an adviser for the 2010 World Cup (DFB, 2006). This allows for a degree of continuity between the two World Cup events, and could prove a valuable opportunity for Germany to share some of its expertise with South Africa, given South Africa's inexperience with hosting events of such magnitude.

Despite many of the actors involved having common agendas, one area where South African agendas differ significantly from the German is in the struggle to ameliorate Africa's position within FIFA. Van der Merwe (2007:76) suggests that South Africa's primary focus under Thabo Mbeki has shifted from domestic reconciliation to a broader objective of integrating the African continent into the international arena, an objective manifest in Mbeki's commitment to the African Renaissance. Thus, it was hoped by South Africa's political leaders that securing the rights to host a World Cup would elevate Africa's standing on the international stage, nullify some widely-held negative perceptions about the continent, and pave the way for it to receive more benefits from global flows, as well as bringing economic and image benefits to South Africa in particular. In addition, the African nature of both the 2006 and 2010 bids was heavily emphasised in order to garner support in Africa, as well as within FIFA, given the organisation's focus on developing African football under Blatter. FIFA also stood to gain from awarding the World Cup to South Africa, as it could then be seen to be truly promoting global football, as opposed to protecting

certain elite football interests. Now that South Africa is due to host the tournament, some of its main aims include giving the event a unique African flavour, and also to prove that the country is as capable as developed nations such as Germany, France or Japan of managing the World Cup successfully (Wilson, S., 2006a). As of the end of 2008, Mbeki is no longer in office, but it seems reasonable enough to assume that the pan-African goals will continue to be viewed as important by his apparent successor, Jacob Zuma, who at the time of writing appears set to take office following the 2009 election.

The pan-African foreign policy objectives are clearly at a point where South Africa's broader agenda for hosting the World Cup differs from that of Germany. Coming from a privileged position on a developed continent that has hosted the World Cup no less than ten times since its inception in 1930 (Bohlmann, 2006:31), and with its own history and experience of hosting mega-events, Germany did not have the same problem of negative international positioning to contend with as it submitted its bid for the 2006 World Cup. However, given that the country's image had been tarnished by its volatile political history and by negative episodes taking place at the events it had hosted previously, Germany did find itself burdened by a negative image in certain respects, which it sought to overturn through the successful hosting of the tournament. In terms of improving its image, the German World Cup has been widely considered a success, thanks to efficient functioning all around, and a peaceful, problem-free atmosphere, but comparatively, it may seem that South Africa could have a tougher time overturning the negative stereotypes commonly associated with it. Although the developed world's media can be largely held responsible for disseminating negative perceptions of South Africa, it must be remembered that concerns about, for instance, crime and transport infrastructure, have their basis in reality to some degree, and the country is consequently under considerably more pressure than Germany was to deliver a successful World Cup.

A purpose common to both Germany and South Africa, as well as other would-be World Cup hosts, is gaining economically, because as Baade and Matheson (2004b:344) put it, no reason to host such events "appears more compelling than the promise of an economic windfall". Given the perception, however erroneous, that hosting the World Cup will bring with it long-term economic benefits, both host nations under discussion here set out to incorporate the World Cup in their broader growth agendas. For Germany, this related to getting the country out of its recent

economic slump, while in South Africa economic growth has been a government priority since democratisation. The idea of harnessing the World Cup to ameliorate domestic problems such as poverty and unemployment was thus particularly appealing to South Africa. Interestingly, Hiller (2000:443) notes that in South Africa's previous engagement with mega-event bidding, economic growth through investment, which was then used to create employment and encourage income redistribution, was considered such a pressing matter that the Cape Town Olympic Bid was only marginally about sport, and ultimately placed more emphasis on human development. Indeed, this bid has been suggested to have been an attempt to combine mega-event planning with previously established development goals in order to accelerate the development process (Hiller, 2000:445-8). While bidding for the World Cup differs somewhat as a result of the immense popularity of football in South Africa, which means that the sport aspect has not been considered marginal in this case, the entwining of mega-event planning and development goals can be seen to apply again, with a view to accelerating numerous pre-planned development projects. Given the fact that in practice, mega-events have for the most-part not been seen to contribute significantly to economic growth or human development, various actors in South Africa, including the media and trade unions, have been vocal in demanding that in the course of planning for the 2010 event, essential projects such as social welfare and housing do not get neglected (Wilson, S., 2006a). Additionally, the mayor of Cape Town, Helen Zille, ran into disputes with the LOC over the amount the City of Cape Town was to spend on the construction of the Green Point stadium, given the city's other pressing needs including lack of housing and sanitation (Hughes, 2007).

If it hopes to achieve its economic redistribution goals as related to the World Cup, Campbell (2007:4) suggests that the accessibility of South Africa through the provision of sound infrastructure will play an important role. This will also provide a significant boost to the country's tourism industry, and with these goals in mind South Africa is carrying out significant upgrades of its transportation network, including refurbishing and extending its main airports and the construction of the Gauteng Rapid Rail Link (Gautrain). To compare South Africa's infrastructural requirements with those of Germany, the German government had ended up spending \$5.5 billion on upgrading its roads in time for 2006, as mentioned in the previous chapter, despite Germany being widely considered to have an extremely efficient pre-existing transport infrastructure. South Africa, on the other hand, is considered to have a

generally underdeveloped transportation network, and the need to rectify this by 2010 has been viewed as a priority by many, including the South African government and Joseph Blatter.

A significant agenda for both host nations under examination, and one which ties in with the overall goal of long-term economic growth, is boosting tourism through the hosting of the World Cup. An expanding international tourism industry is one of numerous manifestations of globalisation, and harnessing it is increasingly considered to be beneficial in the long-term. Thus, the focus on showcasing nations hosting mega-events as attractive tourist destinations has become all the more evident in recent times, and was a significant characteristic of Germany's World Cup. In South Africa, tourism has come to be a central feature of the post-apartheid government's policy agenda (Cornelissen, 2005:680). An important aspect of the government's tourism strategy has been making the country's tourist image more representative of the South African population (Cornelissen, 2005:683), and the World Cup certainly fits into this as football resonates with the black population and involves this large proportion of the nation in a manner which previous events such as the 1995 IRB World Cup did not. Expanding the tourism industry is also closely linked with overturning negative perceptions relating to the host nation, and with projecting a more favourable brand on a global level and enhancing a destination's international competitiveness. The 'Brand South Africa' programme, involving South African government departments, along with some of the country's major corporations, represents a significant attempt to re-position and re-brand South Africa internationally (Cornelissen, 2005:684). This is also yet another example of the hosting of the 2010 World Cup fitting in with pre-existing foreign policy goals. In Germany's case, prior to the World Cup Germany was already considered to be the world's number one venue for international trade fairs (German Government, 2006). Over the course of the World Cup, it was hoped that Germany's image abroad would improve so that the country would be considered a prime location for a multitude of sectors, from science and technology, to the arts, sport, and particularly business. The German government had set up the Invest in Germany GmbH agency specifically to market Germany as a business location in the context of the World Cup (German Government, 2006). On top of this, the 2006 event's slogan, 'A Time To Make Friends' stressed the positive aspects of German culture, and contributed to efforts to market the country as an attractive tourist destination. It was subsequently found that

the World Cup had improved the country's brand considerably, with this considered to be a long-term effect, according to the Anholt GMI Nation Brands Index, in which Germany jumped from sixth to joint first between January and September 2006 (Kuper, 2007). It is this type of multifaceted image success that South Africa hopes to achieve after 2010.

As well as projecting a certain kind of image abroad, both states have utilised the World Cup to project a more positive image on a domestic level and to engage in nation-building. Because of the extensive popularity of football in many countries, the feeling of euphoria at a World Cup, and the sense of pride and unity felt by the host community if the event is considered a success, this presents a favourable opportunity for governments to further their nation-building projects. In Germany, uniting the country, however temporarily, was seen as being particularly significant considering that the previous World Cup to be hosted in Germany had been held against a backdrop of a divided East and West. The tensions had persisted after reunification, and thus achieving a sense of unity at the World Cup was of massive symbolic value for the country. Indeed, Franz Beckenbauer and his LOC received a considerable amount of praise for the manner in which they managed to unite Germany behind their World Cup bid, and subsequently the event itself. For South Africa, sport has been a means of uniting the country and celebrating the concept of Rainbow Nationalism previously, most notably at the 1995 IRB World Cup. With the country's more recent shift from non-racial social democracy to racial capitalism (Alegi, 2001:4), football events which stand to appeal to the majority of the population appear to tie in more with the government's greater political agenda. However, the idea of the Rainbow Nation has not been entirely discarded, as the country strives to take its reconciliation project to fruition and to project values which are increasingly considered universal, such as tolerance and multiculturalism. It is also hoped by those driving South Africa's mega-event agenda that the 2010 World Cup will result in the same sentiments of unity and euphoria which were created by the IRB World Cup, but on a considerably greater scale. The theme of national unity can be seen to tie in with a state's wider goals, because as Hiller (2000:453) notes, political elites see uniting their country as a means to consolidate their power, while economic elites perceive nation-building as a necessary precondition for economic growth and social stability.

If they are to receive the praise they hope for by linking themselves to the World Cup, the South African political leadership need to deliver on their assurances

of what they will achieve by 2010, including cutting down crime and providing sufficient infrastructural capacity to support the World Cup. The somewhat mixed nature of progress thus far, and mounting media criticism, means that the South African government is already under considerable pressure to accomplish their various World Cup-related goals. It has also been suggested that governments may use their involvement with mega-events, and all the publicity that such involvement generates, as a means of diverting public attentions from their failings in other policy areas (Hiller, 2000:455). While the question of how much truth there is in this assertion when applied to the South African and German cases is largely beyond the scope of this thesis, it seems fair to say that both countries' governments had experienced a degree of economic difficulty and criticism for certain policy decisions in the last decade. While in the German case the intangible benefits of the World Cup did serve as a distraction, however temporary, from the downturn in the country's economy, South Africa's bids and the 2010 event have thus far served to highlight the nation's problems in the global media rather than diverting attention from them.

Others attempting to benefit from the World Cup include sponsors and other commercial interests tied to the event, who aim to boost their own image and their profits through the heightened global visibility the event affords to them. For instance, Adidas, as the sole manufacturer of World Cup footballs and replica kit for several teams at the 2006 World Cup, was hoping that the event would boost its brand awareness, and as it transpired, the company benefited from the demand for football products even prior to the tournament, with its net profit rising by 37% year-on-year in the first quarter of 2006 (BBC News, 2006). This is a clear example of potential World Cup revenue being diverted from local producers and the host economy to transnational corporations. Indeed, the main portion of revenue ends up in FIFA's hands, although some is shared out among sponsors and broadcasters, and comparatively, only a minority of direct revenue from the event makes it to the host nation, although they shoulder the majority of the costs in the planning stage. Subsidies do come from FIFA to assist host nations with the World Cup, with the German LOC receiving \$226.8 million for the 2006 World Cup, and the South African LOC a reported \$400 million for 2010 (Bohlmann, 2006:26). However, Bohlmann (2006:26) argues that South Africa's status as a developing nation, which makes it more likely to struggle in financing the event, means that FIFA ought to play a more prominent role in the financing of this particular World Cup. The question of



how much the host economy can benefit comes into play again with concerns in South Africa over whether small local businesses can have any kind of stake in the event given the near-monopoly enjoyed by FIFA and its sponsors. South Africa's then-deputy president Phumzile Mlambo-Ngcuka even appealed to FIFA to interpret intellectual property agreements more broadly to allow small businesses a degree of involvement (Independent Online, 2007), but given FIFA's guarantee of exclusivity to its corporate allies and its strict protection of their rights, it seems unlikely that anything will come of this request. It is now necessary to examine the discourses used by those attempting to fulfil their various agendas as relating to the World Cup.

#### **4.4 Discourses**

The discourses under examination here will be predominantly those employed by World Cup hosts Germany and South Africa, as they are the ones who had to employ certain discourses to justify and win support for their bids, to shape their respective events and to have the events ultimately viewed as successful. The discourses of certain other actors, such as the media, come into play here, as they contribute to shaping perceptions of the event in both the preparatory stage and in its aftermath. FIFA is a major proponent of the discourses of development and competition mentioned earlier, and tends to propagate the view that sport's dominant value lies in generating economic development (Alegi, 2001:2). Nevertheless, the organisation's dominant role in global football and the intensity of competition for the chance to host the World Cup mean that it need not employ discourse to further its objectives in the same manner that nations vying to host the World Cup do. This situation is liable to change should FIFA come to be internationally criticised or should it find itself struggling to attract bidders for the tournament. As it stands, however, FIFA currently relies on its rhetoric about football bringing about economic benefits, and about its own commitment to the development of global football, however little truth there may be in the latter assertion. The extent to which the idea of utilising sport for economic development has taken hold internationally means that there is currently no need for FIFA to defend its position.

States have embraced the notion that mega-events act as a catalyst for economic growth, and this comes through in bid discourses, where the costs of hosting the World Cup are justified by referring to the long-term economic benefits that would accrue to the host nation. Both the German and South African bids placed

considerable emphasis on the boost that each country's economy would receive as a result of hosting. When this boost did not materialise in Germany, politicians emphasised the intangible benefits instead, asserting that the effect of hosting the tournament on Germany's image was such that economic gains would be made in the long-term, even if not immediately apparent. While the World Cup's German organisers claimed that investments such as in stadium construction were compensated in their entirety by the effect on the German economy (DFB, 2007a), the complexities to be found in measuring a mega-event's overall impact on the economy make this statement highly debatable. It is furthermore important to remember that the LOC and the DFB had a vested interest in proclaiming the event a success regardless of actual impact. An important issue to bear in mind when considering German bidding and hosting discourses is that the country is in less need of economic development than South Africa, better able to cover the costs of hosting a mega-event, and previously experienced in hosting such mega-events. Having thus carved a niche for itself in the mega-event market, and developed high-standard sporting facilities and infrastructure, Germany has less need to justify its participation in bidding for subsequent mega-events than a developing nation might. Although previous German mega-events may not be remembered positively, this is not for economic reasons but rather for the damage caused to the country's image, which Germany has aimed to rectify ever since. Indeed, the 2006 World Cup may have been the turning point for Germany's image.

The harnessing of nationalistic sentiment to promote unity and a common purpose during the bidding stage can certainly be considered true of South Africa's bidding for the World Cup, given the rhetorical focus on the country's status as an African nation, which was simultaneously aimed at appealing to the black majority among the population, as was the fact that the bid was for a football event. In Germany's case the rhetoric aimed at boosting national pride and unity was considerably more subtle, given the stigma associated with German nationalism since the days of the Third Reich. However, it has been suggested that more significant than Germany's improved image abroad following the World Cup was Germany's improved image on a domestic level (Kuper, 2007), where pride in being German became acceptable again.

The point at which South African discourses contrast significantly with German discourses is, as in other aspects of bidding and planning, the pan-African

element of South Africa's mega-event agenda. A considerable amount of support had built up for the idea of an African nation hosting the World Cup, especially in the wake of what Baade and Matheson (2004b:344) term "groundbreaking" decisions to award the World Cup to the US and then to Japan and South Korea, nations situated on continents that had never hosted the tournament previously. According to Baade and Matheson (2004b:344), supporters of an African bid could make three compelling arguments, the first being that Africa had never previously had the opportunity to host, the second that CAF was the largest FIFA confederation in terms of membership, and the third that African nations had become increasingly competitive in World Football. The prowess of Bafana Bafana, the South African national team, has not been the most impressive on the continent apart from victory at the 1996 African Cup of Nations, and thus while the country could not necessarily use the third argument in its own favour, the first two arguments were invoked in both the 2006 and 2010 bids. The rhetoric employed by South Africa in bidding may be characterised as postcolonial, seeking to challenge colonial depictions of the developing world (Cornelissen, 2004:1296), and particularly of Africa. This is a useful way of viewing the first South African bid, where the slogan 'It's Africa's Turn!' sought to remind developed nations of their previous neglect and marginalisation of the African continent. The implication was that European nations within FIFA could atone for their historical mistreatment of Africa by supporting an African bid, and simultaneously this aspect of the bid campaign appealed to other African nations, and even developing nations elsewhere in the world, for their support. South Africa persisted with these themes for the 2010 bid, again attempting to present itself as a leader and gateway to Africa. A significant argument employed was that awarding the World Cup to Africa would give the political and economic regeneration of the continent considerable momentum, and that being more developed than most of Africa, South Africa was optimally placed to start this process (Cornelissen, 2004:1303).

The initial impact of South Africa's utilisation of 'Africa' in its bid discourses was that it actually served to undermine the bid, and together with the event-related developmental agenda, heightened concerns about Africa's capability of hosting mega-events rather overcoming them, as South Africa had hoped. Similar concerns had prevented Cape Town from securing the 2004 Olympics, and subsequently resulted in South Africa losing out in the 2006 World Cup bid. Cornelissen and Swart

(2006:116-7) note that an under-sophisticated bid campaign had done little justice to the pan-African angle of the bid, but add that this was addressed in the subsequent bid for the 2010 tournament. It has been noted that South Africa has become much more “slick and business-like” in approaching mega-events (Van der Merwe, 2007:79), and this was certainly helpful in helping the country to procure the rights to the 2010 World Cup.

While the dominant narratives used by South Africa in bidding for, and subsequently in planning, the World Cup, were the pan-African discourse and the discourse of economic development, it must be noted that along with South Africa’s increasingly sophisticated bidding campaigns, the discourses utilised also grew in their complexity, and thus other aspects of these discourses warrant examination. On a domestic level, sport had been used to invoke national unity since the end of apartheid, but because previously South Africa had largely engaged in sporting events that resonated more with the white minority than with the black majority, concerns remained about the enduring exclusion of the poor majority from even the intangible benefits of these events, let alone the tangible economic benefits. Thus, when the opportunity arose to bid for the Football World Cup, an event which would appeal to most of the country, the fact that the bid could be suggested to be led by South Africa’s historically dispossessed gave it a considerable rhetorical advantage compared to, for instance, the Cape Town Olympic Bid, which had been driven by a small, white business elite (Cornelissen, 2004:1297). This rhetorical commitment to spreading the benefits of the World Cup beyond a privileged few to the greater population was apparent in other aspects of the bid, such as the extension of the number of host stadiums for the 2010 event in order to direct some of the economic gains beyond the country’s main football circuit. However, given concerns about these smaller locations lacking the requisite levels of tourism and other infrastructure, and therefore appearing unlikely to receive the projected benefits (Cornelissen, 2004:1307), as well as the fact that they were only included in the bid documents in order to bolster the developmental discourse, the number of host stadiums was eventually reduced to ten in nine host cities. Another significant aspect of the rhetoric relating to the sharing out of World Cup gains as widely as possible was the predicted job creation potential, an argument that seemed particularly salient given that South Africa’s unemployment rate runs into millions (Goliger, 2005:178).

An important feature of staging the World Cup for South Africa was managing to appeal simultaneously to the poor, football-supporting public on a domestic level, and to potential rich foreign visitors on an international level. To this end, the country's problems were largely played down in the bid, and have since continued to be played down in rhetoric relating to the planning stages in the run-up to 2010. It is also worth noting that the World Cup bids were neoliberal in character, tying in with South Africa's broader programme of economic development, GEAR (Growth, Employment and Redistribution), instituted in 1996. The basic premise of this programme was that economic growth must come first, and redistribution to all sectors of society will follow, a concept which was enthusiastically adopted by the bid committee. This feature of South Africa's involvement with the World Cup demonstrates the prevalence of neoliberal ideologies in the mega-event industry, and the dominance of neoliberal discourse, despite considerable evidence of the shortcomings of neoliberal policies in practice, especially in developing contexts. Overall, the discourses surrounding the bidding and planning process have been suggested to have been used to "communicate key messages to the South African populace and the wider international community, partly with the purpose of shaping a new South African society, and partly with the aim of bolstering the so-called African Renaissance" (Cornelissen and Swart, 2006:109). The implications of this will be considered in the next chapter.

While the global media were largely positive in their appraisal of Germany's World Cup, at least with regard to the intangible impacts of the event, in South Africa's case, the bid and preparations for the 2010 World Cup has served to heighten media interest in the country's crime levels, and journalists have also seized upon conflicts and delays taking place in the planning and construction being carried out for the event, such as Cape Town's Green Point Stadium. The South African response has included promises from political leaders to clamp down on crime, and the broader assurance that 2010 will be the most successful FIFA World Cup™ hosted yet (Wilson, S., 2006a). Furthermore, FIFA officials including Blatter, Horst Schmidt and FIFA's General Secretary Dr. Urs Linsi have thrown their weight behind South Africa, at least rhetorically, and have stressed that they are satisfied with preparations and confident that South Africa will deliver on its promises. It has been frequently stressed that crime is a global issue, by no means unique to South Africa, and Danny Jordaan has pointed out that crime did not impact negatively on any events that South

Africa has hosted in the past, be they sporting or otherwise (Hughes, 2007). Nevertheless South Africa runs a similar risk to that of the South Asian nations in co-hosting the ICC World Cup, whereby failure to live up to the expectations of the Western media resulted in the widespread view that the countries are ill-equipped to host any further major events.

## **Chapter 5: Conclusion, Long-Term Implications and Future Directions**

### **5.1 Introduction**

Having discussed numerous aspects of the FIFA World Cup™ as hosted by Germany in 2006 and South Africa in 2010, it is now necessary to provide a summation of the main findings, to discuss the main winners and losers involved and to address the final research question, that of long-term implications for South Africa and other future hosts. This chapter will conclude with some final thoughts about future directions of mega-event research. It is hoped that this thesis provides some useful insights into the dynamics of mega-events, and a main argument to be made here is that despite their differing positions in the international system, ultimately the German and South African cases are not as different as initially expected when comparing and contrasting the two cases. This goes to show that certain dynamics and processes are common to all mega-events, whether in a developed or in a developing context, and that in order to host a successful event, it may be useful for a host nation to identify these dynamics and attempt to harness them.

### **5.2 Summation of thesis findings: addressing the four central research questions**

It is hoped that in the course of this thesis, and particularly Chapter 4, the main research questions set out in the introduction have been addressed, apart from the final question, which will be addressed in the present chapter. Firstly, the role of corporate actors has been discussed in some detail, and they have been shown to be members of the minority that draws most of a World Cup's short-term benefits out of the host economy. On a domestic level this process can be replicated, with certain corporate interests aligned with the World Cup standing to do well, while small business and the local community are largely excluded. The discussion on winners and losers of sports mega-events, which is carried out in this chapter, will emphasise these findings. Secondly, a number of the processes characterising the bidding and planning stages of a World Cup have been analysed. This includes the construction of discourses in order to further the goals of the organising committee and other interests closely involved in the event, and various coalitions of interests that form, especially with a view to bolstering a given nation's bid. Some of the main features of planning a World Cup

have also been outlined, and the various agendas that tie in with the planning stage have been discussed. Thirdly, the significance of the World Cup to both Germany and South Africa has been examined in considerable detail, and it has been found that despite their different levels of development, both countries had broadly similar aims in bidding for the event, with the main contrasts between the two being South Africa's pan-African ambitions and its negative positioning on the global stage. Lastly, the long-term implications, for South Africa and other would-be future mega-event hosts, especially in a developing context, will now be addressed, preceded by a discussion of the main winners and losers among the corporate actors involved. The overarching implication appears to be that given the developing world's negative international position, and subsequently the increased challenges they face in ensuring the success of a mega-event, great care must be taken, considering the numerous potential costs and constraints involved.

### **5.3 Winners and losers at the 2006 and 2010 World Cup tournaments**

Having discussed the main actors, agendas and discourses involved in the 2006 and 2010 World Cup events, it is necessary to assess the outcomes of these processes, and look at who stands to benefit more specifically, as well as who stands to lose out. Together with the previous two chapters, the examination of the winners and losers of the 2006 and 2010 World Cups aims to address issues raised in the four research questions outlined at the outset of this study.

While it has been noted that all of the actors involved in the bidding and planning of any given World Cup attempt to position themselves in such a way as to maximise the benefits they will receive from the tournament, only a minority of these actors stands to enjoy the majority of the World Cup's immediate benefits. The foremost beneficiary is FIFA, given that it controls the main decision-making surrounding all World Cup events, has a tight grip on the main revenue streams, and finances almost the entirety of its operation from World Cup revenues. In addition to its financial gains, FIFA does not run the same risks as the host nations do in terms of its image. Should anything go wrong at an event, it tends to be blamed on the poor organisational or other skills of the host country, while the sports organisation in question gets away largely unscathed. This was notable at the 1972 Olympics, where the murder of Israeli athletes was largely blamed on the German organisers and police, without tarnishing the image of the IOC. In FIFA's case the only time during



the period under review that the football body came under significant international criticism was following its failure to award the 2006 tournament to South Africa. Now that this has been rectified by the awarding of the 2010 Finals to South Africa, FIFA is again seemingly above criticism, at least in the developed world. Current media discourses surrounding South Africa's preparations for 2010 suggest that should the event not live up to expectations, it is again the hosts who will be considered at fault, rather than FIFA. Developing nations, on the other hand, frequently continue to regard FIFA with a degree of scepticism and consider it to be a tool of neocolonial domination. However, these nations are simultaneously attempting to better their position within FIFA and attain parity with those nations whose practices they consider neocolonial, and thus any criticism of FIFA by developing nations tends to be constrained by these motives.

FIFA's 'family' of sponsors, with their exclusive rights to market their products in conjunction with the World Cup, and the extensive advertising and publicity opportunities afforded to them by the event, can also be considered to be the main beneficiaries of the tournament. It must be stressed that the gains accrued by these sponsors frequently come at the expense of local companies producing and retailing similar products. It has already been mentioned, for instance, that the likes of Coca-Cola, Budweiser and McDonald's held the exclusive rights to fast food at the matches in 2006, at the expense of local businesses hoping to entice tourists with traditional German food. Similarly, while the demand for football products resulted in a huge rise in sales for Adidas, with the company reporting sales of \$1.5 billion during the 2006 World Cup, including 15 million replica footballs and 1.7 million replica shirts of the German football team alone, it was noted after the World Cup that in contrast to this, Germany's domestic clothing industry was still showing remarkable decline (Davis, 2006:1). In line with these examples, Matos (2006:8) suggests that there exists the possibility that World Cup tourists will spend more on franchised goods and less on local produce, thus contributing little to the local economy.

On a domestic level, there were certain industries in Germany that received a significant boost from the World Cup. However, the benefits were spread unevenly among sectors of the German economy, and the eventual outcome was far from the broad positive impact that had been predicted to occur across all industries. Certain sectors of the retail industry did well, including televisions and sports merchandising,

as well as the pub industry, that is to say, those industries that were linked in some way to watching and supporting football. Others, however, suffered as a result of the dominance of the event's international sponsors, as mentioned previously. Germany's transportation industry was another beneficiary, with both German Railways and the Lufthansa reporting significant extra passenger numbers during the tournament (Davis, 2006:2). It has been suggested that domestically, accommodation and tourist services near an event will be the main beneficiaries, while local businesses more distant from the event will not experience any gains (Chalip and McGuirly, 2004:268). However, the outcome can be somewhat more complex than this in reality. Even before the end of the 2006 World Cup, a TNS Infratest survey found that nearly half of the German hospitality industry, including hoteliers in host cities, was dissatisfied with tournament returns (Wilson, B., 2006c). This can be partially attributed to the crowding out effect, whereby a number of traditional or potential tourists choose not to travel to a location during the hosting of an event in order to avoid higher costs, congestion, and other disruptive effects of the event (Matos, 2006:7). An additional issue for the hospitality industry is whether visitors choose to stay in small local hotels or internationally owned hotel chains, which also affects the fraction of increased earnings that remain in the host community after the event (Baade and Matheson, 2004a:14). Moreover, Baade and Matheson (2004a:18) suggested that as with sports infrastructure, demand for accommodation can drop following an event, and the expanded accommodation infrastructure can go on to be underutilised in the long-term, as happened after the Salt Lake City Winter Olympics in 2002. Back to the case of Germany, the country did experience boosts to certain economic indicators such as business confidence and consumer confidence. However, analysts have suggested that factors such as Germany having the strongest manufacturing growth across Europe in June were more a result of a broader improvement in economic conditions than an effect of the World Cup (Wilson, S., 2006b). Overall, on an economic level, Germany appears to fit in with Sterken's (2006:5) assertion that mega-event revenues have a modest impact because a large fraction of the receipts goes to international or foreign organisations.

One group of actors not discussed in any detail earlier because of their exclusion from World Cup decision-making processes, yet a highly significant group nevertheless, is the host community. While the community can be invoked in bid discourses which stress community wellbeing as one of the main reasons for hosting a

given event, a feature prominent in South Africa's World Cup bids, the consensus in mega-event literature is that in practice the community tends to be overlooked and excluded. Thus, despite the emphasis on community wellbeing in discourse, the success of an event is ultimately viewed in terms of economic impact and the media exposure of event hosts (Hall, 2006:62). As a result, the host community can arguably be considered to be one of the main groups to lose out when the overall impact of an event is considered. Other mega-event literature serves to reinforce this assertion. For instance, Horne and Manzenreiter (2006:18) contend that the undemocratic organisations and processes that shape sports events often develop these events in the interests of global flows rather than local communities. Nauright (2004:1326) agrees, stating that as business and government interests align in support of event-driven economies and growth, local communities, sports fans and democratic practices tend to be ignored. This process is evident in South Africa, where the commercialisation of football has already gone some way towards marginalising the poverty-stricken majority, who make up the grassroots football support in the country. Clubs such as Kaizer Chiefs and Orlando Pirates comprise an elite minority, at the expense of many poor, underdeveloped football clubs. Moreover, the movement of top players from these poorer clubs to the wealthier ones, and even to overseas clubs, hampers the broader development of South African football. The World Cup threatens to exacerbate these trends, as well as excluding grassroots fans by means of high ticket prices, which would be considered unaffordable by many in the context of South Africa's extensive poverty. According to Campbell (2007:6), other aspects of the country's preparations for 2010 are also exclusionary in nature, including the Gautrain Rapid Rail Link, currently under construction. This rail route links Johannesburg, Pretoria, and OR Tambo International Airport, passing through wealthy business areas such as Sandton on the way. However, the route bypasses poor areas such as those in Soweto, at Orange Farm and at Katorus, meaning that workers from these areas, who travel daily into the inner cities, receive no benefit from the heavy investment that has gone into the Gautrain (Campbell, 2007:6). It is noted that despite impacting on the Gauteng region, the example of the Gautrain goes to show that the provision of infrastructure does not necessarily lead to the eradication of poverty (Campbell, 2007:7), and this serves to undermine certain developmental aspects of the South African elite's World Cup rhetoric.

It is primarily in a developing context that the host community runs the risk of exclusion, although governments can seek to involve host communities on a certain level by having them conform to positive stereotypes for the benefit of visitors. Nevertheless, the impact on the host community is not entirely negative or negligible, as certain intangible benefits can be experienced. For instance, Ohmann et al. (2006:130) suggest that a benefit can be the community having a sense of ownership over the event being hosted, for which the perceptions of the host community hold particular importance. For instance, the study carried out by Ohmann et al. (2006:139-140) on the perceptions of Munich residents of the 2006 World Cup found that the event had been widely considered to have had a positive impact on the local community, the city's infrastructure and the transportation network. These generally positive perceptions of the World Cup helped to contribute to a positive atmosphere, shared by residents and visitors alike, as well as a greater sense of the community having some sort of participation in the event. Thus, while Germany's population may not have had a share of the World Cup's immediate economic benefits, their enjoyment of the atmosphere created by the tournament can be considered to have been beneficial. Additionally, it is possible that the host community's approval of the event and the projects carried out in preparation for it could serve as legitimisation for the event's organisers, though on the other hand it is likely that organisers will continue to pursue their own agendas regardless of the legitimations, or lack thereof, provided by the host community.

One way in which an event can impact positively on the host economy and host community, albeit temporarily, is when the availability of unemployed or underemployed labour is harnessed to carry out work relating to preparations for the event. This is more likely to occur in developing countries where unemployment and the ready availability of labour are commonplace, such as in South Africa. In developing countries, however, temporary demand for labour can result in event organisers having to import labour from external locations, with the implication that wages paid to these workers end up exiting the host economy along with the workers once event preparations are complete, as was the case at the 1996 Atlanta Olympics (Baade and Matheson, 2004a:20). On the other hand, the temporary nature of many of the jobs created by mega-events including the World Cup means that yet again the neediest among the host community do not stand to benefit in the long-term. A temporary nature can also be attributed to other World Cup impacts, including the

intangibles. For instance, the goodwill and euphoria experienced and shared by both residents and tourists can be quick to fade, and even if a country manages to boost its brand through hosting a mega-event, this brand may not necessarily be durable, and could be easily undermined by the country going on to experience political or economic difficulties. In South Africa, even the boost brought about by being awarded the World Cup in the first place proved short-lived as conflicts broke out among the main domestic actors over various aspects of planning and the international media turned its critical eye on the country's problems.

In Germany's case, the success of the World Cup in transforming the German image has been considerable, but concerns have been expressed about the longevity of this new, more positive image. However, it has been suggested that prior to the 2006 tournament, Germany's image was considerably out of date, being frequently linked, for instance, with Nazism, and thus the new image of Germany has finally caught up with the contemporary reality of the country, and ought to stick because it is true (Kuper, 2007). This suggestion implies that emulating German success with regard to the image-projection could prove difficult, particularly for developing nations attempting to dispel the negative stereotypes frequently attributed to them, if these stereotypes are based on a degree of truth. This is an issue facing South Africa, which will now be discussed in greater detail, together with other long-term implications of the country's hosting of the 2010 World Cup.

#### **5.4 Implications for South Africa and other would-be hosts in the long-term**

The question of long-term implications is considered to carry probably the most weight of the four research questions, considering the fact that South Africa's hosting of the 2010 tournament could have significant consequences for the developing world's participation in the ever-growing mega-event industry. As mentioned earlier, a significant challenge for South Africa lies in overcoming negative perceptions and stereotypes as propagated widely by the developed world's media, among others. Cornelissen (2005:694-5) notes that in broader international political economy, the success and ability of governments to project a certain image of their country on an international scale is subject to the actions of other players, including tour operators. As tour operators often influence tourist behaviour by the ways in which they market certain destinations, this could come into play in 2010, and manifest itself in such a way that, for instance, tourists are directed primarily to

certain regions of South Africa, despite the government's best efforts to spread the benefits of tourism more equally across the whole country. At present, however, it seems that media discourses are more of a concern when it comes to outside actors affecting South Africa's imaging attempts, particularly considering that developing nations are generally more vulnerable to negative media discourses than their developed counterparts. As well as issues such as crime or political instability in a host nation, it has been suggested that inadequate facilities or improper practices at mega-events can damage the host's image or lead it to acquire a poor international reputation (Kim et al., 2006:89). The main question to be asked in the South African context is to what extent negative media representations in the run-up to 2010 actually stem from real issues, and furthermore, to what extent the country will be able to address these issues by the time the World Cup kicks off. It has been suggested that developing nations are less able to control the images of them that are projected by the media, not because they lack PR skills, but because of the strength of the narrow and largely negative perceptions of the Western media and their audiences (Dimeo and Kay, 2004:1275). Overcoming this poses a significant challenge, but nonetheless, the opportunity does remain for South Africa to be cast in a more favourable light if preparations go more or less according to plan and if the event lives up to global expectations. On the other hand, a risk exists of South Africa being considered to have "failed the test of modernity" much like the South Asian nations were perceived to have done at the 1996 ICC World Cup (Dimeo and Kay, 2004:1272), but given South Africa's previous successes, which include the Cricket and Rugby World Cups, this outcome seems less likely in this instance.

Closely linked to the issue of image is the issue of tourism, and in this case, South Africa's attempts to attract more tourists through the promotion of the country as an attractive destination for visitors. The hosting of the World Cup falls broadly in line with South Africa's wider tourism policies, and particularly the country's attempts to project a more inclusive tourist image, in the hope that this will lead to a more equitable sharing of the developmental benefits of tourism (Cornelissen, 2005:684). However, the number of expected World Cup tourists has already been revised down from initial estimates of some 900,000 to a minimum of 350,000 (Gleeson, 2007). Various factors are likely to deter tourists from coming to the 2010 World Cup, and crime seems to be foremost among these. Research cited by Marthinus van Schalkwyk, the South African Minister of Tourism, showed that as

many as one third of potential visitors gave crime as their reason for not travelling to South Africa (BBC News, 2007). In addition, South Africa's geographical distance from the developed nations of the North, together with the cost of long-distance flights, could prove to be possible deterrents, despite the fact that on arrival, many of the products available for tourist consumption in South Africa would be comparatively cheap for these Western visitors. Interestingly, a study into the motives and constraints behind travelling to the 2002 World Cup in South Korea found that two of the most significant deterrents to travel were perceptions of monetary costs and personal risk, but that those who had previously attended a World Cup had lower perceptions of both the cost and the risk involved (Kim and Chalip, 2004:697-704). In this instance, however, previous attendance of the World Cup in Germany could also potentially lead to unfavourable comparisons given the fact that crime was not a significant issue in 2006. While fear of terrorism has also been commonplace among potential tourists since September 11, FIFA security requirements are increasingly strict, which partly serves to allay these fears, and in addition to this, South Africa's lack of involvement in current terrorism issues allows the country to at least position itself as a destination free from this type of threat, which it did with some success during the 2010 bidding process. One further inhibitor to travelling to a World Cup that warrants consideration is the structure of the event itself, where elimination of national teams, especially at early stages of the tournament, has an impact on the travel choice of those who would specifically go to a World Cup only to support their team (Lee and Taylor, 2005:602). Given South Africa's geographical distance from all locations beyond the African continent, the possibility exists that people may be unwilling to undertake such extensive travel considering the added risk that their team could immediately be eliminated. A final point on tourism implications for 2010 is that when considering all of these concerns about promoting tourism in time for the World Cup, and in the long-term thereafter, it is also necessary to bear in mind the crowding out effect, and that regular or traditional tourists are likely to be displaced by World Cup visitors. As a result of this effect, Bohlmann (2006:26) notes that evidence from previous mega-events would suggest that the net addition of tourists is extremely difficult to measure, and most likely negligible.

In terms of maximising the event's economic benefits, and spreading them across the entire country, South Africa is faced with an enormous challenge and needs to manage its comparatively limited resources with great care during the planning

phase. To this end, Cornelissen and Swart (2006:121) suggest that long-term and broad-based development goals should constitute the primary bases upon which planning and organisation for the World Cup takes place. One of the long-term goals is creating a sustainable infrastructural legacy. South Africa hopes that hosting the 2010 World Cup will entrench it in the mega-event circuit, paving the way for hosting more major events in the future. However, should this not occur, the post-event running costs of sports facilities and accommodation could put a significant strain on the country's economic resources. Already concerns have been raised over the fact that the City of Cape Town has yet to pick a post-event operator for Green Point Stadium, and has in fact rejected all bids for post-event operation thus far (Powell, 2007:1). A major motivation for the significant investments into sports infrastructure is the fact that South Africa has never previously owned world-class venues dedicated to football, having to rely on rugby stadiums instead. When stadium plans were at their most ambitious, visualising thirteen venues, this included a number of stadiums to be built to cater exclusively to football. However, the subsequent reduction in the number of stadiums means that out of the remaining ten venues, the majority are still rugby stadiums, with some notable exceptions such as Johannesburg's Soccer City. This will result in football clubs remaining largely dependent on facilities controlled by white-dominated sporting organisations (Alegi, 2001:6), and is indicative of the difficulties South Africa still faces in overcoming the legacy of apartheid. An additional point regarding infrastructure, particularly sports infrastructure, is how much this will benefit the local community. It is generally considered that the creation of world-class facilities will be beneficial to a small group of elite sports clubs and sportsmen, while the majority in the local community will have very limited access to these facilities, if any at all. Thus, the value of the extensive stadium upgrading and construction taking place in South Africa to the local community and to the development of the country's football is highly questionable.

The pressure on would-be hosts is evident in the fact that further to providing high grade stadiums for the World Cup, other extensive infrastructural upgrading may also be necessary, as in the case of South Africa. On his June 2007 inspection of the preparations for the 2010 World Cup, FIFA President Joseph Blatter suggested that the improvement of the country's transportation network was a much more pressing concern than either stadium construction or crime (iAfrica, 2007). This is not surprising considering the country's effective lack of public transport, with the



majority of the population using either private vehicles, or minibus taxis in the case of the poorer portion of the population, in order to get around. Numerous ambitious projects are underway to upgrade South Africa's transport network, but while prominent projects such as airport extensions and the construction of the Gautrain Rail Link are likely to benefit tourists and the wealthier business commuters, notably within the Gauteng region, there is little visible in terms of addressing the transport needs of the poor. Nonetheless, it has been suggested that overall upgrading of South Africa's transport infrastructure will benefit the country's productivity in the long-term and could potentially lead to an increase of up to \$3 billion in GDP (Campbell, 2007:6). This could certainly be highly beneficial given the current limited capacity of South Africa's underdeveloped transport network. The job creation potential, however temporary, of the current ongoing infrastructure projects is also a welcome benefit to South Africa's underutilised labour force, although it doesn't address the pressing need for continuous, long-term employment. While, as mentioned above, the infrastructural upgrading is likely to benefit tourists the most, the government does hope that the planned increase in tourist numbers will lead to overall economic growth, which will in turn benefit the impoverished local community, but the record of such neoliberal 'redistribution through growth' policies, especially in a South African context, is a highly dubious one. The intention to spread the benefits of tourism as widely as possible during the tournament, as well as afterwards, could be hampered by tourist flows being directed at the larger host cities to the detriment of the smaller ones. This characteristic of event tourism has previously been noted at the 2003 ICC World Cup, which had little economic impact on smaller towns such as Potchefstroom because the majority of tourists tended to travel elsewhere (Saayman et al., 2005:220). The implication of this is that smaller World Cup venues such as Nelspruit or Rustenburg could miss out on the immediate benefits of the event. In the case of Nelspruit the town's proximity to the Kruger National Park could end up attracting greater flows of tourists, but this depends on whether the tourists in 2010 will be interested in experiencing what South Africa has to offer beyond football, an issue which cannot be accurately predicted. Indeed, host cities could benefit from using the event to showcase their broader attractions and arranging a variety of events, cultural and otherwise, around the World Cup. This strategy was used to good effect by Germany, and also by South Korea, where each host city arranged a variety of

cultural events to present South Korea's attractions and traditions to an international audience (Kim and Morrision, 2005:234).

A valuable lesson can also be learnt from South Korea's infrastructure legacy, as the country had to undertake extensive stadium construction in order to meet FIFA's requirements, ultimately resulting in post-event underutilisation of the facilities. South Africa runs a similar risk with its own stadium construction and upgrades, and this is a trend common to developing nations, compared to developed nations which can frequently rely on pre-existing sports facilities and prior mega-event experience. The implication of this for developing nations is that they often have to expend far more resources on preparation for mega-events, with their economic limitations serving to exacerbate the situation and make opportunity costs even more apparent. However, Baade and Matheson (2004a:19) point out that not all aspects of developing nations heighten costs and constraints, as for instance, operating and infrastructure costs may generally be lower in developing countries, and the provision of non-sporting infrastructure may in fact go on to promote economic growth. Despite some of these positive implications for South Africa, the more negative aspects of the infrastructural legacy left behind by the World Cup will be significant. Although extremely difficult to quantify, opportunity costs form a considerable part of this. Campbell (2007:9) cites the example of the construction of a \$29.6 million regional hospital in De Aar being postponed because of planning for the World Cup. When planning for sports events impacts on such necessary infrastructure as medical facilities, the opportunity cost can be considered to be extremely high. Furthermore, it is suggested that the failure of sport to stimulate economic growth on a smaller scale thus far could mean that a similar outcome may occur on a far greater level following 2010. The example cited here is of the Phakisa Race Track, built with public funds as part of a strategy to stimulate economic growth and job creation through sports tourism, which ultimately became a loss-making venture (Campbell, 2007:9-10).

Some of the issues outlined above tie in with the three main driving forces of a World Cup's economic impact, which have been asserted to be stadium investments, foreign tourist spending, and the operating of the stadiums subsequently to the event (Rahmann et al. quoted in Kurscheidt, 2006:10). However, a number of other factors need to be considered in order to understand the multidimensional implications of hosting the World Cup for South Africa. For instance, it is important to bear in mind

that while the country is attempting to engage in nation-building and creating unity, the exacerbating effect of mega-events on internal inequalities is likely to heighten the sense of social division within the nation. While unity and collective national pride can come about if the event is widely perceived to be a success, enhancing the sense of community participation in the tournament and contributing to a greater positive atmosphere, not only are these sentiments difficult to quantify, but they also often prove short-lived, as at the 1995 IRB World Cup. Widespread social and economic wellbeing among the community can also be impacted on by the fact that only a few sectors of the economy are likely to benefit considerably from the World Cup, particularly those that supply football-related goods and services, as was the case in Germany. Small businesses, on the other hand, are likely to suffer as consumption of non-event-related goods and services tends to decrease (Matos, 2006:14). There are also expectations of the construction industry being a significant beneficiary in the run-up to the World Cup (Goliger, 2005:176). Otherwise, much of the direct revenue from the tournament is unlikely to stay within the South African economy, and this can pose a problem considering the extremely high expectations of the country's population, built up by the focus in the organisers' discourses on the numerous benefits the event will bring, especially to the poor. Thus, another significant risk to South Africa is that following the World Cup, the prevailing sentiment among the population may not be one of pride, but rather one of disappointment. Another uncertainty in the run-up to 2010 rests on the outcome of the 2009 presidential election, and while it seems likely that the political situation will remain stable, this is by no means guaranteed, and political instability could serve to undermine nation-building agendas further still. Otherwise, if political stability is maintained, a new presidential style could still prove disruptive by affecting certain continuities currently present in South African politics, or by attempting to use the World Cup as an opportunity to push a new agenda.

On an international level, South Africa's hosting of the FIFA World Cup™ will serve as an important test case for Africa and the rest of the developing world more broadly. South Africa aims to prove that it is capable of hosting more mega-events in the future, and it is simultaneously attempting to open up opportunities for the rest of the continent to host future events. The question of how to involve the rest of Africa in this first African World Cup remains, and to this end, South Africa has initiated the African Legacy Programme, which involves the participation of other

African nations in working together to promote the goals of the African Renaissance through South Africa's hosting of the World Cup. Moreover, the country is attempting to use the tournament to bolster its African identity, as well as for broader international goals such as promoting its status as a regional power in Africa and a middle power globally. However, just as South Africa's focus on its African status initially rebounded and served to highlight the country's negative positioning in the international system rather than transcending it, the country's continual rhetoric about this being an African World Cup could have certain negative consequences, and Bohlmann (2006:25) contends that Africa's positioning in the SADC region, which is widely characterised by underdevelopment and instability, could have a detrimental impact on international willingness to invest in South Africa regardless of how successful the World Cup may turn out to be. More generally, success or failure at the 2010 tournament could have a resounding impact on the likelihood of other developing nations hosting the event successfully in the near future, and on Western perceptions on developing nations' capabilities. Mistakes made in preparation for 2010, as well as in the initial bidding stage, could also serve as valuable lessons to semi-peripheral states vying to host mega-events.

Out of South Africa's multitude of objectives for the World Cup, it remains to be seen which will be fulfilled. However, it has been noted that tight FIFA control over most aspects of any World Cup could be to the detriment of South Africa's attempts to use the event for developmental and nation-building purposes (Cornelissen and Swart, 2006:112). Given the importance of such goals to many developing nations, this could serve as an important lesson in the constraints they would face if attempting to host a World Cup with the same goals. In addition, as competition to host the world's largest sporting events, the Olympics and the FIFA World Cup™, intensifies among semi-peripheral states, it is important to bear in mind recent academic findings about the costs of these events. Bohlmann (2006:21) points out that while hosting the Olympic Games is more demanding on a host city, hosting the Football World Cup places greater demands on a country's overall infrastructural capacity. Further to this, Baade and Matheson (2004b:351) add that even when the World Cup is perceived as a success for the host country as a whole and results in significant profits gained by the organisers, the impact on the average host city is still likely to be negative, as is the impact on the host nation's overall economy. However, as the economic strain placed on developing nations attempting to host a first-order

sporting event seems to have done little to discourage bidding for such events, it seems futile to attempt to argue against hosting altogether. Clearly, there are certain benefits to be gained from mega-events, but these are either very temporary, or are considerably easier for developed states to achieve than their developing counterparts. South Africa's case may highlight some of these issues in a developing context, and other developing states can subsequently learn from the country's mistakes made along the way to the 2010 World Cup.

### **5.5 Trends and directions for the future**

A dominant theme running through the majority of mega-event literature is the dearth of current research into the phenomenon, though the body of literature is steadily growing. Other common themes include the difficulties inherent in calculating the overall impact of events, the greater difficulties experienced by developing nations in the bidding and hosting processes for such events as a consequence of their negative international positioning and the dominance of prevailing discourse about the supposed benefits of hosting mega-events. These are all themes that have been discussed in some detail in the course of this thesis, and particularly with reference to the two World Cup events being analysed. This study has also hoped to break some ground in examining cross-event commonalities and contrasts, which are necessary for a greater understanding of mega-event dynamics but are generally lacking in mega-event literature. In order to gain a fuller understanding of the process at work across the German and South African cases, a longer time-frame would be necessary in order to incorporate the post-event phase in South Africa and long-term impacts in both cases. Unfortunately, this is considerably beyond the scope of this thesis.

Mega-event literature stresses the need for further research across all aspects of sporting events, be they social, political or economic. It is frequently stressed that more empirical evidence, increased accuracy in calculations and a recognition of shortcomings in existing research will go a long way towards helping event decision-makers to maximise event benefits based on more accurate forecasts of economic and other impacts. Campbell (2007:16) suggests that if developing countries lack sufficient capital to host mega-events, they ought to consider smaller events, which will also generate economic and image benefits for the country. These may not be nearly on the same scale as the benefits generated by first-order events, but they come

at much less cost, and in developing contexts, cost can be especially problematic. Dimeo and Kay (2004:1263) get around the issue of developing nations' limited capacities by stating that a joint venture in hosting can help semi-peripherals to overcome some of the disadvantages they face in competing for events. However, the joint venture approach, while utilised with some success by Japan and South Korea in 2002, can throw up a whole set of other tensions between the co-hosts, and can diffuse benefits much more than diffusing costs. It is also asserted that the apparent paucity of developmental alternatives means that event-driven development will continue to appeal to semi-peripheral polities (Black and van der Westhuizen, 2004:1209).

Other strategies are also suggested in mega-event literature for maximising the benefits of a given event. These include the use of event business leveraging, as utilised with a considerable degree of success by the organisers of the 2000 Sydney Olympics (O'Brien, 2006:240-261). Additionally, Chalip and McGuirly (2004:267) suggest the bundling of sport events with the broader mix of a destination's tourism products and services, with a view to enhancing the destination's image even further. The question remains, however, of whether these strategies are going to benefit the host population on a greater scale, or whether they will keep concentrating event profits in the hands of an elite minority. In terms of developmental event discourses, Hiller (2000:454-5) contends that the Cape Town Olympic Bid had raised some new options for ascribing humanitarian value to mega-events, but asserts that ultimately, the Olympic Games are about sport and commerce, not development, and thus development is likely to remain marginal among the overall impacts of mega-events. In addition, Hiller (2000:456) suggests that developmental objectives and rhetoric would be likely to enhance post-event criticism for the failure to meet these goals, but nonetheless states that it is refreshing to think beyond the usual rationales and legitimations for bidding to the possibilities of harnessing mega-events for the public good more broadly.

Returning to the German and South African cases, it must be stressed that the greater long-term impacts of their respective World Cups have yet to be seen. South Africa has dedicated itself to emulating Germany's success, but in reality it runs a far greater risk of failure than Germany ever did during its preparations for 2006. However, despite the various costs and constraints that affect developing nations and their mega-event agendas, and the various risks facing South Africa, it is nonetheless

unfair to write the event off as a failure in advance. After all, South Africa succeeded in overcoming its lack of capacity to host successful sporting events in the past, and even though the FIFA World Cup™ is considerably vaster in scale than any previous event hosted by the country, South Africa appears determined to rise to the challenge. However, even if the tournament is to succeed, spreading the benefits among the wider South African population appears to be the greatest challenge of all. While business initiatives exist to promote Black Economic Empowerment and development projects around World Cup planning, such as the 2010! SWC Business Funding Unit (Cornelissen and Swart, 2006:119), these initiatives can only go so far considering that much of the World Cup planning focus is currently on tourism and sporting infrastructure. Alegi's (2001:16) suggestion is that elite sport ought to be "de-emphasised in favour of providing sporting opportunities to a greater number of South Africans". However, given the ongoing commercialisation and globalisation of sport, the emphasis on elite sport only appears likely to increase. Nevertheless, it is necessary for researchers to suggest alternatives, as emerging research into global sport and the mega-event industry only serves to highlight the glaring inadequacies present therein. Generally speaking, this involves traditional sports fans on a grassroots level and community sport being increasingly overlooked in the interests of monopolistic sports governance bodies, the corporate interests aligned with them and a minority of elite athletes. A danger of the 2010 World Cup is that it may only serve to reinforce this scenario in a South African context. Ultimately, however, it is preferable to avoid speculation about the outcome of Africa's World Cup, because the broader, multidimensional long-term impact of the event will be a vastly complex one, and its various characteristics and manifestations have yet to be seen in order to be better understood.

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