

Selling South Africa: Poverty, Politics and the 2010 FIFA World Cup

By [Chris Webb](#)

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Why is it that governments can find billions of dollars for global sporting events and little to deal with the grinding poverty that affects impoverished populations? Canada applauded itself for the \$135-million in aid and disaster relief it sent to an earthquake ravaged Haiti while spending nearly \$6-billion on the two-week long Vancouver Olympics. A similar contradiction is revealing itself in South Africa, where massive amounts of public and private spending on the upcoming 2010 Soccer World Cup are expected to salve a faltering economy and crippling poverty. Most South Africans, however, will see little direct or sustained economic benefit from the games let alone muster the funds to even purchase a ticket.

What is trumpeted as a branding and investment remedy to South Africa's economic woes may very well become another Greek tragedy - where the legacy of the 2004 Athens Olympics has contributed to an economic meltdown. These global games offer dual incentives to both local and foreign business elites and little to a frustrated local population. On the one hand, investment, sponsorship and tourism opens new markets to foreign capital while local business elites profit from a heightened global image. At least, this is the story sold by both the state and World Cup planners. Central to this strategy is selling South Africa as a marketable and consumable brand.

The transition from apartheid to democratic rule in South Africa has been well documented. During this period, the pressures of both domestic and foreign capital forced the emergent African National Congress (ANC) government to follow the economic paradigms of the past and encourage foreign investment. The sanctions that once crippled the economy gave way to a period of increasing investment and relatively stable economic growth. Promoting a comfortable and gentrified image of South Africa perfectly serves the ruling African National Congress's redistribution through growth policy that is intended to drum up foreign investment while selling off government owned assets. The Soccer World Cup effectively opens these economic and political spaces necessary to further neoliberal policies and development.

Spectacle During Recession

The recent mobilizations against the 2010 Winter Olympics by members of Vancouver's poor and indigenous communities indicate the contradictions of increasing corporate welfare amidst economic recession and instability. The effect of the economic recession has taken its toll on Canadians, but its most vicious impact has been reserved for the economies of the developing world. In South Africa, unemployment, inequality and poverty have been greatly exacerbated by the global recession. In late 2008, South Africa ended its decade long

economic growth spurt. The economy shrank by 1.8% in the final quarter of 2008 and by 6.4% in the first three months of 2009. A few weeks after replacing ousted Thabo Mbeki as President, Jacob Zuma admitted, "we have entered a recession."

South African planners have estimated that the World Cup will contribute approximately \$5.5-billion (U.S.) to the economy and create 415,000 jobs, but these figures – like the supposedly positive economic impact of the Vancouver Olympics – are ephemeral and unmeasurable. For the 50 per cent of South Africans living below the poverty line the games will not lead to better housing, healthcare or employment. Government and private sector rhetoric of 'global competitiveness' has also had to face the very real image of a South Africa still scarred by deep racial and economic divisions. The World Cup is the playing field for many of the debates dominating South Africa currently: the nationalization of mines and resource industries; land redistribution and privatization of energy and telephone services. This debate also reflects the bad blood and deep divisions between the ANC and its trade union and communist allies. The international football body FIFA, and its corporate sponsors, want South Africans to forget this debate is happening. Their belief that global games are beneficial to the world is not only highly misleading, but it presents neoliberalism as the only solution to national economic development. It asks the leading question: How would South Africans get better roads and sporting facilities if not for the World Cup? Their discourse is hard to counter. Behind it are the powers of a world built upon power relations – adding the sexiness of sport gives great symbolic force to these unequal relations.

Selling Spectacle

Like Coca-Cola and Adidas – both official sponsors of the World Cup – South Africa is a brand. To foreign investors and business elite, a stable rand and inflation rate are as desirable as a positive brand image before the world. Like Clint Eastwood's *Invictus*, the complexities of ongoing struggles in South Africa can be reduced to inoffensive pabulum and fed to global audiences. The dominance of the global market in South Africa is now reified by liberal Hollywood spectacle. Globalization and brand recognition have led many nations to market their identities as international brands. In fact, many developing nations have little choice but to resort to these international spectacles to lure the brands and investment encouraged by the IMF and World Bank. As Essop Pahad, former minister in the Presidency told the 2010 National Communication Partnership Conference: "This event is about much more than sports – it is about Africa and Africa's ability to host the world."

For one month an estimated 400,000 fans will descend on cities throughout South Africa, and millions more will tune in to watch the largest sporting spectacle hosted, for the first time, by an African nation. Beer guzzling soccer fans at World Cup stadiums will have no choice but to down American Budweiser and Coca-Cola in terms with strict FIFA sponsorship rules. Fans will fill seats at stadiums costing over \$1.8-billion (U.S.) and travel on railways and roads specially upgraded for them. From this vantage point they will see the World Cup's real winners: Adidas, Coca-Cola, Emirates, Sony, Hyundai, Visa, Budweiser, Castrol Oil, Continental Tire, McDonalds, YingLi Solar and Indian IT supergiant Mahindra Satyam. In addition, there are five national sponsors, which include South Africa's largest bank FNB, British Petroleum and the semi-privatized telecommunications company Telkom.

This spending in stadium construction and infrastructure renewal comes as the nation is experiencing its first recession in seventeen years with GDP growth for 2009 now in the red at -0.3 percent. High levels of private investment are supposed to dampen the negative impact of global recession, but as some analysts have pointed out, the games need to do

more than just ensure a short-lived tourism boom. If public funds can be found to pad tourist seats, then funds can, and must, be found to deal with the impact of low economic growth on the most disadvantaged sectors of the population. Township shack dwellers, for example, whose numbers have grown by 50 per cent in the first ten year of post-apartheid democracy, have little to gain from billion dollar stadiums.

For the embattled President Jacob Zuma and his fractured African National Congress, the World Cup serves an invaluable political function. It is a diversion from the many unresolved questions of society, such as increasing income inequality, rampant unemployment, the run-down health system, a national housing crisis and the president's battered personal image resulting from his apparently unquenchable libido.

To create a marketable image of South Africa, the national government and the International Marketing Council of South Africa formed a 2010 National Communication Partnership. The group is working closely with public relations firms across the continent to "change the image of the continent from one which is perceived as poverty stricken and unstable to one that is stable, prosperous and proactive." The Council's "Brand South Africa" strategy was most recently featured at the 2010 World Economic Forum in Davos, Switzerland where it pushed "South Africa's role in influencing the global economic agenda and building the country's reputation as a trade and investment destination." The Brand South Africa group is a private-public partnership made up of government and domestic business elites, some of which are official World Cup sponsors.

The World Cup Local Organizing Committee chose "Celebrate Africa's Humanity" as its slogan. While these glib slogans are never truly intended to reflect the complex diversity of national culture – see Germany's "A Time To Make Friends" – this slogan simplifies issues dramatically for viewers, investors and tourists. As Local Organizing Committee chairman Irvin Khoza puts it: "Africa is a continent rich in resources. But its biggest asset by far is the warmth, friendliness, humility and humanity of its people." It is not only South Africa being viewed, sold, bought and broadcast; the entire continent is, in the words of Brand South Africa, "open for business." Former president Thabo Mbeki hopes "the event will send ripples of confidence from the Cape to Cairo – an event that will create social and economic opportunities throughout Africa."

Selling Africa is tricky. Most African nations since independence have a shoddy record of upholding human rights and democracy. A report in African Business says distressing images of suffering in neighboring Zimbabwe are threatening the branding campaign of the World Cup. Blemishes like these have led spin-doctors to roll out an image polishing campaign that makes situations like the national emergency in Zimbabwe entirely separate from African development as a whole. When, in fact, they are intricately linked. Thabo Mbeki's policy of quiet diplomacy with Zimbabwe drew fierce criticism in South Africa, and his inability to prevent a social and economic meltdown in the country has been blamed for the masses of migrant Zimbabweans still streaming across the South African border. "From a branding point of view," says Dr. Nikolaus Ebert, the man responsible for branding the event, "the greatest threat to South Africa's image is blowback – the unintended consequence of an unsympathetic or cynical foreign policy."

But as the Ugandan scholar Mahmood Mamdani says, South Africans have always seen themselves as unique from the rest of Africa. Selling Africa means highlighting the successes of South Africa's wholesale embrace of neoliberalism and distancing it from the

unsavory actions of its neighbours. The marketing and media campaign behind the World Cup will no-doubt seek to smooth out the complexities of growth and development while framing South Africa as the success-story of African neoliberalism. A glossy picture its neighbours should attempt to emulate.

A national survey reveals that 74 per cent of South Africans are optimistic about the employment and economic impact of the World Cup. But does this mean they will directly benefit from the billions poured into the games from their own pockets? The record indicates the opposite. If the World Cup is to bring any domestic benefits, it must serve the interests of ordinary South Africans before those of Budweiser and Coca-Cola.

Global Games and Social Change

Media portrayals of South Africa have focused heavily on the alarming rise in violent crime in South Africa and the daily-increasing rape and homicide rates (50 murders a day). Domestic and international pressure to take action on violent crime before the World Cup was so intense that South Africa's chief of police told Sky News that his officers should kill criminals if they came under attack. A British company has even begun marketing a 2010 stab-proof vest for football fans visiting the country.

International concern has largely been for the safety of tourists and players visiting South Africa during the tournament and not for those poor and disenfranchised South Africans who face violent crime while living in dire poverty. Indeed, few commentators have asked what benefit the games will have for those living in townships in sight of the new million dollar stadiums. Daunting economic problems remain from the apartheid era – particularly poverty in black communities, lack of economic empowerment among disadvantaged groups, and a shortage of public transportation and housing. More than one-quarter of South Africa's population currently receives social grants, leading some to label it the largest welfare state in the world. South Africa has a 24 per cent unemployment rate with 50 per cent of the population living below the poverty line. At the same time, the richest members of society have increased their annual earnings by as much as 50 percent. According to the Gini Index – a measurement of household income inequalities – South Africa has the second most unequal distribution of income in the world, just behind its neighbor Namibia.

For these reasons ordinary working South Africans may see the billboards and advertising brought by the World Cup, but they are unlikely to see the games themselves. The ticket prices to the big event are likely to deter most of Africa's soccer enthusiasts. With 3 million tickets available, less than 100,000 have been sold in Africa as most Africans are not able to afford the expensive entry fees. Chief Executive Officer of the 2010 FIFA World Cup, Danny Jordaan said that it is the first time in World Cup history that the host nation is not topping the ticket sales list. According to FIFA, the cheapest ticket will cost 55 Euros (570 Rand) for tickets that will entail the holder to sit behind goals. The cheapest ticket for the final is going for 275 Euros (2,842 Rand).

At the bottom end of the economic scale, are those who will only be impacted negatively by the World Cup. Like Cape Town's street sellers, who are reportedly being driven from the city's streets by police and a private security company. Police also recently relocated 600 people who had been camping alongside an inner city railway line in Cape Town to a transit zone on the outskirts of the city. While Danny Jordaan has promised no evictions, the record is against him thus far. These forced relocations draw on the legacy of apartheid era racial and spatial segregation. In this practice South Africa is not alone. It is estimated that the

1988 Seoul Olympics resulted in the eviction of 700,000 people; and the 2008 Beijing Olympics displaced 1.5 million residents.

Udesh Pillay and Orli Bass, researchers with South Africa's Human Sciences Research Council, suggest "inequality may even be exacerbated by the hosting of the World Cup... There is no proof that the hosting of mega-events will result in meaningful job creation." They argue that billions invested in stadium construction and infrastructure renewal may not trickle-down as many politicians expect. "The success of the games will be measured not only in terms of how South African cities are made more competitively global, but in terms of how an undertaking to the poor and indigent can be fulfilled."

Energy, Climate Change and Privatization

The cup will occur at a delicate time for South Africa's energy mogul, Eskom. The national energy utility has warned that power cuts that have plunged millions of households into darkness for years could continue right through to 2010. "Eskom's power system will remain tight over the next five years with an increased likelihood of power interruptions. This trend is set to continue at least until the first new coal-fired base load power station is commissioned in 2011," the utility reported last year.

Eskom is the continent's largest energy utility and is the primary source of greenhouse gas emissions in South Africa. South Africa is also the biggest greenhouse gas emitter on the continent, with 73% of African emissions. Coal is the major fuel source used by Eskom, and the utility used 94.14 million tons of it in 2001. Eskom receives its coal at rock bottom prices because the high volume of supply contracts awarded to coal companies allows them to sell non-export quality coal cheaply. Despite these high emission levels, South Africa is already engaged in doubling its electricity generation capacity from coal-fired power stations by 2025.

While Eskom avoided the large-scale privatizations that swiped many South African utilities from the public, it has consistently been on the neoliberal chopping block. Increasing electricity prices and restructuring led to some 20,000 Soweto households being disconnected every month in 2001, until resistance from militant communities rolled back the process. Access to water and electricity has become a key struggle in South Africa's townships. One study conducted through the South Africa's Human Sciences Research Council found that an estimated 10 million people have suffered water cutoffs and electricity disconnections under privatization, mostly because they couldn't afford new, higher rates. Instead of selling off large chunks of Eskom, the government has moved toward partial privatization of projects, which has been identified as a new source of funding in Eskom's search for solutions to its financial woes.

The Congress of South African Trade Unions (COSATU) and the grassroots Anti-Privatization Forum (APF) believe that electricity should remain publicly owned and controlled. The APF, which has actively campaigned against electricity cutoffs, evictions, and supported workers' struggles against privatization in Johannesburg, has heavily criticized Eskom for doing nothing to bring basic electrical services to the poor and for continuing to rely heavily on fossil fuels. According to COSATU, the privatization of Eskom would contradict the Government's previous commitment to enhance services for the poor and support economic development.

The partial privatization of Eskom and the on-going debate over privatization and

nationalization in South Africa plays into the ideological battle being waged around the World Cup and within the ruling African National Congress. Behind the rhetoric of global competition and brand identity, is the fact that global capitalism has not delivered the goods for the vast majority of South Africa's population. In the townships outside Cape Town and Johannesburg, dreams of real liberation – and even basic service delivery – have been put on hold while the country reintegrates itself into a neocolonial system that is intent on draining further wealth from an already exploited continent. As the late political economist Giovanni Arrighi commented, "there may be little that most states can do to upgrade their economies in the global hierarchies of wealth." Global games represent one option, but as his colleague John Saul points out "the fact is that Southern Africa simply cannot compete with more powerful capitalist centers at playing their own game."

Chris Webb is a South African journalist, scholar and activist living in Toronto. His writing has appeared in *Canadian Dimension*, *New Internationalist*, *Canada's History* and the *Winnipeg Free Press*. He is the Publishing Assistant at *Canadian Dimension*.

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