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■ **Pillay, U. (2007) Mega-events and poverty reduction: reflections on the 2010 FIFA world cup. (Paper presented at the International Seminar on Human Rights Indicators, Sao Paulo, 19-21 June).**

Note : Paper presented at the International Seminar on Human Rights Indicators, Sao Paulo, 19-21 June

Keywords : soccer world cup

Team : Pillay, Udesh (Dr U.)
Pillay, Udesh (Dr U.)

Department(s) : Urban, Rural and Economic Development

Output type : Conference or seminar papers

Print : HSRC Library: shelf number 4971



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Mega-events and Poverty Reduction: Reflections on the 2010 FIFA World Cup
Udesh Pillay

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(a) Introduction

The decision in May 2004 by soccer world body FIFA to award South Africa the right to host the 2010 World Cup has shifted the spotlight onto our cities, and their ability and readiness to cope. Although the event is still just over three years away, scholarly and other forms of analysis attesting to infrastructure and service delivery readiness has begun. While speculative, although informed, opinion suggests that South African cities will, indeed, be in a position to successfully host the tournament in 2010, widespread consensus also suggests that much needs to be done between now and then. South Africa is the first African nation to host such a mega-sporting event, prompting President Thabo Mbeki to pronounce this not a South African event but an African one. Much is expected from a host nation, and global attention has already started to focus on the opportunities and threats that come with such an ambitious undertaking, especially for a transitional democracy recovering from years of spatial, racial and political fragmentation.

(b) Urban Development

Urban development and renewal has been identified by government as a key national imperative. As such, assessing the development implications of hosting the World Cup in 2010, especially at a time in which government's urban renewal strategy is (eventually) being finalised, becomes critical. With urbanisation rates projected at 65% in five years, with the six 'big' metropolitan economies currently contributing 63% of GDP, and with service, infrastructure and income disparities widening in our urban areas, any initiative aimed at stimulating economic growth and job creation needs to be carefully nurtured and sustained. The hosting of the FIFA World Cup in 2010 has the potential to do precisely this.

I wrote twenty four months ago that the 2010 FIFA World Cup presents South Africa with a unique opportunity to fast-track the development impetus in our cities and larger towns. If a programme of action is well conceptualised and formulated, I argued the spin-offs for our cities could be immeasurable.

Developments since then, at both national and local level, have been significant. The national government has outlined its blueprint for how the roll-out of this massive public works undertaking should commence, and the host cities have begun planning in earnest, particularly with regard to stadium construction and/or refurbishment, and the development of a more efficient public transport system. A lack of communication, both vertically and horizontally, has been a problem, but much attention has been given to this recently.

The signs however, have been mostly encouraging, and the debate over policy and process has given way to a reasonable amount of consensus, with the actual business of construction and development now proceeding apace. Decisions around stadium upgrading and infrastructure development seem, for the most part, as government would have us believe to have been subject to democratically-based decision-making processes, with growth, equity and sustainability principles seen as mutually reinforcing. As the literature reminds us, excluding such principles often has very harmful consequences for cities and their long-term future.

Having said this, mega-events are often used as 'spectacles' that can best be understood as either instruments of hegemonic power, or displays of urban 'boosterism' by economic elites wed to a particularly narrow-minded pro-growth vision of the city. As such, these events are often seen as no more than public relations ventures far removed from the realities of urban problems and challenges. 'Welfarist' and equity-based considerations tend to be conspicuously absent.

Fortunately for South Africa - although time will truly tell the story here - drawing on the experiences of countries in which significant opposition was generated from marginalised and powerless communities who saw little material benefit accruing from the event, drawing from a wide body of literature attesting to the ability of mega sporting events to truly nurture a holistic development path, and taking important lessons from the Cape Town Olympic bid experience into account, planners considered two elements to be vital albeit two years ago.

First, that the tournament be conceived as a catalyst for improving the life conditions of the historically disadvantaged (this is meticulously spelt out in the bid blueprint); and, secondly that, re-designing the apartheid city in order to create new functional linkages become a central thrust, with a series of action plans convincingly - although still hypothetically - illustrating how this is to be achieved. An integrated public transport system comes to mind here.

Despite there being a very comprehensive and well-grounded bid plan which, in essence, laid the foundation for a truly meaningful development agenda, I have argued before that it remains no more than a blue-print unless the essence and spirit that underpin its key pillars are enforced in a programme of development that talks to the twin, and often competing, demands of what is required in terms of FIFA's technical specifications, and what may be the broader development imperatives of a host nation.

What I argued for two years ago - which has yet to materialise - was the start among scholars and practitioners of a robust debate that ensures that the work of the local organising committee (LOC), and all the other major players, starts and is sustained on the basis in which the bid was conceived. There needn't, I pointed out then, be anything intrusive about such a public engagement with the work of the LOC and the cities, as it is well documented that appropriate checks and balances are always a necessary prerequisite to desirous outcomes. A well-functioning and confident LOC, and industrious and hard-working cities, would, indeed, welcome such debate, despite their contractual obligations and responsibilities. Some of the questions that I considered to be key in informing such debate included the following:

- (i) what are the current capabilities of, and what is the state of readiness among, South African cities to host this event?,
- (ii) in the run-up to the event, can urban development and renewal - especially in the six major urban conurbations - be fast-tracked, and how?,
- (iii) is it possible that growth and equity issues become truly reinforcing concepts in a sustainable programme of urban development, renewal and poverty reduction preceding the event?
- (iv) how can a well-grounded programme of urban development (initiated before the event) take root and be sustained well into the future, with multiple spin-offs for all city dwellers, in particular the poor and marginalised?
- (v) what are public perceptions of the impact hosting the event is likely to have on their livelihoods?, and
- (vi) how do we measure the potential of the event to place South African cities among a global hierarchy of competitive metropolitan economies?

This list was not exhaustive, but as committed South Africans, the start of a process of constructive and responsible engagement at some level needed to start. Vigorous and sustained public debate, especially the dialogue that commenced after the conclusion of the 2006 event in Germany, and informed scholarly analysis, I argued, would provide direct insight and a nuanced multi-dimensional understanding of the development consequences of hosting a mega-sporting event.

The process of debate, dialogue and reflection on the one hand, and the immediate business of construction and infrastructure upgrading on the other, are not mutually exclusive processes, and necessarily need to inform each other. They are processes that must run in parallel, with both providing an important set of checks and balances, despite deliverables that are cast in stone and time-frames that simply have to be met. No doubt politics and constituency-based agendas would intersect with the above processes, but this too is a healthy development provided it does not impede progress.

I pointed out that if the above happened, the basis for pro-active planning to ensure maximum benefit for all South Africans, especially the poor and marginalized, would likely to take root. Unique opportunities to fast-track the urban development impetus in our cities and larger towns were likely to ensue, with significant policy implications for how government starts thinking about city-wide renewal, development and regeneration strategies.

It may have even been possible, I concluded, for our cities to recreate their personalities in this process, allowing them to compete in an increasingly homogenised world, enhancing their image and aesthetic status on the global stage. I argued optimistically that if all this came together, we could see close to 200 000 visitors here in 2010, a boost to the economy to the tune of R25bn, and the creation of 150 000 new jobs. The boost to national pride, and the potential to nurture a true South African identity, while intangible benefits, was also likely to be significant.

(c) Getting the basics rights

About twelve months later and twelve months ago, I felt somewhat less optimistic about development prospects, while still remaining enthusiastic about the event itself. I am, after all, a self-confessed soccer fanatic.

So I posed some cautionary (although certainly not an exhaustive set of) reminders worthy of consideration by those involved in the process, especially those directly responsible for getting our cities ready to host the event. They included, inter alia, local government practitioners, property developers, members of the construction industry, and others involved in the service sector.

First and foremost – and rather urgently I argued a year ago, a national development framework needed to be established that resonated with the key development objectives spelt out in the bid blueprint for which the Local Organising Committee (LOC), in collaboration with the relevant line ministries in government, and the host cities, must take direct responsibility for overseeing and enforcing.

While individual cities may well decide on the specific mechanics of implementing development plans, a core, non-negotiable set of broader 'public good' development principles needed to be subscribed to that corresponded with those enshrined in the blueprint. This was absolutely critical, and one way of ensuring that the necessary synergy was realised, I argued, was by building this into the terms of reference (TOR) for the many tenders that were about to be advertised, and for adjudicators to subsequently scrupulously evaluate submissions to make sure bidders have complied with the development criteria. This, regrettably, has not happened!

Secondly, it was critically important, I concluded that cities modulate and revise their pre-existing set of development strategies to align with the development imperatives outlined in the bid book. This was initially not too difficult since our larger cities have, in the recent past, developed a set of regeneration strategies that in most cases corresponded with the (city-based) development principles outlined in the bid.

Indeed, bid drafters were at pains to highlight the pre-existing development trajectory of our cities in the blueprint, arguing that hosting the World Cup would give renewed expression to a holistically-grounded set of urban renewal and regeneration plans.

However, some of our cities aspire to do other things as well, like becoming world-class and globally-competitive. Unfortunately (most) proponents of this idea have subscribed to a formulaic, economic growth-centered model of development for our cities, in which benefits to the poor and marginalized will – eventually- accrue through 'trickle-down' effects. Embracing an almost-exclusive neo-liberal, market-orientated approach, the idea here is to position cities like Johannesburg among a global hierarchy of competitive metropolitan areas.

What had to happen, I argued, was that the underlying principles of this strategy needed to be re-negotiated, and a balance struck between the (in theory) development imperatives that have evolved as a result of our winning bid, and indeed the important need to make our cities globally competitive, but with new ideologies and discourses of development at the core of this strategy. This has not materialised as well, with the

more noble development goals outlined in the bid being sacrificed, not unpredictably, for the more direct infrastructure and imperatives and demands of the event. What this has done, in cases like Durban, Cape Town and Johannesburg, is simply to reinforce a pro-growth development strategy. So much, then, for a set of well-grounded urban renewal and regeneration plans.

Thirdly, as difficult as I argued it may be, our cities needed to start co-operating, and the impulse to compete (albeit in a then highly competitive environment in which the host cities had not as yet been chosen) needed to give way to an understanding that the potential benefits that accrue should be seen as national 'public goods'. In other words, job creation, economic growth, improved service delivery and infrastructure development, and the forging of a collective identity, needed to be realised and subsequently felt throughout the country, and not just in particular locales.

While cities are, indeed, our engines of growth (65% of GDP is generated here) and the World Cup does present us with unique opportunities to fast-track urban development, it also provides us with a glorious chance to help reconstruct our under-developed and peripheral areas. The aforementioned development framework that I mandated the LOC and government to oversee needed to incorporate this. I also argued that the South African Cities Network (SACN) could also play a useful brokering role here among over-zealous cities. None of this has occurred!

Fourthly, and again a year ago, I argued that one needed to tease out the nature of the relationship between FIFA and the LOC more carefully and with greater scrutiny. As representative of South Africa's interests (by overseeing the activities of the various agents that will deliver the World Cup), the LOC needed to clarify from FIFA what exactly its role is, what as a result of this it is mandated and entrusted to do, on whose behalf such a mandate is being undertaken, and how much autonomy it has in making decisions. As 'owner' of the event, and with profit generation very much in mind, FIFA could well dictate, I pointed out, the nature of business arrangements, commercial partnerships and other economic transactions, which could have significant consequences for the kind of development agenda pursued.

In fact I was a bit naïve then in assuming anything else. As Jurgen Rothman, co-ordinator of the 2006 World Cup in Germany recently told me, "FIFA has all the rights...they control the ticket sales, ticket availability, media rights, signage and so on". He went on to add that FIFA is "uncompromising" in its regulations and that "they have made it clear that the 2006 event was a FIFA world cup hosted in Germany". He also exhorted the LOC to understand how FIFA operates right at the outset.

So put paid to an argument I developed on the need to (re) negotiate the nature and terms of the FIFA-LOC engagement on the basis, while recognising the profit-generating imperatives of FIFA, that the development impacts of the event may be more widespread. I did not at all imply that this was a central mandate of the LOC, but I did believe – rather naively again I must admit – that the whole "this is an African World Cup" theme could be invoked.

Finally, I argued that while public participation in the decision-making process was important, the impact of this was best realised if one understands what the public is thinking. Public perceptions vis-à-vis a range of World Cup issues needed to be

constantly measured and analysed, and then directly inform especially that part of the development agenda that speaks to the benefits that could potentially accrue to the poor and marginalised. Stadium construction and transport infrastructure upgrades must continue in earnest as time was running out, I noted, but the type and nature of development intervention - especially in disadvantaged communities - must evolve as perceptions are canvassed and public behaviour scrutinised. This has not happened to the extent envisaged nor desired.

The above list I felt would grow as we, as a nation, got to grips with the business of preparing to host this mighty event. They were, however, some of the more immediate – or, rather, a year ago more relevant - cautionary pointers in what I otherwise considered to be an exciting and challenging time.

(d) Legacy issues: some concluding reflections

So where is my thinking at the moment? Well I've had to (re) calibrate it somewhat.

It is very tempting to see the legacy that 2010 needs to leave behind in terms articulated exclusively in the language of 'social justice'. That, however – as recent experience has shown, my observations have noted and my scholarly reflections have revealed – may simply be an inaccurate way to frame this debate.

Having said that, there is (still) a body of thought that posits that for 2010 to have been deemed successful, the primary beneficiaries must be the poor, marginalized and impoverished. The argument is that in the run-up to 2010 and, indeed, after the event, the value of the spectacle must be measured, inter alia, by the number of jobs created (particularly in the 'second economy'), the extent to which services to the poor have been accelerated, how the public transport system has been enhanced to cut – and make more safe and reliable - commuting time between place of residence and work, the net contribution to the GDP to allow redistribution and social grant programmes to gain momentum, and whether other RDP and 'welfare-based' ASGISA objectives can be fulfilled.

There is also a growing body of thought that argues that 2010 can make significant inroads in changing the anomalous form and structure of our cities, brought on by decades of apartheid spatial planning.

Now I have always maintained and argued – as I did earlier – that issues of growth and equity as mutually reinforcing concepts are crucial if 2010 is to meet with the kinds of development successes we hope, including in the planning stages. I have also argued that the success of the event will be measured not only in terms of how we make South African cities more competitively globally, but in terms of how an undertaking to the poor and indigent can be fulfilled. I stand by that!

What I have learnt recently as a result of much research and scholarly analysis - and as I pointed out a minute ago - is not to frame this debate in mutually exclusive terms. In other words not as one that posits that, we either create jobs and improve the plight of the poor by doing so, or we focus on the opportunities created by 2010 to attract foreign direct investment (FDI) that will help grow the economy to 6% per annum. We cannot, so the argument goes, do both!

This is where, I surmise, we are getting it wrong, although my position on this –my critics would argue – may be somewhat of a kop out! These goals (and a whole subset beneath them) are not contradictory, and a debate needs to start with much urgency around these issues if this is a World Cup that is to be truly beneficial to all South Africans. I called publicly for such a debate well over two years ago!

What is required is a consensus-driven understanding by all stakeholders and constituencies that if we work together, pool resources, align visions, collectively chart processes, and conjointly identify targets, the end result will truly benefit the country as whole, not just specific sectors. While competing discourses on development are important as we begin in earnest with the planning and the roll-out of large programmes required to make 2010 a success, this must not come at the expense of a collective vision, one based not just on consensus (consensus, after all is often about compromise), but one grounded in what is truly best for the country given our challenges and prospects.

It begs the question though whether it is too late to reach such consensus? Are the more technically-driven imperatives associated with getting the infrastructure in place to host the event likely to mitigate against collectively-charted, and consensus-driven, development outcomes? Perhaps!

I do however feel that - even at this 'late stage' – a potential meeting of minds will agree that not all of South Africa's urban 'ills' will be solved by 2010 nor, conversely, will our country immediately join a global hierarchy – an elite list as it were – of competitive national economies. It will also agree that 2010 will create jobs, but not solve our unemployment problems; that it will improve our public transport system, but not solve the public transport problem; that it may help accelerate service delivery in some of our urban townships, but only marginally; that it will position the country more competitively, but not before we get more of the basics right – like crime and industrial policy; that we will have world class facilities to attract mega-events in future, but for the large part these are likely to be under-utilised in future; that there is likely to be a positive net contribution to the GDP, but that 2010 is unlikely to deliver an 6% growth rate.

I'm not saying anything necessarily new here, but simply positing that our 2010 legacy must be broadly defined. If 85% of South Africans, as the second wave of a HSRC longitudinal survey on 2010 has revealed, are optimistic about a combination of job prospects, economic growth and international standing that may result from 2010, surely we have an obligation as policy makers, practitioners, civil society and scholars to make sure that in our many meetings, round-tables and forums ahead of 2010, we negotiate a consensus about anticipated benefits and prospective costs.

If recent debates, and much unpleasantness, around the Gautrain, Green Point Stadium, the N2 Gateway project, La Mercy airport, and the Soweto monorail are anything to go by on, we may be in for a tough round of negotiations, compromise and settlement. I am not fond of the words 'trade-off', 'trickle-down' and 'best practice'. I also agree that in a crudely defined 'rich'/'poor' continuum, especially as development agendas take root ahead of 2010, we need the necessary checks and balances to avoid outcomes that create tension and unnecessary conflict.

But somewhere in between all of this, we need to arrive at a national consensus, driven by our leaders, on what kind of legacy 2010 is realistically and practically able (or likely) to leave behind. Legacy outcomes are not zero-sum games. Perhaps we need a stakeholder's compact of sorts as the increasing importance of talking with one voice gains momentum?

As to 2010's direct role in poverty reduction? While developmental benefits of mega-events in the periphery are frequently touted, there is really no guarantee that the actual impacts will benefit the poor. In situating mega events as a response to poverty reduction, careful consideration is required in order to mitigate against the potential for over-inflating their legacies and positioning as a panacea to a country's developmental challenges. I've tried to make this point before, and have therefore tried to steer the debate away from mutually exclusive scenarios.

Finally, the ANC's policy conference begins today at Gallagher Estate. There will be much talk about appropriate economic policy, social spending and labour market reform. There will even be some talk of more appropriate poverty reduction strategies. But the conference will be silent on the (now lost) development potential of 2010, the impact direct spending on the event has had on our current account balance, and how the roll out of government's R400b infrastructure programme has been compromised as a result of the initiative. It really makes one think, and makes talk around what constitutes the true nature of a 'development' state in South Africa seem premature and somewhat contrived.