The World Cup and South Africa

Ann Talbot
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Football and squalid shantytowns are no strangers to one another. For many barefoot children playing the game in the dust, their skills with the ball are seen as a way out of poverty. For many others watching, the game offers a short respite from the daily hardships and frustrations of their lives.

So when the players and fans speed along the motorway from the renovated Cape Town airport to their plush hotels, past the squatter settlements where more than a million people live, there is nothing new in this stark juxtaposition of wealth and poverty. What is new is the scale of the returns that the World Cup will generate from ticket sales, television rights and sponsorship, and the scale of the cynicism with which politicians and businessmen exploit the passion of fans.

FIFA, football's world governing body, expects to make a net profit of $3 billion out of the tournament. None of this money will find its way back to the population of the host country. South Africans will be paying the estimated $4 billion that the tournament cost to stage for a long time to come. If the figure seems vague, it is because the cost of these events is always underestimated by the business consultants who prepare the proposals.

Equally, the benefits are just as routinely overestimated. FIFA President Sepp Blatter claims that hosting the World Cup will transform the lives of millions of Africans. It is supposed to leave a legacy of world-class sporting stadiums, new jobs and better transport links.

Udesh Pilley of the South African Human Sciences Research Council estimates that only 150,000 jobs were created in construction. Even they have been short-lived. There are no long-term job gains, and many of the transport links benefit better-off areas rather than the shantytowns that lack the most basic services.

Even the supposed boost to tourism has not materialised. Initial estimates suggested that three quarters of a million visitors would come. Now it seems that the figure is closer to 200,000.

By contrast, FIFA received $3.5 billion for the television rights alone, with US companies emerging as new buyers. An estimated 26 billion people are expected to watch worldwide. Walt Disney-owned ESPN and ABC paid $150 million for the US broadcast rights to the 2010 and 2014 World Cups, and Univision paid $325 million for the Spanish-language rights in the US.

The business of football is an incestuous affair. Phillipe Blatter, the nephew of Sepp Blatter, is a major investor in a company called Match Hospitality. This firm booked one third of all available hotel accommodations ahead of the tournament. It planned to let the rooms at 10 times the cost price to the hordes of football fans that were expected.

When the take-up proved to be less than expected, the company handed back more than 400,000 rooms. By then, it was already too late for the hotels to get alternative bookings.

Global companies that are officially associated with the World Cup, such as Nike and McDonalds, stand to make huge profits. Even companies with no direct connection such as high street and online electronics retailers and supermarkets have experienced a boost to profits.

South African companies have been quick to get in on the act. The South African cosmetics company Optiphi has invited the wives and girlfriends of England players to a charity event. In return, these women, who are notorious for their lavish spending, will each receive a selection of designer clothes, shoes, skincare products and a safari.

"We want to show the hospitality of South Africa towards England," a spokeswoman for the company said. "So each England player's partner will receive goody bags with items to the value of 100,000 Rand ($13,000) at our cocktail evening."

There are allegations of corruption surrounding the construction of World Cup facilities. Jimmy Mohlala, a former vice president of the South African Football Association, was shot dead at his home after he raised questions about the construction of Mbombela stadium.

For the most part, the five new stadiums will be left as expensive white elephants. The Green Point Stadium,

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which is to be the venue for the semi-finals, has a capacity of 60,000 seats. But the normal South African league game draws a crowd of no more than 10,000. It cost $600 million, and local people will still be paying the bill long after FIFA has left town.

A cheaper plan to refurbish a stadium in the black township of Athlone nearby was dropped after FIFA insisted on the Green Point location because it would provide a backdrop of Table Mountain for the television coverage. Athlone has been used as a training facility, but there is no new transport link.

Only 0.5 percent of tickets have been sold to Africans. Few Africans have an Internet connection or a credit card to access the official FIFA ticket system.

Nigeria, where football is a national passion, has bought only 700 tickets. The cheapest tickets cost $20. Figures published by the Bureau of Market Research in March showed that 75 percent of South Africans earn less than $20 a day. The earnings of those in the informal economy or those who are unemployed are lower still. A Gallup survey found that 35 percent of South Africans went without enough to eat at some point in 2009.

Far from the World Cup creating jobs, it threatens the livelihoods of many of those who work in the informal sector, which makes up the biggest single component of the South African economy. Taxi drivers who normally provide most of South Africa's urban transport have been displaced by special rapid-transit buses. Markets have been demolished to make way for malls. Street vendors have been forbidden from operating near the venues. Only official FIFA merchandise can be sold. Undercover FIFA police make sure that the diktat is observed.

The FIFA zone has taken on the character of a country within a country. It has even laid claim to the South African national flag for the duration of the tournament.

Its activities and those of the companies associated with it are largely exempt from South African laws. A "tax bubble" has been created around the World Cup venues, giving official vendors exemption from sales tax, income tax, exchange regulations and customs duties.

FIFA is not liable for any legal claims, such as the injuries suffered by fans when a stampede took place at one of the stadiums. The resources of the state have been turned over to a vast money-making venture. Some 40,000 extra police officers have been recruited, and the police have been equipped with new weapons and battle wagons.

Hospitals have been emptied to make sure that beds will be available in the event of a terrorist attack or other disaster. The BBC has set up a £1 million studio on the roof of the maternity unit at Somerset Hospital in Cape Town.

Parts of the building are literally falling down. The contrast between the new stadiums, the state-of-the-art studio and the crumbling hospital is all too evident.

Shantytowns and hostels closest to the venues have been cleared and their residents corralled in temporary relocation centres such as Blikkiesdorp—or Tin Can Town, as it is known. There, whole families are housed in one-room metal sheds.

The site on Cape Flats is a sandy, windswept wasteland, and the shacks offer little protection from the extremes of heat and cold. Water and sanitation are shared between groups of four households.

There is no work, and few can afford the 20-mile trip to Cape Town. The police descend on the settlement at night, terrorising residents found out of doors.

Blikkiesdorp has been described as a dumping ground for unwanted people and even likened to the fictional District 9. It is the reverse image of the enclosed world of luxury in which the World Cup is taking place.

The entire spectacle of the World Cup in South Africa demonstrates that capitalism is incapable of providing even the basic necessities of human existence and can only exploit sport and other cultural activities in the interests of profit.

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