

The Intended and Actual Impacts of Mega-events:
***An international comparative study on mega-event hosting and a
speculative review of South Africa's preparations for the 2010 Football
World Cup***

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| | |
|---|------------|
| PROJECT OVERVIEW | 4 |
| CHAPTER 1: INTRODUCTION..... | 8 |
| CHAPTER 2: THE NATURE OF MEGA-EVENTS | 13 |
| 2.1 DEFINITION OF MEGA-EVENTS AND TYPES OF MAJOR MEGA-EVENTS | 14 |
| 2.2 MEGA-EVENTS | 16 |
| 2.2.1 <i>Types of Mega-Events: Universal exhibitions</i> | 17 |
| 2.2.2 <i>Olympic Games</i> | 19 |
| 2.2.3 <i>FIFA World Cup</i> | 22 |
| 2.2.4 <i>FIFA's expansion from Euro-Latino-centrism</i> | 28 |
| 2.2.5 <i>The bidding and hosting process of the FIFA World Cup</i> | 34 |
| 2.2.6 <i>FIFA World Cup and Gender Participation</i> | 38 |
| 2.3 MEGA-EVENTS AS TOOLS FOR URBAN REVITALIZATION | 40 |
| CHAPTER 3: RISKS, GOALS AND OPPORTUNITIES | 44 |
| 3.1 COMMON RISKS | 44 |
| 3.2 COMMON GOALS..... | 47 |
| 3.2.1 <i>Economy</i> | 55 |
| 3.2.2 <i>Tourism</i> | 61 |
| 3.2.3 <i>Image Projection</i> | 69 |
| 3.2.4 <i>Urban and infrastructure development</i> | 77 |
| 3.2.5 <i>Specific host country goals</i> | 84 |
| 3.3 COMMON OPPORTUNITIES | 86 |
| 3.3.1 <i>Improve organizational Capacity and Internal Cooperation</i> | 87 |
| 3.3.2 <i>International Cooperation</i> | 89 |
| CHAPTER 4: MEGA-EVENT ASSESSMENTS: SOME METHODOLOGICAL PROBLEMS | 91 |
| 4.1 INTRODUCTION | 91 |
| 4.2 ECONOMIC DISCREPANCIES..... | 96 |
| 4.3 SUSTAINABLE DEVELOPMENT EVALUATION | 99 |
| 4.4 METHODOLOGY AND STAGES OF DEVELOPMENT | 101 |
| CHAPTER 5: POTENTIAL ISSUES AND IMPACTS ASSOCIATED WITH HOSTING A MEGA-EVENT | 106 |
| 5.1 INTRODUCTION | 106 |
| 5.2 ECONOMIC IMPACTS | 107 |
| 5.2.1 <i>Event Costs</i> | 107 |
| 5.2.2 <i>Public finance</i> | 110 |
| 5.2.3 <i>Urban development and public debt</i> | 113 |
| 5.2.4 <i>Skills shortages</i> | 115 |
| 5.2.5 <i>Potentially uneven spread of costs and benefits</i> | 117 |
| 5.3 POLITICAL IMPACTS..... | 118 |
| 5.3.1 <i>Political lobbying</i> | 119 |
| 5.3.2 <i>Political decision-making in terms of infrastructure</i> | 120 |
| 5.3.3 <i>Political party changes during the event planning process</i> | 126 |
| 5.4 STADIUM-RELATED IMPACTS..... | 126 |
| 5.4.1 <i>Stadiums for a global television audience</i> | 127 |
| 5.4.2 <i>Finding the optimal combination of venue locations</i> | 128 |
| 5.4.3 <i>The importance of highly analytical, swift decision-making</i> | 130 |
| 5.4.4 <i>The danger of too many stadiums</i> | 130 |
| 5.4.5 <i>The problem of unsustainable stadiums</i> | 131 |
| 5.4.6 <i>Overcoming scheduling difficulties and environmental problems</i> | 133 |
| 5.5 PERCEPTUAL IMPACTS..... | 134 |
| 5.5.1 <i>Local Business Impact</i> | 134 |
| 5.5.2 <i>Residential impact</i> | 135 |
| 5.5.3 <i>Possible benefits to stadium precincts</i> | 138 |

| | |
|---|------------|
| 5.5.4 <i>General perception and media portrayal of stadium preparations</i> | 140 |
| 5.5.5 <i>Disorder and conflict</i> | 143 |
| 5.6 FACTORS RELATING TO SUSTAINABILITY | 143 |
| CHAPTER 6: SOME LESSONS LEARNT | 145 |
| 6.1 PLANNING..... | 145 |
| 6.1.1 <i>Minimalist but targeted planning</i> | 147 |
| 6.1.2 <i>Participation</i> | 149 |
| 6.1.3 <i>Gentrification</i> | 153 |
| 6.1.4 <i>Planning mega-events in Africa</i> | 153 |
| 6.2 ORGANIZATION..... | 154 |
| 6.2.1 <i>'Tickets' outside the stadium</i> | 155 |
| 6.3 STADIUMS | 157 |
| 6.6 DESTINATION MARKETING..... | 158 |
| CHAPTER 7: SPECULATIVE REVIEW: THE CASE OF SOUTH AFRICA WITH PARTICULAR REFERENCE TO CAPE TOWN | 161 |
| 7.1 MEGA-EVENT PRECEDENT | 161 |
| 7.2 FIFA WORLD CUP BID HISTORY IN SOUTH AFRICA | 162 |
| 7.3 AN ALL-AFRICAN WORLD CUP | 169 |
| 7.4 PUBLIC EXPECTATIONS | 171 |
| 7.5 FINANCE, STADIUMS AND INFRASTRUCTURE | 175 |
| 7.6 IMPACTS ON LOCAL BUSINESSES | 192 |
| 7.7 CONCLUSION..... | 198 |
| CHAPTER 8: SUGGESTIONS FOR FURTHER RESEARCH | 200 |
| REFERENCES | 206 |
| BIBLIOGRAPHY | 222 |
| APPENDIX: INTERVIEWS, CONFERENCES AND PRESENTATIONS | 228 |

PROJECT OVERVIEW

In May of 2004, South Africa was awarded the opportunity to host the Football World Cup in 2010 on behalf of the Federation Internationale de Football Association (FIFA). The purpose of this research is to extract lessons, where possible, about international case studies and to identify relevant issues, impacts and key success factors related to hosting mega-events. The project aims to explore the potential for South African cities, particularly Cape Town, to use the 2010 Football World Cup to stimulate urban and economic development.

It is not the intention of this dissertation to review South Africa's bid and determine the effectiveness of the country's 2010 preparations to date, as doing so would be premature at this stage. Rather, following an international literature review and a section on potential lessons that can be derived from precedent studies, the work concludes with a speculative chapter about possible benefits and problems which could emerge with particular reference to the City of Cape Town in its preparations for the FIFA World Cup in 2010. This thesis does not intend to assert that there is one formula to successful mega-event hosting. The purpose is to gather insight from precedent that can be used to inform decision-makers.

The methodology included an extensive review of international mega-event literature published in the English language. Some documents published in Spanish, German and French were additionally reviewed. The University of Cape Town, the Polytechnic University of Catalonia, Arizona State University, the

Human Sciences Research Council of South Africa and a variety of Internet library resources were used to access academic publications, consultant studies, materials pertinent to South African mega-event bids and news publications relevant to the impacts of mega-events on urban and economic development. The studies used focus primarily on the FIFA World Cup, although some research, where relevant, is drawn from international studies on the Olympic Games and other major world events. The focus of this research is primarily historical and international, in an attempt to provide a broad review of existing literature that can inform future studies focused more specifically on South Africa's preparations for 2010.

Open-ended interviews were conducted with key individuals involved in the unsuccessful 2004 Cape Town Olympic Bid and current 2010 FIFA World Cup preparations. These interviews are listed in the appendix of this document. At the outset of the project, interviews were intended to form a substantial part of the research. However, several key individuals who were initially involved in planning for the 2010 Football World Cup in South Africa had left their posts, significantly changed responsibilities or been replaced by someone new a year later. This occurred in fields as diverse as economic and tourism planning, sport and recreation, legal matters, development, urban planning, and finance and made it difficult to keep abreast the continued developments in planning for the 2010 event. As a result, this project focuses most directly on published material, although the many interviews conducted have helped to inform and guide the rest of the research.

The intention of the dissertation is to help inform researchers and decision-makers focused on planning for the upcoming 2010 FIFA World Cup in South Africa. The report is divided into eight chapters, organized in the following manner:

- An introduction to theoretical and comparative literature on mega-events
- Specific characteristics of the nature of different mega-events
- Brief history of the FIFA World Cup
- Common risks, goals and opportunities associated with mega-events
- Common evaluation and methodology problems
- Overview of impacts of past mega-events, with particular emphasis on the Football World Cup
- Lessons learnt from previous hosts and the importance of visionary leadership, participation and a focus on sustainable development
- A speculative review of South Africa's 2006 and 2010 Football World Cup bid history and ongoing 2010 preparations
- Recommendations for further research

Throughout these chapters, various themes arise that have changed significantly throughout the history of mega-event hosting. These include: the national motivation for hosting mega-events, the increased interest among developing countries to host, the role of sponsorship and the evolution of financial structures, the influence of media and television (and the related shift away from spectator-based planning to planning for an international television audience) and gender. These themes recur throughout the document and, although they do not logically

warrant their own chapters, they signify important ongoing changes in the nature of mega-events.

CHAPTER 1: INTRODUCTION

The largest single (as opposed to multiple-code events, such as the Olympics) sporting event in the world, the FIFA World Cup, will come to South Africa in 2010. The tournament is a truly global affair, involving over 206 countries worldwide and is expected to draw 2.7 million spectators and a television audience of 40 billion. The magnitude of challenge and opportunity associated with hosting an event of this size is extraordinary. However, the actual impacts of hosting are not well understood and this raises questions regarding realistic expectations of the benefits and risks associated with hosting the Football World Cup in South Africa in 2010.

Initially, mega-events like the Universal Exhibitions or the World's Fair were used as platforms to display national power and technological capacity on an international stage. Today, however, major events like the Olympic Games or the FIFA World Cup are sought as means to attract tourism and investment, to stimulate national economies and to address urban development deficiencies. Competition to host the World Cup is highly competitive and the bidding process alone represents formidable costs and infrastructural commitments.

The literature reviewed in this dissertation suggests that the primary goals of hosting mega-events are similar amongst bidding countries. The most common goals associated with hosting include:

- Economic stimulus
- Increased tourism

- Modernized image projection to an international audience
- Urban and infrastructural development
- Communication of a political message
- National unity
- Improved internal networks of public-private cooperation
- Increased participation in sport

These goals are interrelated. This paper focuses on the intertwined relationship between these objectives, particularly as they relate to the potential of mega-events to foster urban and economic development. Apart from these core goals, there can be significant benefits associated with the process of hosting mega-events, such as improved knowledge sharing and international networks of cooperation with stakeholders and potential investors

The findings of this research indicate serious methodology problems with mega-event assessments and frequently large differences between the proposed benefits of hosting mega-events and the actual impacts. Existing research is largely deficient in terms of definitive mega-event evaluations. Depending on what figures are used to evaluate a given event's impact, an argument can often be made for both success *and* failure.

There is substantial evidence that economic benefits, job creation, urban development potential and tourism numbers are frequently significantly different in reality than those initially promoted in the bidding stage. Further difficulties surfaced regarding comparability of one event or country to another. The research suggests a dire need for more critical assessment of existing

promotional and academic literature and calls for more comprehensive post-event evaluation in the future.

The research also emphasizes the importance of clearly articulated goals and key performance indicators in the early stages of bidding and hosting, in order to best evaluate success after the event. This appears to be the most effective way to assess the degree to which a host country achieved its initial objectives. Part of the problem inherent with assessments is that goals established at the beginning of the bidding phase (up to 10 years prior to the actual event) are rarely sufficiently defined to allow for effective post-event evaluation. Further, key indicators of what constitutes achievement of the host country's event-hosting goals are seldom clear at the beginning and these are not required as part of the bidding process.

Effective planning and cooperation are of paramount importance in successfully hosting a major event. Research shows that the hosting process is likely to strengthen strong planning networks and further burden weak networks. Stakeholder communication, public-private cooperation, investment partnerships and stronger institutional networks can be one of the greatest legacies left after the event for a host country. However, highly effective cooperation amongst event stakeholders is required to fortify these relationships throughout the process and to maintain them after the event.

The political nature of mega-event bids and the decision-making process throughout hosting rarely allows for effective public participation and representation. Olympic Games and World Cup bids are generally championed

by political or commercial elites with the networks of support and lobbying power necessary for a competitive bid. This is not necessarily problematic by itself. However, as research on mega-events has increased in recent decades, exposing case studies of both success and failure, general public awareness of the potential for both positive and negative impacts of mega-events has improved. The result is that pressure has increased on governments and organizers to respond to public demands.

International case studies show little support for the widely claimed urban development potential of the FIFA World Cup. The changes in terms of transport, housing of athletes and civic infrastructure associated with the Olympic Games cause broader impacts on a city than the requirements of the FIFA World Cup. Studies show that the bulk of development potential occurs in the area immediately surrounding the selected stadiums.

Given this, one of the most important decisions a host country must make relates to stadium selection. The price of politically-motivated venue decisions that cannot demonstrate long-term viable stadium business strategies is exceedingly high. Research suggests that hosts who are aware of their capacity constraints and pursue a cost minimization strategy are those most likely to reap the greatest dividends from the tournament in terms of urban development.

Impacts of major stadium development on the surrounding community and local businesses are not well understood. A rise in property values attributable to the stadium may benefit some and drive others out of the market. Gentrification is not as significant a problem with the FIFA World Cup as the Olympics;

however, some displacement often occurs. This is not widely publicized or understood. In general, there is a dearth of research relating to the social, residential and community impacts of mega-event driven urban development in general, and especially as a result of the Football World Cup.

CHAPTER 2: THE NATURE OF MEGA-EVENTS

Mega-events potentially present opportunities to shape, restructure, improve, pre-package and sell the host city to a worldwide audience. Events like the Olympic Games and the FIFA World Cup attract billions of television viewers internationally and hundreds of thousands of visiting spectators. The magnitude of challenge and opportunity associated with hosting one of these events is exceptional (Guala, 2002; Jennings, 1996; Hall, 1993). In pursuit of the perceived opportunities associated with hosting, highly competitive cities around the world engage in rigorous and demanding bidding competitions to host these events. Just the bidding phase for an event such as the Football World Cup or the Olympic Games often requires large financial investments, some degree of urban transformation and presents opportunities to exercise accelerated planning that can substantially impact a city's future development.

While hosting opportunities for these events have historically been awarded to first-world countries, they are increasingly being seen as a tool for sustainable development in developing countries, as evidenced by bids in the last decade from countries such as Morocco, Egypt, South Africa, Nigeria, Cuba and Argentina. Given this developmental emphasis, it is important that the opportunities associated with hosting be weighed against the potential risks of public debt, resource strain and an international public relations disaster resulting from a poorly executed event (for example, terrorism and the 1972 Olympic Games in Munich; violence surrounding the Miss World competition in Nigeria

2002; Salt Lake City and the IOC scandal of 2002; and controversy over the internal politics influencing the selection of Germany over South Africa for the 2006 FIFA World Cup).

Considering the apparent potential of mega-events such as the Olympic Games or the Football World Cup as tools for urban revitalization of host communities and the difficulty of defining a sustainable event legacy, it is critical that these communities have the capacity, vision, plan and strategy to leverage the developmental potential of these tools. Peter Mann, the executive chairperson of PMP Legacy Consulting, a company with extensive experience in offering consulting services to countries hosting the Olympic Games and the Football World Cup, offered a definition of the word "legacy", in the context of mega-events. He described it as: "ensuring that as many sustainable benefits as possible are generated by the event for the host country, cities, all communities and stakeholders, before, during and after the event has taken place" (Mann, 5 May 2005, p. 1). The high-risk nature of hosting and the subsequent need for informed planning highlights the importance of identifying as many of the potential factors for a successful outcome as possible.

2.1 Definition of mega-events and types of major mega-events

Research on the impacts of mega-events is a relatively new field, identified primarily by Ritchie (1984), Hall (1992; 1989) and Getz (1991). Major world events have been classified as 'hallmark events', 'mega-events' and 'special events.' Although the literature uses different terminology to refer to the

world's largest events, this report will use the term 'mega-event'. Mega-event literature in recent decades has generally been produced by academics in economics, leisure and tourism (Hiller, 2000; Getz, 1997; Hall, 1992).

Events have been classified according to size (Hiller, 2000; Hall, 1992; Ritchie, 1984):

- *Mega* events include the Olympics and FIFA World Cup
- *Special* events include the Formula One auto racing circuit, America's Cup sailing tournament, World Summits, continental events such as the African Cup of Nations, major concerts, exhibitions and conferences
- *Local* events showcase sport, culture, religion, trade, art, etc. at a community level.

The following table offers a size comparison of the world's two largest major events, the Olympic Games and the Football World Cup.

| 2004 Summer Olympics in Athens | 2006 FIFA World Cup in Germany |
|---------------------------------------|---|
| 2 million visitors (approximately) | 1-3 million visitors (depending on the source of information consulted) |
| 11,000 athletes | 736 players (23 players on 32 teams) |
| 21,500 media personnel | 14,100 media personnel |
| 202 countries represented | 194 qualifying teams |
| 1,800 separate competitions | 64 matches plus 128 warm-ups |
| 60,000 volunteers | 15,000 volunteers |
| 70,000 security personnel | Roughly 1500 security per match |

In addition to size, events are differentiated according to position in space and recurrence in time (de Mesones, 2002). They take place over a limited time-

period, and in limited geographical areas. An event's physical reach in space may range from one point (as in the example of the Olympic Games) to an event that spans several individual locations throughout a country (as in the case of a typical Football World Cup), or, less frequently, an event can be hosted by multiple nations. Relatively few major events have been hosted by more than one country. This has only happened once with the Football World Cup when Japan and South Korea co-hosted in 2002 and has occurred multiple times in the Rugby and Cricket World Cups. For example, the 2007 Cricket World Cup will be hosted by several Caribbean nations. Although the Olympic Games and FIFA World Cup occur every four years, for the host nation, these are considered singular once-off events.

2.2 Mega-Events

Ritchie (1984) places only four types of events within the *mega-event* category: the Summer and Winter Olympics, world fairs and the FIFA World Cup. Because of the unique singularity of these events, their effects on a host community have been compared to 'pulses' that interrupt traditional planning mechanisms (Colman, 2002). On account of its unique timeframe and requirements, the mega-event is virtually without a comparable alternative (Steiner and Thoni, 1995). As such, making comparisons in terms of 'opportunity costs' (the cost of forgoing the next best use of resources) is extremely difficult. These projects can only be assessed subjectively (Kurscheidt and Rahmann, 1999; Boardman et al, 1996; Maennig, 1991; Hanusch, 1987). This makes the

success of a mega-event virtually impossible to determine. Most mega-event assessments to date have been economic impact studies with questionable validity, owing to the complexity of factors involved, including public-private partnerships, various levels of government involvement, long time frames for return on investment, and so on (URS, 2004). If events can only be effectively assessed several years afterwards, it is very problematic to attribute economic gains or losses directly to the event, given the variety of unrelated factors that influence a country's economy.

Mega-events are, by definition, highly risky (Coleman, 2002). They significantly interrupt traditional planning processes and often temporarily disrupt legal and zoning laws, thereby providing opportunities for urban revitalization on a monumental scale that is rarely possible in contemporary democratic societies.

Mega-events are coordinated in a franchise-like fashion, in that the event is subject to stringent legal, operational and infrastructural requirements regardless of where in the world it is hosted. The owner of the event (FIFA, in the case of the Football World Cup) controls the standards of hosting, regardless of the individual social, economic and environmental variances in the host community. Significantly, these events are not primarily produced for the benefit of the host country, although many benefits may be realized. Rather, they are especially designed for an international audience and to international standards.

2.2.1 Types of Mega-Events: Universal exhibitions

Using mega-events as tools for development is not a new concept. The World's Fair and Universal Exhibition have been used partially to achieve this

aim since their inception. The key differences between mega-event developments in that time and today are the scale, potential impacts, the evolution of the planning professions and increased expectations relating to public participation. Hosting the World's Fair or an international exhibition generally meant the construction of a beacon of technology, serving as a source of pride and a declaration of the innovation and power of the host. In other words, it was a demonstration of capacity and an attempt to establish or confirm a city's place on the international stage.

Mega-events of today share this attempt to assert power and to lay claim to the international spotlight with impressive architectural, engineering, cultural and technological features. However, today the expectations are much higher than merely making a technological statement.

Universal exhibitions were the first modern 'mega-events'. These occur every five years and have characteristically been used as platforms to celebrate technological or architectural achievements and the implicit political power inherent in the capacity of producing these (Metropolis, 2002). There is little indication they have been used explicitly as tools for promoting improved urban development. These events were used as opportunities to showcase technological capability and are often accompanied by the display of new technologies such as the advent of the telephone and television or by iconic structures such as the Eiffel Tower in Paris, the Atomium in Brussels, and the Space Needle in Seattle. The first exhibition took place in 1851 and a global organizing body was established in 1928 to regulate the exhibitions, stipulating

that they must cover a universal theme over the course of six months, on a site to be determined by the host country. The character of universal exhibitions has changed over time and they now focus primarily on global themes and development issues, such as sustainability.

Attendance at, and international interest in, Universal Exhibitions has waned in recent decades. Today, global interest and mega-event tourism is much more focused on international sport competitions. While the reason for this shift is unclear, it may have resulted from rapid growth in the global nature of sporting events, improved sports performance, increased investment in sports teams and related goods and increased sports media coverage. These trends are likely, at least in part, to be influenced by exponential increases in promotion of sports equipment and apparel by international brands such as Nike and Adidas. In fact, Adidas, along with Coca Cola, was one of the first sponsors to become associated with the Football World Cup. Sports-related interest, investment and coverage have grown far more rapidly in association with sporting mega-events than in relation to the world's fair and universal exhibitions.

2.2.2 Olympic Games

The Summer Olympic Games were first held in 1896 and the first Winter Olympics took place in 1924. The two types of Olympics alternate and each is held at four-year intervals. The event itself, and its associated global television coverage, lasts two to three weeks. This does not include the Paralympics, which technically extend the length of the Olympic Games. However, because

the Paralympics are not widely televised internationally, this paper will not consider them when comparing the length of the Olympics to other mega-events. Preparation for hosting the Olympics takes up to eight years. The most successful hosts have been able to attach event planning to urban and economic development plans that pre-date the bidding and hosting preparations. The Games are truly a global event. In Sydney 2000, more than 199 countries were represented in 28 different sports and over 500 organized events over the course of two weeks. Olympic bids are evaluated according to the following criteria (Metropolis, 2002):

- sports and general infrastructure capacity
- government and civic support
- environmental impacts and considerations
- Olympic Village design and feasibility
- tourism and transport infrastructure
- overall conceptual plan
- relevant event-hosting experience

Strict instructions stipulate that the Olympic Village and media accommodation must be located in separate areas. This is done with the intention that media coverage focuses on athlete performance rather than on the behaviour of athletes outside of the actual competition.

The emphasis on previous hosting experience virtually necessitates that the Olympic Games circulate amongst the world's wealthiest countries. Developing nations have historically had difficulty competing with industrialized

hosts on the criteria listed above, owing to inadequate physical and organizational resources.

Olympic-related development directly accommodates the following:

- facilities for each of the various Olympic sports, in cooperation with that sport's international governing body;
- an Olympic Village to house athletes;
- organized accommodation for the Olympic Family and media personnel;
- Media Village, with all of the necessary infrastructure and equipment

Indirectly, hosting the Games may provide various additional benefits in the following areas:

- upgrades to public transportation networks
- public services
- parking
- tourism facilities
- accommodation
- restaurant and catering services
- visitor information systems
- pedestrian routes
- bicycle paths
- programs dedicated to constructing media and place-marketing images
- general urban beautification projects
- retail sector preparations

- environmental solutions to problems that may arise during the building process
- security provisions

While these direct and indirect requirements relate specifically to the Olympic Games, many also relate to the FIFA World Cup. The scale difference between the two events is significant, and from an urban planning perspective, a city can do much more in terms of regeneration by hosting an Olympic Games than with a Football World Cup.

2.2.3 FIFA World Cup

Football is the most popular sport in the world. It has broader mass appeal than any other sport and is estimated to be five times as popular as either rugby or cricket. At the 1998 World Cup in France, record attendance reached 69,000 at the largest match, and 2.77 million supporters attended the tournament overall. At the 2002 World Cup in South Korea and Japan, these figures were 80,000 and 2.71 million fans, respectively (Patricios, 21 February 2006). It is not surprising that the 2002 World Cup drew slightly fewer fans than the 1998 World Cup in France, given the longer travel times and higher costs of attending the event in Japan and South Korea for international visitors.

Uruguay hosted the first FIFA Football World Cup Finals in 1930. Originally, the event was confined to a single stadium, but as early as the second World Cup in 1934, it spread over several cities as organizers realized that it “could no longer be confined to a single city, nor to a country without huge

resources" (Glanville, 1993, p. 25). Unlike the Olympic Games, as the World Cup expanded to include more teams and matches, it began to impact multiple cities and venues within the host country, even to the point that, in 2002, when Japan and South Korea co-hosted the event, match locations spread across 20 venues in two countries.

The duration of the event lasts approximately one month (usually two weeks longer than an Olympics, not including the Paralympics), and matches leading up to the event narrow the number of candidate teams to 32 national teams playing a total of 64 matches. Initially, the tournament functions in a pool fashion, until the final 16 matches, when it becomes a knock-out tournament. Unlike the Olympic Games, in which the International Olympic Committee (IOC), along with many international sporting bodies, oversees the event, the World Cup is regulated solely by FIFA. Some research has questioned the implications for the host country of FIFA's monopoly rights over the World Cup (Rahmann and Kurscheidt, 2002). FIFA controls broadcasting and sponsorship rights for the event, but also, by signalling its preference of stadium locations and related issues, wields significant influence in host country development decisions.

Two to three weeks prior to the tournament, 32 teams arrive to the host country to play 128 'friendly' or warm-up matches. This is followed by the actual competition phase of 64 matches spread out over 28-43 days and 8-12 stadium venues of international standard. The 2010 World Cup in South Africa is expected to attract 2.78 million spectators, 300,000 – 400,000 international

visitors, a television audience of 40 billion and 200 viewing hours of coverage (City of Cape Town, 2005).

It is important to note that viewership is often reported in the billions for the FIFA World Cup, although the world's population is only 6.6 billion. This is because viewership is counted cumulatively over the course of the 64 matches and thus one viewer can be counted many times. For the purposes of this report, figures are used as commonly reported (in billions). To put the numbers into perspective, however, average per-match viewership for both the 2002 and 2006 World Cups has been over 300 million people.

The FIFA World Cup, like the Olympic Games, requires accommodating the housing and professional needs of teams, media, and the FIFA family, although this does not require the equivalent of an Olympic Village. Facilities for the World Cup are limited to stadiums and practice venues spread throughout the host country. The indirect influences of hosting both events are similar, despite the marked difference in each event's geographical impact.

Due to its spread across host nation cities, the FIFA World Cup at once has a national, regional and local impact surrounding the venues. In relation to this, two national impacts are defined as unique to the FIFA World Cup: the first is a national impact of investment and development on local cities and regions; the second is the event-related increase in consumerism (particularly international tourist consumption) (Sanderson et al, 2002). The first impact requires substantial public and private investment in infrastructure, stimulating the building sector and employment in construction and other industries directly

impacted by the World Cup. The second effect occurs in these industries and throughout the economy due to spin-offs from additional job creation. This occurs together with increased tourism consumption.

It is important to realize that the World Cup is owned exclusively by FIFA and a host country merely provides the venue and backdrop for the tournament. FIFA controls most of the profitable aspects of the Football World Cup. It governs sponsorships, television broadcasting rights and the booking of tickets and accommodation through its affiliated organization, MATCH AG. FIFA is informally involved in most major World Cup-related decisions, including such issues as venue selection, transportation and city beautification. The host country provides international-standard stadiums in the hopes of significant gains in terms of tourism and job creation. FIFA's World Cup 2010 requirements and a speculative discussion of their impacts, with particular emphasis on Cape Town, are included in Chapter 7.

Due to the fact that FIFA possesses almost exclusive rights to the profitability of the event itself, effective collaboration between the local organizers and FIFA is essential to guaranteeing that a host country receives tangible benefits from hosting the World Cup.

The Federation Internationale de Football Association (FIFA) originated in 1904 with the association of France, Belgium, Denmark, France, the Netherlands, Spain, Switzerland and Sweden.

The first World Cup championship held in Montevideo, Uruguay in 1930, with the finals between Uruguay and Argentina, demonstrates the fervour that would set the stage for the tournament throughout its history:

“Ten packet-boats were chartered to take fans across the River Plate to Montevideo, but they were insufficient; thousands of desperate supporters thronged the centre of Buenos Aires, clamouring for more boats. When they eventually sailed, at ten o’ clock on the eve of the Final, a great crowd thronged the quayside to see them off, letting off fireworks and chanting ‘Argentina si, Uruguay, no! Victory or death!’” (Glanville, 1993, p. 19).

This passage attests to characteristics of hosting the FIFA World Cup from the beginning – tourism, festivity, fireworks, transportation, nationalism and belligerence. Following the Argentinean team’s loss, an angry mob attacked the Uruguayan Consulate in Buenos Aires (Glanville, 1993). The Museum of Football inside the Centenario Stadium in Montevideo still links the game to national pride and battle in its display equating cannonballs to footballs (Krotee, 1979).

The euphoria of the first World Cup did not last long. The economic boom in the years preceding the first FIFA Cup was followed by an economic decline, political strife and a coup d’etat in Uruguay in 1933. Difficult times drew the nation’s attention away from global football competition and the rest of the world would soon be consumed with economic depression and war. Nevertheless, the competition continued. Italy hosted in 1934 and France in 1938. However, the FIFA World Cup was suspended for 12 years as the Second World War superseded international interests.

When Uruguay won the first FIFA World Cup bid competition in 1930 against competing bids from Italy, Holland, Spain and Sweden. It made an offer to build a new stadium, the Centenario Stadium in Montevideo, in honour of the event and used the slogan, "Uruguay has its football" (Glanville, 1993), indicating the force of national pride behind the country's passion for the game.

The 100,000 capacity Centenario stadium was built in just eight months, despite three of these falling within the rainy season. Additionally, Uruguay promised to pay player's travel and accommodation costs for the tournament. The nation celebrated its centennial independence anniversary the same year. None of the countries that had presented competing bids made the three-week journey to Uruguay for the tournament.

The 1930 example is illustrative because it shows the early history of public commitment to hosting. Further, it demonstrates the minimal scale of the initial tournament, which allowed Uruguay, despite its all-expense paid bid, to turn a profit (Glanville, 1993). It is important to note, however, that no sources uncovered in this research detailed the specifics of the 'profit' generated by the 1930 event.

Like Uruguay, the government of Italy was prepared to finance the event in its entirety for the 1934 World Cup. Its delegate claimed that "The Italian Federation is capable of sustaining these burdens, and even in the case of an adverse balance wants to hold the entire final stages of the tournament, using as its theatre the numerous and flourishing Italian cities, all provided with magnificent stadiums" (Glanville, 1993, p. 26). Thus grew the influence of

tourism and destination marketing in light of the FIFA World Cup. Like Uruguay's win in 1930, Italy continued the tradition of host country victory by winning the 1934 World Cup and generating a profit from hosting. Glanville (1993) estimated this profit to be approximately one million Italian *lire*. However, his research did not detail how this estimate was reached.

Since then, the tournament has been hosted by many nations on four continents. Over the past century, and particularly since the 1970s, football has expanded dramatically to its present size, representing 207 member nations in 2006. Past presidents of the FIFA governing body have hailed from England, France, Belgium, Brazil and Germany. Leadership from northern Europe dominated the organization for its first 70 years.

2.2.4 FIFA's expansion from Euro-Latino-centrism

FIFA began to represent the multicultural nature of its membership with the election of Brazilian football legend, Joao Havelange. In 1974, the rise in popularity of football on a global scale necessitated more representative international administration and the epicentre of power began to shift away from its Euro-centric roots,

Havelange levied the support of officials in South America, Africa, Asia and Southern Europe. As part of his campaign to win support, he pledged to widen the appeal of the game by increasing the number of teams from 16 to 24, by organizing coaching seminars in Africa and Asia and by organizing the World Youth Championship to draw talent from developing countries. He further made

commitments to subsidizing stadiums, coaching and frequent competitions and to foster knowledge-sharing throughout these countries.

The expense of delivering on these promises was to take the FIFA World Cup in the direction of financing through corporate sponsorship. Some research indicates that sponsors may even wield enough influence to sway the selection of World Cup host countries (Sugden and Tomlinson, 1994). The key sponsors that initially fuelled Havelange's ambitions were Coca-cola and Adidas and, today, sponsorship and broadcasting comprise the bulk of FIFA's revenue.

The World Cup's new 24-team structure following 1982 fuelled debates over the capacity of low-income countries to host the event. While Colombia was originally selected to host the 1986 Cup, it had to withdraw because of lack of adequate capacity. Concerns also surfaced regarding widespread violence, drug-related corruption in football and evidence of referees having been threatened. (Glanville, 1993). The United States lobbied for the event, and even had the backing of Henry Kissinger, but apparently their bid was not even discussed at the FIFA Committee meeting in Stockholm in May 1983, indicating that a decision had already been made prior to the meeting (Ibid, p. 271). Brazil was considered the most logical choice, but because of a political dispute between the FIFA President at the time, Joao Havelange, a Brazilian, and the President of the Brazilian Football Federation, it was reallocated to Mexico instead. Glanville (1993) describes the outcome:

"At the end of the 1982 World Cup, Havelange flew directly to Mexico City in a plane owned by Emilio Azarraga, head of Televisa Mexicana. It was then that Colombia... might as well have thrown in the towel" (p. 271).

The 1986 World Cup marked the only time the tournament was relocated to another host country. Although this happened under unusual circumstances, a precedent has been set. If future prospective hosts do not meet FIFA's standards by the time of final inspection (usually two years prior to hosting), it is possible that the World Cup will revert to an experienced host (generally the most-recent host country) capable of meeting infrastructure demands in the time remaining until the event.

The likelihood of FIFA taking the tournament away from South Africa in 2010 is very low. Politically, it would be a very contentious move, considering FIFA's explicit decision to host the event on the African continent in 2010. To reallocate the World Cup to Germany that year would indicate that FIFA not only found South Africa unsuitable to host, but, by implication, that no other African country possesses the capacity to do so. In the event that South Africa is not adequately prepared to host by the final inspection date in 2008, it is more likely that foreign personnel, firms and aid would be directed to the country to assist in bringing preparations up to the necessary standards.

Nonetheless, many claims have been made that South Africa is inadequately prepared to host. These have ranged from problems with basic service delivery; corruption, inability to provide adequate housing, roads and related infrastructure; and shortfalls in health and education. While these are very real concerns, it is doubtful that they will doubtfully interfere with FIFA's decision to host in South Africa. It is important to remember that the World Cup is an event owned by FIFA. The organization is not interested in South Africa as

a whole, or in the nation's internal issues; FIFA is only interested in the nation's capacity to host its one-month event in 2010. By implication, this means that FIFA does not require a host country to solve its developmental problems; it merely requires that these do not disrupt the tournament or tarnish its image.

As argued previously, relatively developed host countries often bid on the basis of arguments, similar to those behind the Universal Exhibitions or World's Fair, relating to boosting the country's status on a global stage. Developing countries, however, often bid on the basis of football passion, as Uruguay did when it convinced FIFA to award it the opportunity to host the first World Cup. Only recently have bids come from low-income countries on the basis of urban and economic development potential.

Following a devastating earthquake, the Chilean Football Federation's President Carlos Dittborn, made the case of Chile's bid for the 1962 World Cup, stating, "We must have the World Cup *because we have nothing*" (Glanville, 1993). The country built two stadiums for the tournament, one in the capital of Santiago, and one in the beach town of Viña del Mar. Other matches were allocated to smaller stadiums in Rancagua and Arica, which had few amenities.

Allegations of corruption surrounded the hosting of the 1962 World Cup, although these were possibly unfounded. The official responsible for a corruption scandal involving tickets was tried for his involvement, unlike the case when a similar episode occurred in England at the 1966 World Cup. To Chile's credit, during the 1962 event, in cases in which visitors were overcharged on hotel bills, the police pressed charges.

The difference between the ways in which these events were handled, (for example, in the case of Chile's hosting versus wealthy country hosts), reflects in the fact that wealthy countries cover up corruption scandals more effectively. Chile as a host country was described as "at once squalid and sophisticated, backward yet subtle, but for the visitor, Chile left more congenial memories than either Sweden or Mexico" (Glanville, 1993, p. 111). The enthusiasm and passion for football in many low-income countries like Chile, Brazil, Argentina, Ghana or South Africa, and the way this translates into festive electricity during the event, can be turned into an important asset in hosting.

Prior to Havelange's presidency, FIFA's primary source of income was the event itself. While FIFA would probably have eventually embraced corporate interests and the global economy, regardless of Havelange's influence, under his presidency, the World Cup competition changed forever.

The rise of representation of developing nations in the world of football is now celebrated amongst the wealthiest countries of the world (Sugden and Tomlinson, 1994). However, despite broader participation of low-income countries, the political and commercial rules of the game are still made in, and promise the most benefits for, more developed nations.

Research suggests that, unlike teams from developed countries with sophisticated sports marketing mechanisms, successful African teams may underutilize the international spotlight. Cameroon's success reaching the quarterfinals at the 1990 World Cup was Africa's first major World Cup upset, yet the country did not capitalize on the international attention to bolster its image

and attract further interest in the form of tourism and investment (Smith, 2004). The same could be said for Senegal's 2002 performance in reaching the quarterfinals at the World Cup in Japan and South Korea.

African sports teams are generally expected to improve in coming years, although organizational issues and corruption remain problematic. The African Cup of Nations has experienced organizational issues with teams in the past. One study's assessment described 'widespread embezzlement of ticket sales' and the case of the 2000 Nations Cup, in which members of the Nigerian team were locked out of their rooms on account of unpaid hotel bills (Cave, 2003, p. 8). It is possible, that, like Chile's World Cup hosting, these problems are more publicized partially because organizers fail to cover them up. In the case of the African Cup of Nations, however, very little information exists on the outcomes of the tournament and it is impossible to determine the extent to which organizational and corruption issues were prevalent.

Many African football players leave national teams for (presumably) more lucrative contracts in Europe. Players have also reported pressure to play at home, in the form of threats to their families and public criticism for not being 'team' players by supporting their national teams. These tensions do not relate specifically to the FIFA World Cup, because players are required to play for their national teams. However, they are issues that players from wealthy countries face to a much lesser degree.

2.2.5 The bidding and hosting process of the FIFA World Cup

Over time, both the motives behind hosting the FIFA Football World Cup and its financing structures have changed. While the event was initially a showcase for national prestige and talent, and revenues were generated primarily from ticket sales, the tournament is now a complicated mix of political and economic motivations and virtually generates its own small economy in terms of multi-billion dollar sponsorship and marketing deals.

As the popularity of football has expanded and FIFA membership has grown, a greater number of nations now bid competitively to host the tournament. The expansion of FIFA has been paralleled by a dramatic rise in the cost of bidding and hosting. As early as 1982, FIFA spent as much of its budget on accommodating FIFA officials as on hosting the teams. That year, the organization spent the same amount on hosting FIFA VIPs as on transporting and accommodating the entire set of 24 teams (Sugden and Tomlinson, 1994). Since then, international travel, gifts, incentives, political-economic alliances and the like are all part of the increasingly complex process of bidding, selecting and hosting the Football World Cup.

Bidding for the FIFA World Cup generally begins eight years prior to the hosting year, and requires intense political, public and private sector support, effective lobbying, and some infrastructural investment. The actual bid document (commonly referred to as the 'bid book') presented to FIFA must illustrate specific plans for carrying out the event to World Cup standards, including venues, transport, tourism, accommodation, investment and related specificities. This

document, along with FIFA's final inspection report on each bidding country, officially forms the basis for the final selection. Although host country delegations, sponsor companies and lobbyists engage with FIFA during the bidding process, FIFA maintains sole responsibility for the selection of the host country.

FIFA's technical requirements evaluate a potential host in several areas, namely: existing venues; financial solvency of the country; cost of upgrading and/or building match and training facilities; safety and security; transport links; financial services; emergency and medical services; accommodation and restaurant facilities; and the estimated contribution of volunteers (Gophe, 10 December 2005).

Bidding countries must additionally lobby heavily among football federations, organizations that may influence decision makers and the 24-person FIFA executive committee. Although this is not an explicit factor in the final selection, it is widely understood to be an influential one.

The pre-event phase is characterized by sports-related infrastructural development and event-related investments. This phase is then followed by a hosting phase, in which multiplier effects spread throughout the economy, through increased expenditure and tourism consumption. Lastly comes the post-event phase, characterized frequently by recurrent deficits and sports precinct management issues. Rahmann and Kurscheidt (2002) claim that this phase is a critical overall success factor because it is "after the event when the business loss of the venues risks devouring the benefits of the [hosting] phase" (p. 184).

This last phase is the least emphasized and understood in the years leading up to the event and is generally little more than an afterthought in the process. This seems to be changing, however, since the 2002 World Cup in Japan and South Korea. Germany, for example, has shown greater awareness of the risks associated with post-event management in its preparations for 2006.

Selling the combined value of both an event and a geographic location is important throughout the hosting process because of the need for credibility to attract private investors and bolster public and governmental support, which, in turn, increases the event's legitimacy and spurs additional investor confidence. The 'Visit London' campaign, for example, highlights the importance of "selling" a geographic destination in legitimizing a bid in this respect (Cave, 2003). As part of a greater overall event strategy, the campaign communicates a cohesive message about the benefits of event hosting to the greater metropolitan area. London's campaign has been tied to the city's preparations for the 2012 Olympics and may provide a useful precedent to future mega-event hosts.

Rahmann and Kurscheidt (2002) identify a tendency amongst potential city venues to overestimate benefits and underestimate costs and argue that this can create an uncertain investment climate and complicate the process of creating financing partnerships and garnering private sector support. The authors describe a situation in which leaders in locations expecting to be selected as hosts begin to invest in more expensive ventures than originally planned, in an effort to attract a greater portion of the event spotlight (and expected beneficial spin-offs). This inadvertently increases total investment,

although these venues may not be used at all. This is particularly a problem for intermediate locations that lack a regular audience with adequate interest and disposable income that can support the venues post-events. Ultimately, this unnecessary spending detracts from aggregate economic gain from the event.

FIFA's criteria for host country venue locations are highly specific, in order to ensure international standards. Stadiums must be entirely seated and standing areas must be transformed into seats for the tournament, albeit, in cases, temporarily. First round matches require capacities of 40,000 or more, the 16 match play-off round requires 50,000 or more and the semi-finals and finals require a stadium of at least 60,000 seats. FIFA additionally makes many implicit suggestions relating to its preferences for each prospective venue, such as (Rahmann and Kurscheidt, 2002):

- roofing over the stands
- entirely retractable roofs
- commercial areas
- space allocated for meetings and VIPs
- business lounges
- football-specific stadium designs (e.g., not adapted from a pitch encircled by a running track that pushes spectators further away from the action)

Meeting both the actual and *suggested* requirements is a daunting investment for even the world's wealthiest countries.

The most effective model for choosing event locations and durable facility investments is described as one of reducing risks as much as possible

(Rahmann and Kurscheidt, 2002). A study of venue locations for the 2006 World Cup in Germany indicates that the greater the weight of socio-political considerations in making these crucial decisions, the higher the level of risk of a negative overall outcome. Using this model, the study examined various possibilities among the 16 potential World Cup venues originally considered. They concluded that ten venues would be a better solution and involve lower risk than a German World Cup spread over various combinations of twelve venues. This study illustrates a sophisticated assessment of venue allocation that can serve as a model for future FIFA World Cup hosts.

2.2.6 FIFA World Cup and Gender Participation

As the number of FIFA member nations has grown dramatically, the sport has expanded in terms of participation. The first FIFA Women's World Cup was held in 1991, 61 years after the first Men's World Cup in 1930. The next FIFA Women's World Cup will be held in China in 2007. There are currently 40 million female football players globally and projections indicate that as early as 2010, the number of females playing will match the number of male participants.

Women will likely become increasingly interested and involved in football and research has yet to anticipate the implications of this demographic shift. The men's FIFA World Cup remains an event focused exclusively on males, yet over 40% of the World Cup viewing audience is female. Women have been watching the World Cup in ever increasing numbers. In 2002, women in South Korea represented half of total viewers and in Japan they made up 49% of the total.

During the European Football Championships in 2004 in Portugal, female viewers comprised 47% of the audience. Women in host countries are more likely to watch matches when the national team is featured. Further, female viewership increases as the tournament progresses (Shevel, 3 July 2006).

Some progress has been made in terms of female participation in high levels of South African soccer administration. The Premier Soccer League (PSL) recently appointed a female, Ntambi Ravele, to the position of marketing and communications manager (Mseleku, 17 July 2005, p. 13). Nastacia Tsihlas, former boss of the Mamelodi Sundowns, voiced her approval of this indication that the South African Football Association and the PSL are embracing female contributions to the traditionally male-dominated sport. Tsihlas is a member of the board of directors of the 2010 local organising committee (LOC). Her position marks the first time that an African woman has held a position on a World Cup LOC. She also serves on the FIFA technical committee, the Confederation of African Football Women's Football Committee (with the president of the Liberian Football Association, Izeta Wesley) and the PSL management committee. She applauded the apparently increasing recognition in South Africa of the potential contribution that women can make in the traditionally male-dominated sport of football.

Despite the increasing popularity of football among women, there are several areas in which women remain poorly represented (for example, as organizers, players, spectators and targeted television audiences). This is an important observation, given that hosting this event shapes financial and urban

development decisions that affect both men and women. Little research has addressed the differential urban and economic development impacts of mega sporting events on gender and this could be an important future avenue of study.

2.3 Mega-events as tools for urban revitalization

Over the past twenty years, literature addressing the impacts of mega-events has increased. Studies such as those by Essex and Chalkley (1999) have argued that mega-events have the potential to spur urban revitalization and to serve as catalysts for significant socio-economic transformation. The existing literature focuses primarily on facility and infrastructure spending and preparations, tourism expenditure, media coverage and event revenue. In other words, historically the literature assesses the direct economic impacts of hosting. From the 1980s, however, the research began to include indirect impacts, such as ideology (e.g., Hill, 1992), governance (Jeong et al, 1990; Kang and Purdue; 1994), private financing and sponsorship (Whitson and Macintosh, 1996).

Research on the social impacts of event infrastructure covers a variety of themes, including questioning whether mega-event hosting transfers funds from the public purse to private interests, whether the accelerated process of hosting precludes effective democratic participation and accountability, and whether these events are associated with a tendency towards uneven development. 'Uneven development' in this regard might include access to facilities, access to the economic benefits resulting from the event and the degree to which hosting

the event diverts resources from other metropolitan development priorities. These issues will be considered in greater detail later in this document.

Relatively little research has addressed the impacts of mega-events on urban planning and transformation (Hiller, 2000; Hall, 1997; Ritchie, 1984). Although the duration of a mega-event is short, it has considerable long-term implications. Through the creation of facilities, public spaces, accommodation, retail opportunities, parks, transport networks and landmarks, mega-events can leave long-term imprints on the form of the urban fabric. One of the most classic examples of significant urban regeneration through mega-event hosting is Barcelona's planning for the 1992 Olympics.

It could be argued that Barcelona's 1992 situation was politically, socially and economically unique, characterized by strong cooperation, well-organized and recognised neighbourhood organizations, and active, informed and mobilized residents eager to proclaim Catalonia's place on the world stage after decades of Spanish repression. At the same time, Barcelona's leaders saw an opportunity to align themselves with Europe and the rest of the world, via increasingly globalised capital markets. The situation was politically charged and organizational structures and urban development plans were well established prior to bidding for the event.

As cities worldwide face increasing economic inequality and decline of their most impoverished districts, it is important that lessons are learnt about how to reverse these processes effectively and how to develop realistic tools to spread opportunities—economic, social and environmental—throughout the city,

particularly in low-income areas. Hosting mega-events is but one tool to contribute to achieving these aims, yet the processes and impacts of this method of urban development remain poorly understood. Barcelona's transformation may be relatively unique, as there are no one-size-fits-all models for very different events in cities with different goals, skill sets and infrastructural capacities. The example is nonetheless useful because it represents one of the only instances of mega-event planning which effectively involved public participation and a concerted effort to use a mega-event to change the urban structure of the city dramatically.

With respect to the impact of the FIFA World Cup on urban development, research shows that the only direct and permanent urban transformation legacy of the event involves the actual stadium and immediate surroundings (Sanderson et al, 2002). To facilitate progressive urban change, stadium development must be accompanied by mixed-use developments and a sustainable business strategy for recuperating costs and ensuring profitability of the stadium precinct. "Only then can an *iconic* building be a powerful catalyst for value creation that, over time, can be expected to help meet regeneration goals (Sanderson et al, 2002, p. 2). Unfortunately, mixed-use strategies and viable business strategies are often absent from stadium development plans in the high-pressure environment of the bidding phase.

In the wake of the 2002 co-hosted World Cup in Japan and South Korea, there is greater awareness of problems incurred with poor stadium management plans. The 2002 World Cup was the first time the event was seen as an

opportunity to stimulate urban revitalization across a wide distribution of host cities. Post-event, however, it appears that planners did not succeed in this aim. Questionable long-term stadium business strategies compromised the potential for venues to have lasting regeneration effects on their respective communities (Manzenreiter, 2004; Sanderson et al, 2002). Instead of spurring further development in the community, in many of the sites, local officials and stadium owners are running facilities at a loss.

The aim of the regeneration of the Saint Denis area outside Paris for the 1998 France World Cup met with moderate success (Metropolis, 2002). This was the first explicitly developmental World Cup reviewed in the literature. The difference between the regeneration goals of the 2002 World Cup and the 1998 World Cup is that, in 2002, many cities hoped for development spin-offs, whereas in 1998, only the Saint Denis area was targeted. Unfortunately, long-term reformation of the area may be uncertain in light of violent riots in that community in 2005 fuelled by immigration protests (BBC, 2005).

CHAPTER 3: RISKS, GOALS AND OPPORTUNITIES

This chapter discusses some the common risks, goals and opportunities that have been identified in through case studies in mega-event literature.

3.1 Common Risks

Metropolis (2002) identified six major risks associated with hosting mega-events (p. 29):

- Financial
- Organizational
- Project scope
- Market disturbances
- Social issues
- Environmental issues

Financial risk begins at the bidding stage, involving long-term public investment and significant organizational and operational costs. These implications will be discussed later in this document in relation to costs and public finance.

Organizational risks result from the high pressure and tight timelines of the hosting process. The demanding requirements by the event's international owner (FIFA) increase the pressure on host countries to perform at an accelerated pace. Local organizational inefficiencies will almost undoubtedly surface at this time. Organizational problems, such as lack of appropriate research informing decision-makers, are common among mega-event hosts. Poor communication and lack of cooperation amongst stakeholders, poor reception of visitors (in the

transportation, hotel, service and information sectors) and the possibility of technological or communications failures elevate the risk of organizational failure.

Scheduling to accommodate an international audience can also create organizational problems for a host nation. For example, in Mexico in both 1970 and 1986, matches were played in extreme heat at midday because this provided an optimal television broadcasting schedule. Other host nations that experienced significant organizational difficulties include:

- Brazil in 1950 – stadiums and associated infrastructure were still under construction at the time of the event and geographical match allocation decisions unfairly favoured the national team
- Switzerland 1954 – inadequate planning for crowds and an intimidating police presence
- Chile in 1962 – ticket issues and minor corruption
- Germany 1974 – problematic match schedules and logistics problems
- Spain in 1982 - ticket distribution issues

Risks associated with project scope include the risk of poor facility selection and allocation, lack of viable long-term strategies for facilities management, gross overestimation of benefits and the possibility of event planning superseding the interests of the city.

Further risk is assumed in terms of potential market disturbances. Both during and after the event, a host nation may experience inflation. Post-event depression and temporary warping of normal property market mechanisms are not uncommon and these can have long-term implications. Spain's 1982 World

Cup experienced over-inflation of accommodation prices during the event. Inflationary pressures and post-event depression can be more problematic in low-income countries than in host countries with widely diversified economies.

Social issues represent another area of risk incurred in hosting mega-events. These can manifest in terms of lack of opportunities for community participation, both in planning stages and in the inability of the majority to actually attend the event (due to cost constraints or ticket lotteries). In general, most communities resist large-scale change. The dynamics of resident action and reaction to large-scale urban projects created as a result of mega-events are not well known.

Lastly, mega-event hosting involves considerable environmental risk. This can come in the form of negative ecological externalities and in the possibility of exacerbating environmental problems. The 2006 World Cup in Germany will be the first 'climate neutral' mega-event through the 'Green Goal' program. As a result of this program, established in partnership with the United Nations Environment Program, 500,000 Euros were allocated by the German Football Association (DFB) to finance environmental projects in Southeast Asia in order to offset a third of the expected 100,000 tonnes increase in carbon emissions resulting from the World Cup in Germany. The projects generate safe, alternative energy sources for villages being rebuilt in the wake of the December 2004 tsunami. Since the 2000 Sydney Olympics, a precedent of environmental awareness surrounding mega-events has been set.

Past examples of environmental challenges are too frequent to detail here, but the following are a few illustrations of environmental risks faced by previous World Cup hosts. France experienced environmental setbacks when building its national stadium for the 1998 World Cup. Environmental Impact Assessments were not properly conducted and pollution was discovered in the soil after building had already commenced. This error resulted in dramatic increases in the cost of the overall project. Prior to the World Cup in Mexico in 1968, a devastating earthquake ravaged the area. The hosting of the World Cup was fortunately not adversely affected by this. Clearly, however, environmental impact is an important consideration.

Some of the most difficult environmental factors to control are those that take place during the actual event. The organizers of the 2006 World Cup in Germany emphasized the importance of good weather in encouraging an overall positive perception of a well-organized event. The 2006 tournament was blessed with good weather throughout its duration. Ahead of the 2010 World Cup in South Africa, there are concerns regarding the unpredictability of weather patterns in June, during the South African winter, and there have been discussions about changing the event from June to September or October 2010, although at the time of writing, these were not being seriously considered.

3.2 Common Goals

Event outcomes must clearly be measured, against goals: that is, by measuring actual outcomes against intended outcomes. This implies that the goals are

clearly articulated from the outset. This is not always the case. Nevertheless, they frequently have been and cover a wide range of arenas of potential benefits to the host country. The most common goals (in no particular order) amongst cities and nations aspiring to host mega-events can be categorized as follows (see Kim and Petrick, 2005; Metropolis, 2002; Guala, 2002):

- Political interests, image creation and international recognition
- Potential economic gain
- Tourism and place-promotion to an international audience
- A variety of case-specific goals such as increasing interest and participation in sport, bolstering the local image of a political agenda, and so on
- Urban revitalization and infrastructural upgrades

These goals, more specifically break down to the following elements:

- economy
- society
- tourism
- public finance
- infrastructure
- urban renewal, town and environmental planning
- international recognition
- image building
- organizational capacity
- national and metropolitan governance
- national unity
- improved services industries (for example, in food and beverage, health, human resources, entertainment, transport, cleaning and training)

These goals are, by their nature, interrelated. For example, the goal of increasing urban tourism requires sufficient facilities to accommodate increased visitor numbers, thereby increasing demands on urban development. Tourism

initiatives require place-promotion campaigns that are integrated into the business and marketing strategies surrounding the event. Businesses, targeting tourists and event-related advertising, pour funds into sports-related programs and engage in upgrading in anticipation of catering for expected tourists. In short, achieving these goals requires intense communication and cooperation with stakeholders working on associated goals. In addition, the high-profile nature of hosting attracts international attention and evokes potential criticisms of a host country's national policies such as human rights and environmental records.

Responding to these criticisms can become an important part of place-promotion goals. For example, Germany responded to its historical connections between sport and Nazi ideology by rebuilding the Berlin stadium and an adjacent museum in a manner that was meant to respectfully honour the nation's history, its positive and negative implications, and provide space for visitor contemplation. South Korea responded to international concerns about human rights during its co-hosting, with Japan, of the 2002 FIFA World Cup. France used the 1998 World Cup to combat international stereotypes of its tourism industry and to re-brand Paris as a young, hip, modern cultural capital. South Africa used both the 1995 Rugby World Cup and the 2003 Cricket World Cup to broadcast its message of peaceful post-apartheid transition to the world. Studies emphasize human rights concerns associated with mega-event hosting in South Africa, recalling international boycotts against the nation's participation on the global sports stage during apartheid (Koltz, 1999) and the country's later

'constructive engagement' with Zimbabwean's President Mugabe in co-hosting the 2003 Cricket World Cup, despite considerable international scrutiny of the Zimbabwean government. (Higham, 1999).

These examples all emphasize the intense international political spotlight that falls on a host country. As South Africa prepares to host in 2010, it will probably place attention, not only on issues of international interest within the country, but also on issues in other African countries. If effectively planned and prepared for, this could be a valuable opportunity to utilize the 2010-related increase in international attention to voice African opinions on national and continental issues, through global media outlets.

Mega-events provide opportunities to bolster a country's international image through destination-branding campaigns. International image creation was a major platform for Uruguay in 1930 as the initial World Cup host. Other notable examples include post-fascist Italy as host of the 1990 World Cup; France's modernized image for the 1998 World Cup and South Korea's reconstructed image as the regional technological hub of Southeast Asia when co-hosting the 2002 World Cup with Japan. Examples from the Olympic Games include the Winter Olympics in Chamonix, France in 1924 which was used as a "nationalist project to legitimize this French location as an elite destination for sports and leisure" and Seoul, Korea's desire to showcase its political alignment with the rest of the world through the 1998 Summer Olympics (Guala, 2002, p. 285). In fact, most mega-event hosts, at least in part, aspire to bolster their global image.

The promotion of tourism is a widely held goal. However, independent research generally shows that the tourism prospects of World Cup hosting are inflated, and sometimes dramatically so, prior to the event (Baade and Matheson, 2004). Nonetheless, this has continued to be one of the chief goals behind bidding for the event for South Africa in 2010, Germany in 2006, Japan and South Korea in 2002, France in 1998 and the USA in 1994. It has also been a major factor in bidding for and hosting recent Olympic Games, including the 2006 Turin Winter Games, the 2004 Summer Olympics in Athens, 2000 in Sydney, 1996 in Atlanta and the 1992 Barcelona Summer Olympics. Despite this, the increased tourist numbers are still not well understood.

In just one month, a World Cup can bring over a million tourists to a country with well-established international tourism links. Estimates for tourism arrivals in Germany for the 2006 World Cup vary between one and three million, depending on the source of information. At the time of writing, official figures were not yet available. South Africa hopes to attract 400,000 international tourists during the 2010 World Cup.

While 400,000 tourists is certainly significant for a one-month period, it is important to note that, according to Statistics South Africa, total foreign tourist arrivals (from mainland Africa and overseas) totalled 729,249 in January 2006 (a 13% increase over 2005). Of these, 187,671 arrived from overseas (a 4% increase over 2005). These figures indicate that the country already attracts in one month in high season at least as many foreign tourists as are expected in the month of the 2010 World Cup (Statistics SA, 2006). More generally, the country

currently attracts roughly 6 million tourists per year and organizers hope this figure will increase to 10 million by 2010. It is difficult to determine if this increase is realistic. At current tourism growth rates, such growth appears to be attainable. Furthermore, it is not clear how many regular tourists will be displaced as a result of those that arrive to South Africa for the World Cup in 2010.

Although the 2010 FIFA World Cup is scheduled to take place during the off-peak season of South African tourism, as mentioned previously, there is currently discussion to move it to October because of the importance of good weather to the overall success of the event. One of the advantages of hosting in June was that the country would be in its tourism off-season, meaning that the additional revenue would be well-received and cities would have enough capacity in the hospitality industry to accommodate World Cup visitors. If the date were to change, however, the tournament would take place at the beginning of South Africa's peak tourism season and this may have negative implications in terms of regular tourism displacement.

The fact that the anticipated tourism volume attributed to the 2010 World Cup is not dramatically higher than current tourism figures raises several questions. The overseas tourists arriving presently are primarily from the UK, Germany and the USA (SSA, 2006). How many of these regular tourists will be displaced by World Cup tourists at the time of the event because they want to avoid congestion or have difficulty booking a hotel? What are the repercussions of this? If some of these regular tourists still arrive, in addition to World Cup

tourists, how will airport, transportation and accommodation infrastructure cope? German organizers estimated that each spectator who comes to the country for the World Cup was accompanied by four others, yet they had not developed an understanding of who these visitors were, what had motivated them to come or what they did during their stay (Dlamini, 1 February 2006). The answers to these questions are not well-understood. However, it is important to grasp what the anticipated numbers actually mean to tourism planners.

Host country-specific goals are also often drivers behind the initial bid. These, however, often tend to be used to encourage wider public support rather than just to initiate the bid. Often, in the case of the World Cup, the goal of increasing interest and participation in sport is part of a broader initiative. This usually takes the form of programs encouraging youth football programs, youth league sponsors, getting family and community members involved, and establishing special programs for the country's top talent to accelerate development of their game in time for the event. This goal was a major factor in the 2002 and 1994 World Cups. Youth participation in Japan, South Korea and the United States increased substantially as a result of programs initiated for this purpose. In Japan and South Korea, this has also translated to greater competitiveness of the national teams.

Urban revitalization and infrastructural upgrading constitutes another key goal among many aspiring host nations. This has been a key aspect of Germany's 2006 hosting, the 2002 World Cup in Japan and South Korea, the

1998 Cup in France and the 1990 event in Italy. Olympic Games examples also abound, most notably in Sydney 2000 and Barcelona 1992.

Included in the previously mentioned country and city goals was 'urban revitalization and infrastructure upgrades'. This goal is typically viewed as having all or some of the following components:

- City infrastructural improvements (telecommunications, transport, rail, safety and security, and so on)
- Improvements to facility deficiencies (such as the construction of an all-purpose stadium in Paris for 1998 World Cup or sports facilities in Berlin in general for 2006)
- Training facilities for teams and their fans
- Targeting new areas for urban development
- Revitalize derelict areas or crisis areas
- Specific urban development goals relating to mega-events such as the creation of office parks, retail outlets, hotels, housing and service developments, conference centres, and university facilities
- Media, hotel and other accommodation facilities
- Accommodation and office space for FIFA executives and officials
- General city improvements (renovate landmarks, art projects, public spaces, and so on)
- Environmental management and enhancement, as well as improved methods of environmental assessment

Specific urban and infrastructure goals will be discussed in greater detail later in the report, in the section entitled 'Goal: urban and infrastructure development'. The following section explores each of the previously-introduced city and country goals associated with hosting mega-events.

3.2.1 Economy

The economic legacy of a mega-event is generally expected to bring benefits in terms of short and medium-term job creation, international investment and dramatic increases in tourism, ideally sustained over time due to the international spotlight that the event brings to a destination.

Atlanta's primary goals for hosting the 1996 Olympic Games involved attracting investment and to stimulating economic growth in the self-proclaimed capital of the South. The Games depended on private funding and aimed to improve urban infrastructure and regenerate specific areas. Cave (2003) described this strategy as successful in stimulating commercial growth in the city of Atlanta. Transportation was a major issue and a weak point of the Games, partly due to the wide distribution of the venues throughout the city. The main stadium provided the most substantial infrastructural legacy from the Atlanta Olympics and now functions as a venue for professional baseball (Cave, 2003). Considering the clear initial goal of economic benefit, the Atlanta Games were successful in achieving this, despite the fact that organization was weak in other areas.

The economic and tourism legacy of the Sydney Olympics appears to have been substantial. The event generated 2.4 billion British pounds and considerably stimulated growth in the meetings, incentives, conferences and exhibitions (MICE) market. In the four years before and after the Olympics, Sydney hosted 200 major meetings (Cave, 2003). In terms of lasting tourism and leisure infrastructure, the Games resulted in improved transport networks, an increased supply of hotel rooms and various additional sports facilities. Because the organizers planned for infrastructure that would bring long-term benefits, the Sydney Olympics resulted in a series of valuable long-term investments.

A study of the 2003 Rugby World Cup in Australia estimated that, between 2004 and 2005, an additional 5755 international tourists would visit as a result of hosting the event. Although this figure seems low, there is a footnote in the study that emphasizes that this figure should be viewed cautiously. Despite advanced statistical modelling, the study reiterated that the long-term effects of mega-event hosting are extremely difficult to quantify (URS, 2004). After 2005 (two years following the event), the authors predicted that the Rugby World Cup would no longer draw prospective tourists to the nation.

Regardless of the type of event, mega-events pose opportunities for economic reorganization and targeted urban renewal and there is a great need for clearer understanding of what constitutes a positive and sustainable legacy for a mega-event host and how best to mitigate risks involved with hosting, while maximizing benefits.

Despite claims about creating developmental initiatives, the goal of revenue generation from major events essentially drives sports-related development. Early research has shown that exhibitions and local fairs could bolster a city's competitiveness within a greater region, as well as having developmental benefits. These assumptions have subsequently been attached to larger events. The willingness of governments to underwrite the full cost of mega-events (e.g., Uruguay for the 1930 World Cup and Italy for the 1934 World Cup) indicates that these events were not initially seen as economic generators. Rather, like the World Fair and Universal Exhibitions, the early World Cups were seen as displays of national strength and power. With increased private investment and sponsorship, beginning with the 1986 World Cup in Mexico, the potential for large financial returns became the driving impetus to host.

Commercialism entered the history of the World Cup as never before with the 1986 World Cup, with the floating Camel cigarette blimp over the Azteca Stadium. Havelange justified the move on the grounds that FIFA needed the sponsorship to help finance a 24-team tournament (Glanville, 1993). The Italian Organizing Committee (COL) for the 1990 World Cup embraced the idea of managing the event as a business and of shifting away from relying on public funds to stage it. While the organizing committee did not control the official FIFA sponsorships (worth 13 billion lire), they retained control of official supplier contracts and funds provided by various Italian companies (worth 60 million lire). All of these contracts were allocated to Italian companies.

The 1990 Italian World Cup focused largely on the economic potential of the event. The 1990 tournament was described as “one of the ability to undertake a great enterprise, provide a concrete example of the potential for growth and creativity, and demonstrate the contribution that Italy could make to the growth of Europe in the future” (Sugden and Tomlinson, 1994, p. 147). The event generated half of its estimated 320 billion lire profit from spectators and half from sponsorships.

The economic dimension of mega-event hosting boasts considerable potential. It is important to note that in impact assessments, event-related costs must ultimately be subtracted from gains realized, thus highlighting the importance of prudent cost-minimizing strategies. One key factor that is particularly difficult to assess, because of the public-private nature of investments and the sheer magnitude of mega-event investments, is the distribution of expected benefits. This is made particularly difficult by the fact that ‘return’ on public infrastructure investment is difficult to quantify and can span several government administrations. Further, public funds invested in these events often take decades to pay off. Barcelona, for example, widely regarded as ‘successful’ in hosting the 1992 Olympic Games, is expected to remain in public debt until 2007, 15 years after the event (Metropolis, 2002).

Apart from the financial opportunities associated with hosting the World Cup which are directly managed by FIFA, there are a variety of economic spin-offs within the host country. Event goers spend additional money on transport tickets, restaurants, accommodation, sporting goods and related services. These

spending injections in turn initiate indirect spending in other sectors. Official sponsors may hire local companies for smaller scale promotions and events. Investments in stadium and related infrastructure and transport upgrading create significant economic opportunities within the construction and building materials sector. For Japan, the stimulation of this sector, and of the economy more broadly, was a primary goal of hosting the 2002 World Cup. This was also true for Portugal in hosting the 2004 EURO Cup.

A cycle of indirect impacts follows the direct effects at both national and regional scales. The cycle begins with investments that increase the demand for jobs in building, service and event planning industries: this leads to rising disposable income that then fuels consumption of other goods and services (refer to Ahlert (2004) for more detailed information on indirect costs associated with the World Cup). Current understanding and ability to quantify indirect effects of mega-event hosting remains inadequate to predict accurately and to manipulate these effects for the benefit of the host nation. This area of study needs to be improved through future case studies.

The 1994 World Cup held in the United States provides an example of substantial commercial revenue generation, although the value of wider public benefits is unknown. Over 32 billion viewers from 168 different countries tuned into the 1994 World Cup hosted across nine communities (Chicago, Boston, Detroit, Dallas, Los Angeles, New Jersey/New York, Orlando, Washington D.C. and San Francisco) from June 17 to July 17, 1994. Gift shops owned by WH Smith (a British Company) in hotels and airports generated US \$3 million from

World Cup souvenir sales. Advertising revenue for Univision (Spanish language network) doubled over that of the 1990 World Cup in Italy (Sugden and Tomlinson, 1996).

While successful economically, the USA 1994 Football World Cup left a questionable public legacy. Sugden and Tomlinson (1996) summarized the legacy of the Cup well, stating: "The false promises of some of the prophets... of USA 1994 can only really be explained as examples of the ideological – the masking of real interests and values geared toward a set of particular interests – exploitation of the situation" (Ibid, p. 255). Further, the likelihood of catapulting football into the mainstream sporting culture of the USA was never high and was probably overemphasized as a justification for the event (Ibid).

It was a feat for the United States even to be selected as World Cup host in 1994. The country was not thought to be an appropriate host by many for a variety of reasons. Firstly, football was not popular – indeed, American sports fans continue to turn their nose up at football, although the sport is now widely practiced among younger generations. Further, there were issues with excessive heat in host cities like Dallas and cold in host cities like Chicago. Finally, there were also apprehensions over hosting part of the tournament in an adapted, entirely closed, indoor stadium.

Overall, the event stimulated the economy and many investors made substantial returns. However, it did not leave a lasting public legacy for the American public. Future evaluations of the case of the 1994 World Cup may provide insights that can help future host countries understand why the gap

between public and private benefits from the event was so great in the 1994 example and how it can be narrowed so that both private and public investments reap substantial benefits.

Economic gain is one of the primary incentives to host a mega-event. Examples where this was the main impetus include the 2010 South Africa World Cup, 2006 Germany, 1994 USA, 1990 Italy and 1986 Mexico World Cups. Particularly since sponsorship and advertising have come to dominate the game, the World Cup has become a highly developed commercial enterprise. But much of the expertise garnered is not automatically transferred to new host countries. The tremendous economic potential of this event is widely recognized, yet local hosts still do not have solid understanding of how to ensure that money generated stays in the host country and translates into lasting benefits. This is one of the most critical areas in need of further research.

3.2.2 Tourism

A common current trend globally is to latch on to tourism as an economic generator. One result of this is an increased prevalence of mega-projects such as convention centres, entertainment and “shoppertainment” complexes, theme parks and casinos (Du Toit, 2003). By targeting tourism, these mega-projects also aim to cast a certain image of the city to destination markets. As such, they can have a substantial impact on national and international perceptions of the place.

In terms of urban tourism, mega-events provide unprecedented international exposure and the opportunity to “sell” a destination on the world stage. This feature of event hosting is strongly promoted by event stakeholders. However, independent studies have shown that long-term increases in tourism are uncertain, and are just as likely to be attributable to the natural evolution of a destination as to the event itself (de Tolly, 1997; Matheson 2004). Further, research shows that significant displacement of normal tourism occurs during the World Cup (Baade and Matheson, 2004; Kim and Chalip, 2004).

While increases in tourism are frequently touted as one of the most substantial positive impacts of hosting a mega-event, it is inherently difficult to prove what constitutes tourism “success”, how much of this is due to the event and how much is attributable to external factors, and the degree to which these gains benefit the general public.

Estimates for the 2006 Football World Cup in Germany provide an indication of the potential scale of impacts. In generating a model in which economic impact was generated primarily from tourism consumption, Ahlert (2004) concluded that approximately one quarter of the impact of the 2006 event would be felt over the course of the event in the area immediately surrounding the venue (including hotel and restaurant services), whilst three-quarters of the economic impact on GDP would be spread nation-wide.

German organizers of the 2006 World Cup expected 90% capacity at the event, based on occupancy rates at major football championships in Europe over the last ten years (96% at the EURO Cup in Germany in 1988, 90% at the EURO

Cup in 1996, 88% at the World Cup in France in 1998). They anticipated 1.1 million foreign tourists (including media). Overall, Ahlert estimated a relatively small overall impact on the German economy in percentage terms (under 0.3% of total investment and 0.06% of private expenditure). This is interesting considering the size of the German economy. In South Africa, percentages would likely be much higher, whether in terms of economic gain or loss. These estimates are based on consumption, or the spending behaviours, of the 'average' World Cup tourist on accommodation, entertainment, food and beverage service and domestic products.

From an economic standpoint, consumption, in terms of mega-event economic analysis, includes demand for a host nation's products overseas. This is an interesting point in light of South Africa's 2010 preparations, considering the importance of small, micro and medium enterprises (SMMEs) and the informal economy in South Africa. Unless South African companies have developed outlets for export overseas that are capable of capitalizing on World Cup 2010 publicity, they may not benefit as much as companies in more developed host countries have in the past. In Germany, for example, products for export, particularly event-related products, may have been much more prolific (thereby increasing the overall figure of 2006 World Cup-related 'consumption') than that which South Africa could reasonably expect to export in the years prior to 2010. Finding ways to increase quantity and quality of South African products from businesses of all sizes, including arts and crafts from the informal economy, will be an important consideration.

In support of the opportunity to spread benefits nation-wide, Ahlert (2004) suggests that spending related to the 2006 World Cup in Germany will not be limited to venue locations. It will additionally reach other areas through increased expenditure on petrol, public transportation, hotel, restaurant and bar patronage, and on the purchase of event-related goods. Ahlert anticipated spin-off effects throughout the economy, including in non-sport industries, to begin as early as 2003, although it will not be clear whether this happened until assessments are conducted 2-3 years after 2006.

Research has shown that local expenditure does not significantly affect overall expenditure, probably because spending by area residents is offset by substituting it for the consumption of other goods as well as a shift in regional expenditure from non-host locations to host locations. While sport-related expenditure is expected to increase, the overall effect will only be substantial if their overall consumption during the 2006 World Cup increases over and above that which would have otherwise been spent.

Apart from direct economic benefits, events present substantial opportunities for destination marketing to an international audience. The largest economic dividends stand to be made through advertising, media and television broadcast rights. These are sold exclusively through official contracts with FIFA and are usually determined several years before the event takes place. The value of indirect media exposure, however, is not well understood. The value of this is often subjective and difficult to quantify, as is the time period over which it continues to have a significant impact.

While there are no objective estimates to quantify the value of the media exposure, the World Cup generates extensive tourism marketing for a host country. Given a television audience of 40 billion expected for the 2010 World Cup, it is likely that its impact far exceeds the estimated US \$41 million dollar value attributed to shooting of the *Lord of the Rings* films in New Zealand (Black and van der Westhuizen, 2004). Although the figure indicates that spin-offs are potentially substantial, it is nonetheless speculative because place promotion campaigns operate very differently from film productions and it is difficult to make direct comparisons.

Concurrent with courting tourism as an economic generator is a targeted effort to address perceptions of inner-city safety and cleanliness, two of the primary disincentives of tourism. Opportunities to clean up negative place-perceptions can be of particular value to South African cities, particularly a city like Johannesburg that has suffered an unusually negative international image in the past, in terms of safety and security. Research suggesting that negative perception of crime elevates the perceived risk of attending a FIFA World Cup (Kim and Chalip, 2004) suggests that 2010 marketing campaigns might benefit from specifically anticipating and addressing potential security fears.

Kim and Chalip (2004) conducted a study on the motivations of visitors to the 2002 FIFA World Cup co-hosted by South Korea and Japan. They found that the factors influencing a decision to travel to a World Cup (or other major international event) were complex. The motivating factors that most influenced event attendance were:

- perception of the costs and benefits of attending
- interest in the given event
- fanship
- travel motivations
- tourists' individual background
- previous World Cup attendance

They recommended that event organizers seek target markets that are already pre-disposed to international event-related travel and to allay perceptions of risk of potential World Cup visitors. Perception of risk can involve security fears or financial risk (for example, over-inflated prices were a major concern leading up to the Athens 2004 Olympics). In addition to minimizing the potential visitor's view of risk, organizers should endeavour to maximize the perception of benefit (in terms of sports appreciation, festive atmosphere, learning about the host city and nation).

Another study showed that residents in their 20s and 50s were the most interested in attending and/or volunteering for future mega-events (Kim and Petrick, 2005). In addition to interest in sport, these may represent the population groups with the greatest amount of disposable time. Respondents in their 20s showed the most interest in attending a future World Cup. Future studies are needed to verify these results, as this research only pertains to the 2002 World Cup. However, these studies illustrate the importance of identifying the profile of World Cup tourists.

These findings are interesting in light of the 2010 World Cup in South Africa. Unlike Germany, the 2006 World Cup host (which has an ageing population), South Africa is a country in which the majority of the population is under 30 years old. If Kim and Petrick's (2005) results are repeated in 2010, there is a high likelihood that the country's primarily young population will perceive the impacts of the World Cup positively.

World Cup 2002 visitors were not only interested in football. On the contrary, they showed significant interest in learning about the co-hosting nations and the surrounding areas. Kim and Chalip (2004) showed that increased desire to learn about the host nation was related to increased desire to travel to the World Cup, as well as increased responsiveness to the World Cup tournament in general.

As a result, unlike Sydney's 2000 Olympic Games tourism marketing campaign, which promoted nearby attractions such as the Great Barrier Reef and Uluru as "places of wonder" with only marginal success (Chalip and Green, 2001), Kim and Chalip (2004) indicate that the emphasis should be on opportunities to learn about the host destination. This may involve a coordinated tourism marketing strategy between the host destination country, city and event organizers. Not enough case study research exists on ideal strategies for marketing the host destination jointly with the event, in ways that capture the best of both.

London, in preparing for the 2012 Olympics, seeks to present itself as a 'world-class city' and is endeavouring to ensure a welcoming atmosphere for

athletes and visitors (Cave, 2003). It is interesting to note that, although London is ranked as one of the best-known world cities, (Cushman and Wakefield, 2005); it nonetheless articulates the desire to project a world class image to the world. It seems that the desire for cities like London in 2012 or Paris for the 1998 World Cup is to confirm their world-city status, and to project themselves as attractive to new and more diverse tourism markets.

London's preparations for the 2012 Summer Olympics include a strategic tourism plan which will be developed over three years under the leadership of the London Tourism Action Plan, a partnership between the London Development Agency, London Tourist Board and the Convention Centre that will handle tourism marketing and place promotion. This tourism plan could serve as a model for other mega-event hosts. The plan focuses on ensuring high visitor satisfaction and covers marketing strategies, improved information services and product development aligned with both the Olympics and Paralympics (London Development Agency, 2003).

The festival aspect of mega-events is one of their key selling points (Kim and Chalip, 2004; MacAloon, 1989; 1984). This could be attributable to the desire to experience the event fully, in ways which are beyond that which can be experienced via television coverage. Activities and star-studded performances at the 1994 USA World Cup expanded the event's appeal to American audiences who were largely unfamiliar with football. The euphoria surrounding the Cup became one of its greatest attributes. Similarly, in Paris in 1998, the electric atmosphere surrounding the championships is still a point of reference for French

youth today (Metropolis, 2002). This is said to be especially true in impoverished areas, a point also emphasized with reference to the 1950 World Cup in Brazil (Glanville, 1993).

The 1950 Brazilian World Cup pushed enthusiasm to the point of fanaticism: in a context of international post-war tensions, it drew the nation's millions of low-income residents into the excitement of the country's most popular sport. There is exciting potential for a united and festive South Africa in 2010 in this regard, although detailed plans remain undefined as to how to communities which are unable to attend the matches will celebrate. This may not be problematic, as spontaneous and electric festivity throughout the country is inevitable at the time of the event.

Other research emphasizes the importance of the national team's performance in generating interest in the minds of potential World Cup tourists (Chalip, 1987). Essentially, a successful national team increases the likelihood of that team's victory and the chance of identifying with the champions. Although a national win, and particularly a host country win, is an important unifying experience, the USA demonstrated as host of the 1994 World Cup that, at least in terms of private economic gains and tourism, success could be attained without reaching the finals.

3.2.3 Image Projection

Mega-events have become important representations of the global political economy. Robertson (1990) classified five stages of nation-state growth

toward a highly complex global system. The first three stages culminated in a rise of the relevance of international relations and global communications in the 19th and early 20th centuries. One result was the growth of worldwide competitions such as the Olympic Games and FIFA World Cup, as early incarnations of globalization (Robertson, 1990). The football governing body was established in the early 1900s, and the first World Cup represented Robertson's fourth phase that lasted from the 1920s through the 1960s marked by tensions in the relationship between the elite Western world and growing talent and interest in emerging states.

Robertson's (1990) model concluded with the fifth phase, characterized by "uncertainty". In this phase, globalism increases in many forms, media conglomerates consolidate and nation-states experience increasing problems in coming to terms with multiculturalism and multiracial identities (Sugden and Tomlinson, 1996). Certainly, as Germany in 2006 attempts to portray a nation reconciled with its divisions of the past and South Africa plans to demonstrate political stability and racial harmony in 2010, this climate of global uncertainty seems relevant to the desire of nation states to present an image of 'certainty'.

Destination branding may have evolved from the elaborate branding schemes of companies (Black and van der Westhuizen, 2004). Unlike in the past, when states bid competitively against one another to host mega-events on the basis of showcasing political or technological prowess, the authors argue that the stakes are much higher for mega-event hosts today. Today, place promotion and image marketing are powerful means to attract international tourists,

investors, students, and media that will continue to cast the destination in a positive light and celebrate its unique blend of assets.

In terms of destination marketing, is nearly impossible to place a figure on the media attention offered by hosting the FIFA World Cup. As mentioned previously, the value of media exposure through a unique event can be substantial, although it is difficult to make direct comparisons. This research did not uncover any figures estimating the place promotion value of any past FIFA World Cup. However, as far back as the 1990 World Cup in Italy, there is evidence of justifying city beautification on the assumed significance of this value (Lanfranchi, 1994). To give some indication of the opportunity inherent in this, the 2010 World Cup is expected to draw 200 hours of media coverage, exclusive of the extensive coverage of the event in the years leading up to the tournament.

National attempts to capture culture, music, sport, art, film and culinary specialties and relay these to a target tourist market try to invoke what Van Ham (2001) described as 'emotional resonance'. The place marketing campaigns of several governments reflect this (Black and Van der Westhuizen, 2004). Australia became the 'lucky country', the United Kingdom became 'Cool Britannia' and, following collaboration between the South African government and International Marketing Council, South Africa is seeking to portray itself as the 'Rainbow Nation'. Mega-events offer an ideal platform for focusing top marketing professionals over a concentrated period of time on the task of re-imagining a place, creating a cohesive place-promotion strategy and associated

message and delivering the message to a guaranteed audience of billions of captive viewers.

Emerging democracies and authoritarian states that successfully host mega-events receive a dual reward. In such cases, a country simultaneously gets the opportunity to align itself with the international community and to broadcast its strengths and character as a destination for tourism and investment. The host country thus presents a political message to the world and expresses its desire to participate fully in global affairs, along with provocative messages as to why the rest of the world should take greater interest in the nation. Prior to South Africa's hosting of the 1995 Rugby World Cup, the world took interest in the country because of its apartheid regime. During the event, however, South Africa presented itself anew, as a peaceful, reconciled nation alive with possibilities. This message helped shape a new global image of South Africa and communicate opportunities to visit or invest in the country's future.

The Football World Cup in Germany in 2006 provides a good example of the issue of image promotion. It was Germany's largest event since the 1972 Olympics in Munich, as well as the first time the area has hosted a mega-event since the country's reunification. Munich hosted the opening match and the final took place in the renovated Olympic Stadium in Berlin.

As stated by the executive vice-president of the organizing committee prior to the event, Wolfgang Niersbach, "the world expects Germany to be able to organize such a big event.... The important thing now is the atmosphere—what

kind of host will we be? We want an atmosphere of hospitality” (Landler, 2005, p. 1).

The goal of Berlin in hosting the 2006 finals was to “demonstrate itself as a vibrant, modern, global city and to ‘affirm its new role as capital of Germany” (Metropolis, 2002). Germany’s choice of Berlin as the finals destination celebrates the modernized symbolism of a landmark. Under the premise that, “you can’t overcome history by destroying it,” Germany spent USD 283 million renovating the stadium and re-imagining the symbolism of its Nazi heritage connecting sport with war (Landler, 2005, p. 1).

The decision to renovate the stadium instead of building a new purpose-built football arena was a difficult one. The latter would have been less expensive, would have provided a legacy exclusive to football and would have enabled Berlin to compete with venues in Dortmund and Cologne over the longer-term. The Olympic stadium had been used during the 1974 World Cup hosted by West Germany, but not as a finals venue. As an Olympic stadium (which required a running track), the pitch was located too far from the stands. Nonetheless, a new stadium was determined to be too expensive, considering the difficult long-term operational viability of two venues in the same city. Ultimately, organizers chose the fiscally appropriate route.

The city’s director of urban development, Hans Stimmann, claimed that in addition to the rebuilt stadium, Berlin had “a political and cultural commentary” (Landler, 2005, p. 2). This is in keeping with mega-event planning in general. The decision allowed Berlin to both accommodate the finals and to present a

modern image of the city. The stadium is linked to a ceremonial building and museum, educating visitors on the area's history and the implications of sport in the Nazi era, as well as providing space for contemplation.

Mega-events also have the power to devise new ways to promote and brand a city within a region (Cornelissen, 2004; Black and van der Westhuizen, 2004; Van Ham, 2001; Waitt, 2002; Hiller, 2000; Jarvie, 1993). One of Barcelona's goals in hosting the 1992 Olympics was legitimizing its Catalan identity and aligning itself with Europe and the world (and by implication, distancing itself from the centralized Spanish government). One of Australia's primary goals for the 2000 Olympics focused on the reconciliation of its multi-farious cultural identity and its indigenous cultures.

Atlanta, in hosting the 1996 Olympics, intended to promote private-sector driven economic regeneration and succeeded in improving the competitiveness of both the city of Atlanta and the state of Georgia, compared to other locations in the USA, by attracting companies and investment (Guala, 2002). Atlanta's 1996 Olympics sought to re-imagine the city as the 'capital of the New South', to promote its success at racial integration and crime reduction in a Southern US context, and to portray it as an exciting and progressive city for emerging investment and development (Cornelissen, 2004). Locally, Atlanta branded itself as the political and economic hub of the state of Georgia; and internationally, its branding strategy targeted tourists and investors (Holcomb, 1999). Concurrently, the 1996 Olympics put the city of Atlanta, its local elites, and the message it chose to portray, before an international audience.

Atlanta's goals and challenges for 1996 relate well to Johannesburg's hopes for transformation through the 2010 World Cup. Like Atlanta, the latter is also working to promote itself as an economic and cultural 'hub of the South' and faces similar issues in overcoming negative perceptions of racial and safety problems. Despite the fact that the events are different, the similarity of the two cities' goals could be useful in identifying effective strategies and pitfalls applicable to 2010.

Aside from national image-promotion incentives, there is an alluring potential for local politicians to increase their profile within the region through high-profile events and, in the case of the FIFA World Cup, amongst competing cities and billions of television viewers worldwide.

Political controversy surrounded the Argentina 1978 World Cup. The country was at the time a military dictatorship under General Jorge Videla, who had come to power in 1976, following a junta involving thousands of deaths and marked by the torture and disappearance of many thousands more. The international community opposed Videla's regime, expressing valid concerns for the safety of players travelling to Argentina and scepticism regarding the government's ability to deliver necessary stadium and communications infrastructure. Opposition led by Western European countries and Amnesty International attempted to take the World Cup away from Argentina. Rumours circulated that the event would be relocated to Belgium and Holland and teams threatened to abstain from competition if this did not occur. The attention

concentrated on the nation during the World Cup, whether positive or negative, certainly publicized the regime.

South Africa was able to use both the 1995 Rugby World Cup and the 2003 Cricket World Cup to showcase its democratic transition and new government leaders. This was especially important following international bans on the country's participation in global sports under apartheid. The 1995 and 2003 events served as international political platforms for the African National Congress to publicly realign the country with global commerce and networks of international support. These events also allowed the country, through its successful hosting, to communicate its capacity to deal effectively with crime and safety issues. Despite the significant increase in publicity from mega-events, however, it appears that benefits from this political image-bolstering may be short-lived (Jones, 2001; Lever, 1999).

Some research on local response to the 2002 World Cup showed differences in receptiveness to the concept of national unity across age groups. Residents in their 20s and 50s were the most receptive to international sports events and global affairs, the most likely to experience patriotism and to share the belief that the World Cup fostered national unity and harmony (Kim and Petrick, 2005). Other age groups were not significantly responsive to this concept. Further research would be required to understand the implications of these findings. In any case, assumptions of the potential for mega-events to foster nation building have not been empirically proven to endure over time (Kim and Petrick, 2005).

This is a critical area for further research, because a dominant assumption in mega-event hosting is that these benefits are durable. Many important decisions are made in terms of this assumption, yet the scant research that exists indicates that these effects – positive or negative – are not long-term.

3.2.4 Urban and infrastructure development

The urban renewal approach to urban and economic growth requires attracting substantial capital investment for development projects and thus explains city leaders' increasing interest in attracting international investment and leisure and tourism industries through place promotion media campaigns. Along with this shift away from viewing the city as a centre of industrial production, the city's redefinition as a service provider increases the attractiveness of mega-events to space-scarce cities, formerly reliant on manufacturing (Deakin and Edwards, 1993; Jones, 2001).

Just as cities have historically competed with one another via public funds and incentives to host manufacturing plants of major corporations, cities increasingly bid against each other to host major world events with the aim of attracting investors, creating jobs and fast-tracking economic growth. The scenario, however, is not a clear track to economic success. While some economic gain may be realized by the community overall, the largest returns tend to go to event organizers and major investors. The question remains whether mega-event hosting policies for purposes of urban and economic growth are

sustainable generators of prosperity or whether they simply result in uneven distribution of benefits.

One of the key figures working on the 2004 Cape Town Olympic bid maintained that the true legacy of hosting a mega-event lies in infrastructural improvements that provide lasting benefits to the host community, enabling local authorities to accelerate their community and urban development agenda by focusing on a common goal, under established deadlines and via an efficient process of planning, implementation, management, accountability and evaluation (de Tolly, 1997).

In anticipation of the 2010 World Cup, understanding what 'urban development' in the context of mega-events means and how it applies to South Africa's preparations is critical. In the past, cities have used mega-events as catalysts for renovating or creating modern urban centres or improving strategic traffic nodes. This requires planning for the significance of these areas after hosting the event.

Urban centres communicate cultural, social and economic values: they promote a diverse cross-section of a city's culture and values and provide a rich multi-cultural environment in which to work, live, study, seek public services, recreation and entertainment (Imam, 2002). As such, the challenges in re-imagining symbolic and engaging urban centres lies in encouraging diversity and offering rich varied sensual stimuli through the built environment.

Creating stimulating urban centres requires sensitivity to a variety of factors influencing the way people engage with space. The 2010 World Cup

brings an opportunity for South African cities to create sports developments that are at once iconic and interactive. The challenge is not in creating a network of expensive sports facilities. It is about creating engaging urban nodes that can accommodate multiple uses, the World Cup being but one of these. Such developments, according to Banerjee and Southworth (1990), should consider the following:

- Environmental stress (visual and audio noise, climate, pollution, and so on)
- Behavioural support – facilities designed for both visual impact and the activities they are meant to foster (i.e., steep paths should not be used for main walkways).
- Identity – space should be identifiable and memorable
- Diversity and choice – users of a space should experience choice and variety
- Legibility – space has a structure and pattern of paths, landmarks, and open views that form into a cohesive and intelligible form
- Meaning –the symbolism attached to a specific place
- Development – ability to educate and capture an observer's imagination and attention
- Perceptual engagement – activating as many as possible of the human senses
- Adaptability – an environment that absorbs new uses and demands over time

- Congruence – the degree to which an environment is aligned with social and organizational structures

In terms of Sanderson et al's (2002) conclusion that the only real urban legacy of the FIFA World Cup lies in the stadium precinct, these criteria may seem ambitious, particularly given the tight planning schedule of the World Cup. But the degree to which these considerations begin to shape mixed-use, multi-purpose stadium plans and their surrounding areas will determine the true added value of the event's urban legacy.

The argument for urban regeneration via mega-events and their related infrastructure is one based on the assumption that the surrounding community benefits from the spin-offs or trickle down effects from property development, such as job creation.

Experience shows that spatially, benefits tend to be concentrated in the areas immediately surrounding stadium developments. In the case of the 1998 World Cup in France, only one stadium was built. As a result, only this region experienced significant urban development benefits. In South Africa, a study conducted by the Human Sciences Research Council found that less than 8% of South Africans expected the benefits from hosting the 2010 World Cup to have an impact on impoverished or rural areas. Over 61% of respondents believed that the Gauteng Province (the wealthiest in the country) would benefit the most from the event (Ntshingila, 26 March 2006, p. 6). Officially, 2010 organizers intend to spread urban improvement more widely throughout the country.

However, this is not an easy solution. Developments must respond to actual needs in those areas in order to have lasting value.

Urban regeneration can be planned as an accompaniment to stadium upgrades as well as new stadium developments, as in the case of Ellis Park Stadium for 2010. Substantial improvements can also be made to transportation networks servicing the stadium area. Transportation legacies are more pronounced in association with the Olympic Games because of the greater dispersion of venues within one city. The FIFA World Cup necessitates fewer changes to transportation networks; however, the event is increasingly seen as an opportunity to make desired changes in transport infrastructure. Transport plans for 2010 are being implemented to service all venues. Those at the FNB Stadium, Ellis Park Stadium and Durban municipality are already anticipated to bring substantial long-term benefits to the surrounding areas.

One of the problems with urban policy driven by hosting major events is an increasing supply of competing venues, as other cities and regions invest public funds into infrastructure and compete for growth on the same terms, as has been the case with, for example, stadiums in the UK. Cities in the United States also experience keen competition to host National Football League, National Basketball Association and Major League Baseball team franchises. Increasingly, this is also the case with National Hockey League and Major League Soccer teams. Cities invest heavily in infrastructure and bid competitively to host these teams as part of wider city development strategies.

One of the primary goals of the London 2012 Games includes the regeneration of targeted urban areas. Major project undertakings have been approached with a 20-year view of government management. Organizers are taking a much longer term view than has been typical of past hosts, in recognition that, “even in London the authorities already acknowledge that no considerable profit will be made from an Olympic Games, the infrastructure improvements will happen anyway with time and previous experience suggests that it will prove to be more costly than originally planned” (Cave, 2003, p. 13).

The Lea Valley has been targeted as the site for urban regeneration in preparations for the 2012 Games. Ground and rail transport will be improved. London is similar to the case of Barcelona 1992, in which specific urban development and infrastructure plans were in place prior to the bidding stage.

Many prospective mega-event hosts, however, find themselves in the position of planning for infrastructure that was not previously planned or even considered necessary (e.g., 2002 and 1994 World Cups; EURO 2004). In this case, hosts face an uphill battle of urban planning and infrastructure decisions which detract from other planning decisions and there may be a greater tendency to focus on event planning at the expense of other projects.

Studies of the Millennium Stadium and City of Manchester Stadium in the United Kingdom showed that the long-term sustainability of a stadium depends on how well it capitalizes on publicity from the event and secures a steady stream of profitable events in the future (Davies, 2005).

Many mega-event stadiums, including the two main stadiums built for the Sydney 2000 Olympics and several stadiums built for the 2002 World Cup in South Korea and Japan, have been unable to do this. Officials (often representing a new governmental administration) then face the decision of whether it is more desirable in the long run to close the stadium, continue to operate at a loss or find alternative means of financing. In the case of stadiums from the 2002 World Cup, laws had to be adapted to permit naming rights and private sponsorship, a practice that had previously been prohibited. While this helped finance the stadiums, sponsorship alone will not ensure the viability of the 2002 venues because the problem remains that many of these were placed in communities where there was not enough demand for a large new facility.

The 1998 World Cup in France built only one new stadium, in response to the country's need for a major international multi-purpose venue. Other stadiums were renovated for the tournament. This strategy avoided the problem of post-event management of new stadiums because it responded to existing demand, rather than projecting an unrealistic estimation of football support following the World Cup. In 1994, stadiums were easily absorbed into the United State's culture of sport franchises.

Even when a stadium is able to sign on a long-term tenant, there may be significant effects on the surrounding community (Davies, 2005). In order for these stadiums to foster urban improvement beyond the precinct, community concerns must be considered and events must be well managed in terms of these concerns (for example, noise and traffic congestion).

3.2.5 Specific host country goals

One of the fundamental elements of national interest in sport is the potential of people being inspired by leading players and by the atmosphere of the game to play the game themselves. Many mega-event hosts endeavour to bolster sport participation in the years leading up to the event in order to increase public interest and support of the sport. They implement programs to encourage the emergence of high quality athletes and to increase the likelihood of national triumph at the time of the event. For example, the United Kingdom has aggressively pursued high-profile sports events as a means to increase sport participation throughout the country and the level of success of its national teams has improved.

The co-hosted 2002 World Cup is an example of a successful legacy, above all, of increased sport participation. It was the first time this event had been held in Asia and the first time the event had been co-hosted. Japan and South Korea provided the venues for 32 teams to play 64 matches and accommodated three million sports fans who generated over USD 1.2 billion in ticket sales (Parr, 2002). The event drew 35 billion viewers and 16 corporate sponsors, among them Coca-cola, McDonalds and Adidas. Broadcasting rights for the event were sold for USD 800 million. This figure is expected to double for the 2010 World Cup.

In Japan, specifically, in addition to the country's primary goals of economic gain and cultural promotion, organizers aimed to increase Japanese

interest in football as well as international recognition of Japanese players through the 2002 World Cup. This was achieved through the result of the following national aims: increasing the competitiveness of the Japanese team, improving the performance of Japanese players in international matches, securing the bid for the 2002 World Cup, and hosting the finals. Japan proved successful in this regard (Manzenreiter, 2004).

If organizers had followed a cost-minimizing strategy, the event would most likely have resulted in more favourable returns on public investment. The 2002 World Cup required USD 4.4 million in infrastructure investment spread across 20 venues (10 per country). More stadiums were built than was necessary to host the event and, as a result, many remained under-used after the World Cup leading many to the conclusion that the event had left a poor urban development legacy. This negative attention, in some respects, may have overshadowed achievements in terms of increased football recognition and participation.

Even the 1994 World Cup in the United States, a nation generally regarded as relatively ambivalent to the game of football (or 'soccer' as it is called there), succeeded in increasing youth soccer membership in the US Youth Soccer Association by 9% and in the American Youth Soccer Association by 14% by 1995. The US Soccer Federation counts among its members 16 million players, many of whom are youths. This represents the most players registered in any individual nation (Sugden and Tomlinson, 1996). Despite this, the game continues to face unforgiving competition from the three primary American sport

pastimes of baseball, American football and basketball, and, as such, experiences great difficulty in attracting financing and in maintaining financial solvency of soccer-exclusive stadiums in the United States.

The South African team will have to improve dramatically in the next four years from its less than exemplary showing at the 2004 Nations Cup. One of the key challenges will be implementing youth programs throughout the nation and encouraging the nation's brightest talent. It may be useful to look to examples such as that outlined in Cave (2003) of a successful project using football to foster crime reduction, peace, youth self-esteem and community development in Nairobi, Kenya.

The project undertaken in the slums of Nairobi, sought to give children an alternative to drugs, crime and violence, which characterized the district. Charitable organizations supplied shoes, football uniforms and organizational assistance to create a competitive league of football teams. Teams moved up in the league as a result of football success and players were expected to participate in township clean-up projects. The project contributed to a reduction in crime in the areas and encouraged self and community pride amongst the township youth (Cave, 2003).

3.3 Common opportunities

In addition to the primary goals of hosting mega-events, prospective host nations may hope to benefit from secondary goals, or opportunities, commonly associated with mega-event hosting. The stringent organizational demands and

networking opportunities inherent in the bidding and hosting process present aspiring hosts with both challenges and opportunities regarding their internal and external organizational, communication and investment networks.

3.3.1 Improve organizational Capacity and Internal Cooperation

Economically and politically, goals behind mega-event hosting can be either unifying or divisive in terms of local officials (Guala, 2002) and the actual process of bidding and hosting may serve to strengthen or divide an area in terms of solidarity (Metropolis, 2002). This is exacerbated by size and contexts: the greater the number of levels of administration involved (international, national, provincial, metropolitan, community), the greater the potential for cooperation or divisiveness.

A successful example of organizations cooperating well together can be found in the 1992 Olympic Games held in Barcelona. Their success was attributed to “skilled political entrepreneurship and creative planning” together with the “money, energy and spirit of cooperation” (Calavita and Ferrer, 2000, p. 793). While Barcelona’s situation was unique, this effective stakeholder collaboration should be the goal of all mega-event organizers.

Following the 1998 World Cup in France, for example, and despite success in many other regards, the country failed to sustain improvements in terms of cooperation between the private sector and different levels of government, which could have constituted an effective legacy of knowledge sharing, international and internal cooperation, project management and

organization. Unfortunately, these networks were abandoned after the event (Metropolis, 2002).

The experience of hosting an event of this magnitude demonstrates to less experienced professionals at all levels of planning what is possible under the demanding circumstances of the bidding and hosting processes and can be a valuable tool in building project management and organizational skills, as well as cooperative networks of resources and information. Factors that influence organizational capacity of a city with respect to mega-event planning include the size of the city's economic base, standard of existing facilities and the city's capacity in terms of both human and financial resources.

The element of facilitating internal public and private networks of cooperation through mega-event hosting is relatively under-researched, despite often being listed as an incentive for the initial bid.

The literature reviewed indicates that mega-events are likely to strengthen an already strong community, while small communities tend to become weaker as a result of hosting mega-events (Guala, 2002; Kariel, 1991; Cochrane et al, 1996). This is an important assertion, suggesting that the espoused benefits of hosting are more likely to be attained within well-organized planning frameworks than through weak systems. This could be particularly problematic in the case of developing country hosts, where instability and uncertainty in planning are common problems.

3.3.2 International Cooperation

Experience transfer between seasoned hosts and those navigating the market for the first time is an important element of event preparation and hosting. The resources, in terms of past World Cup experience, knowledge, and capacity that exist within FIFA remain largely underutilized as a source of effective, broad knowledge transfer.

Bruce Billson, the Australian parliamentary secretary for foreign affairs, offered South Africa the opportunity to engage with his country on their experience in hosting the 2000 Olympic Games in Sydney in terms of security, marketing and developing infrastructure (Claasen, 10 February 2005). Billson indicated that one of the most beneficial aspects of the 2000 Olympics, with regard to tourism, was that many visitors arrived with narrow, "clichéd" views of the country, and that the event provided them with exposure to a much more complex, varied and diverse Australia than they had previously envisaged. Similar international skills and knowledge-transfer partnerships have been forged with institutions in Germany, with experience on various aspects of hosting the 2006 World Cup.

There is a need for greater responsibility and cooperation on the part of relevant international organizations and experienced hosts, in providing advice toward reaching the local goals of the host country. International and regional partnerships can help in this regard, where helpful resources are available, as was the case for the Mali 2002 Africa Cup of Nations, in which other African countries provided support to the hosts.

CHAPTER 4: MEGA-EVENT ASSESSMENTS: SOME METHODOLOGICAL PROBLEMS

Because of their large nature, involving local, provincial, national and international impacts, and their extended temporal impacts, mega-events are characteristically difficult to assess. This problem is compounded by common methodological problems with existing mega-event research. Some frequent issues, for example, include determining an appropriate time period for evaluation, identifying reliable tourism statistics and defining what constitutes a 'profitable' event and to whom. This section discusses some common problems which surface in the literature with regard to evaluating mega-events.

4.1 Introduction

The academic literature often criticizes overestimated tourism numbers and economic benefits resulting from hosting mega-events (Baade and Matheson, 2004), yet the problem persists of basing estimates on previous, often over-estimated figures. Much of the promotional and academic literature on mega-events is contradictory, at times making drastic claims about the success of these events, or, more often, the *anticipated* success of these events, and at times refuting these claims.

Divergent stakeholder interests in the potential benefits of hosting mega-events underpin the unresolved debate on whether or not the benefits of hosting outweigh the costs. This argument may prove irrelevant if organizers can find a

way to host such events with careful consideration of where investment originates and where it is distributed in the form of economic and infrastructure development. This requires innovative planning, organization and incentives in order to finance the event responsibly and to ensure identifiable lasting benefits.

There is a need for adequately and empirically researched evaluations. At present, a convincing argument can be made both *for* and *against* the success of almost any mega-event, depending on what references and assumptions are used (Ahlert, 2004; Guala, 2002).

The URS Corporation (2004) conducted a post-event study reviewing the impacts of the 2003 Rugby World Cup on Australia. This study represents one of the most in-depth post hoc assessments of a mega-event. The event drew 1.8 million spectators (domestically and internationally) and generated spin-off effects throughout the Australian economy, primarily in the service, business and recreation sectors. URS also attempted to assess long-term impacts of the event. However: they ultimately conceded, "The value of these additional opportunities was difficult to quantify" (URS, 2004, p. 6.1).

Many estimates used to predict success pre-event are based on data from other institutions. As such, it is important to check estimates used in previous research. For example, tourism expenditures are used to estimate ticket sales and tourism consumption, which in turn are used to estimate tourism and urban infrastructural requirements. If the original tourism estimates are inflated, this will affect the appropriateness of later estimates based on these figures.

Mega-events must thus be evaluated in terms of a cost-benefit analysis of the degree to which a host achieves its original goals of hosting and the costs incurred in the process. Such an evaluation should assess short and long-term impacts of each phase of hosting: pre-event, event period and post-event. Beyond a cost-benefit analysis, mega-events should be evaluated from a sustainable development perspective. Sustainable development emphasizes a balanced approach to cost-benefit analysis that incorporates economic, environmental and social costs. Using this approach, economic evaluation is but one element of the bigger picture. Hosts must achieve the social, economic, environmental, and urban development goals outlined in the bidding phase to be considered successful.

Comparisons between events of different size or in different countries can be misleading. For this reason, benchmark studies based on past events in the same country, despite considerable differences in size, are often used. Studies used to estimate the long-term impacts of the 2000 Sydney Olympics were based on evaluations of the 2003 Rugby World Cup in Australia (URS, 2004). Germany referred to experiences hosting the Olympic Games in Munich and the Football World Cup in former East Germany in its preparations for the 2006 World Cup. Factors vary widely from one country to the next, and one event to the next, and this is critical to consider when reviewing case studies as best-practice lessons.

As South Africa prepares to host the 2010 World Cup, it should be wary of relying on examples in other countries, because the planning context is often very different. Drawing on experience from the 2003 Cricket and 1995 Rugby

World Cups, and the failed 2004 Cape Town Olympic Bid is useful, although the scale does not match that of the 2010 FIFA World Cup. Unfortunately, extensive economic, tourism and urban development evaluations were not undertaken following these events and, as a result, there is little useful information to draw upon in the Cape Town context.

Studies that misinterpret event impacts can lead to misleading conclusions. For example, this type of problem can be found in the following quote:

“As can be seen in the 2002 World Cup [South Korea/Japan], even though attendance and tourism travel were nowhere near expected, profits were still generated by both countries and economies. This can be attributed greatly to the increased corporate sponsors as well as the fact that the tourists that came were increasingly from the USA and Europe and therefore stayed in the country longer and spent more money on activities. Initially seen as disappointing, given that attendance was down, upon further study, the return on investment, especially in Korea, is encouraging since new stadiums were built that will be consistently used as well as new transportation systems and increased air, land and sea capacity” (Waltz, 2005, p. 3).

The quote raises a number of issues. Firstly, Waltz (2005) does not indicate *how* profits generated within the economies of both countries compensated for the unanticipated lows in tourism spending. Nor does the author refer to how much would have been normally expected in relation to tourism revenue without the World Cup.

Secondly, if corporate sponsorship is the source of income that offsets this disappointing tourism outcome, where does the corporate sponsorship money go? Does it repay those (private and public) investors who initially invested in

tourism and related infrastructure and service upgrades? If not, can this reasonably be seen as contributing to cost-recovery?

Thirdly, how can it be known that visitors from the USA and Europe spend more? Other research indicates that the tourism displaced by the 2002 World Cup tourism was primarily inter-Asia business tourism (Baade and Matheson, 2004), which may have arguably injected more money into the local economy and into local businesses than sports tourism. Research on the Olympic Games shows that sports tourists often spend less than initially estimated on hotel accommodation and entertainment and that higher than anticipated numbers of visitors stay with friends and family (NSW Treasury, 1997). These critical facts are not known.

Finally, the current state of stadiums in both Japan and South Korea is one of extreme under-utilization (See Manzenreiter, 2004). This contradicts Waltz's unfounded assertion that stadiums will be "consistently used".

No English-language literature has analyzed the sustainability of transport investments made in either nation and, without this, it is impossible to determine the efficacy of these investments. The problem with an academic study like Waltz (2005) is that it presents many misleading assumptions as facts, thereby perpetuating confusion regarding the true effects of mega-events.

While it may seem inappropriate to quote a misleading academic article, it illustrates the fact that identifying legitimate sources of information is a critical problem in reviewing mega-event literature. A great deal of apparently valuable

information exists that misrepresents the actual impacts of hosting. These methodological issues commonly take a number of forms.

4.2 Economic discrepancies

Studies show extreme and consistent discrepancy between anticipated mega-event economic windfalls and actual *post-hoc* figures of tourism and job creation (Baade and Matheson, 2004; Matheson and Baade, 2004).

Three primary reasons for the extreme overestimation of event-hosting benefits have been identified (Baade and Matheson, 2004). Firstly, direct spending increases calculated as gross (as opposed to net) figures do not account for losses of economic substitutes for ticket sales (such as spending on alternate leisure activities) and do not account for often dramatic changes in resident economic activity that occur when local residents attempt to avoid over-congestion during the event by spending elsewhere (for example, many local residents will leave the area during the World Cup or at least temporarily avoid crowded areas for everyday residential tasks like shopping).

Secondly, there is no way effectively to measure the tourism that would have naturally occurred in a destination, if the mega-event had not occurred. In fact, event tourism frequently displaces other types of tourism. While it is possible to measure direct economic gains during the event promotion and hosting period, it is impossible to determine the amount of tourism activity diverted from a destination due to the hosting of an event.

Lastly, promoted mega-event economic figures become distorted because the economic multiplier used prior to event hosting to estimate economic impact generally doubles the estimated direct expenditures of international visitors. This multiplier uses pre-event promotional figures (which have not been shown to be highly reliable) and is meant to estimate the impact of induced spending throughout the economy, after the event has occurred. Independent research, however, applies more sophisticated multipliers and accounts for leakages from the event industry's flow of payments (such as the need for specialized labour from overseas and subsequent income leakages such as international hotel ownership and the importation of coaches or athletes). This results in a lower multiplier than that for goods and services because much of the induced spending occurs in other countries, through international organizations, travel agencies or hotel chains. The figures frequently quoted in media and promotional sources use the estimates based on the former multiplier, rather than those based on the more thorough independent assessments.

The 1994 World Cup Organizing Committee reported, "the US Department of Commerce and the World Cup USA estimate that as many as one million international visitors will travel to the United States in conjunction with the World Cup, making the event one of the most significant tourist attractions in American history" and that "the 1994 World Cup economic impact could conservatively exceed four billion dollars in the United States" (Goodman and Stern, 1994, p. 1). Yet, independent studies showed that the event, in fact, resulted in a US \$4

billion *deficit* (Baade and Matheson, 2004). In this case, pre-event figures differ from *post-hoc* independent assessments by US \$8 billion dollars.

In light of the difficulty in assessing the economic legacy of a mega-event, organizers must search for a clearer definition of success and identify an effective set of indicators capable of measuring it with reliability and consistency.

Urban development in general, and sports-event generated urban development specifically, are rarely subject to objective assessment (Jones, 2001; Roche, 1992; Horan, 1991). Nonetheless, the assumption prevails that mega-event bidding and hosting is an effective strategy to fast-track urban development and harness significant economic benefits at the local, provincial, national and international level.

One of the most difficult problems of determining the *success* of a mega-event is the subjective nature of evaluations. Comprehensive assessment will generally show success in some areas coupled with failure in others. For example, the Atlanta Games of 1996 were poorly executed in terms of public transport and logistics, yet considered financially successful because the Games attracted investment, boosted the city's image and stimulated the economy.

Cost-benefit analysis has been shown to be the most effective way of untangling the factors necessary to produce reliable expectations and assessments of mega-event impacts. As mentioned previously, these impact assessments are usually reliant on initial information provided by the bid committee or other interested parties. There are various faults with the traditional expenditure approach often used (Rahmann and Kurscheidt, 2002):

- lack of clear distinction between positive and negative event-related consequences
- short-term focus with little long-term consideration, and when included, long-term assessments are not done longitudinally
- lack of appropriate consideration of and understanding of factors that are difficult to quantify, e.g., 'intangibles'
- lack of theoretical frameworks from which to evaluate comprehensively

This poses important questions to ask of the organization to date of the 2010 World Cup in South Africa. Issues surface frequently regarding transparency and accessibility to information, the identification of those accountable for decision-making, a lack of clarity on negative and indirect potential impacts, and delayed key decisions that will likely require a focus on short-term expediency rather than long-term sustainability.

Further, understanding actual cost-benefit breakdowns of hosting is particularly important to South Africa, as it continues moving forward with aggressive pursuit of major events, like the 2011 Rugby World Cup bid and 2010 Johannesburg Gay Games bid (both of which failed in 2005) and a rumoured future Olympic bid.

4.3 Sustainable development evaluation

'Sustainability' has become a global buzzword since the World Commission on Environment and Development (also known as the Brundtland Commission) defined it at a United Nations General Assembly meeting as

development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). The many broadly described definitions of sustainability emphasize the need for balanced consideration of social and environmental values, together with economic impact assessments.

However, there are multiple ways to consider the economic, social and environmental dimensions of any given project. In this respect, the definition will have to become more standardized in order for evaluations based on sustainable development principles to provide useful benchmarks that remain relevant across various contexts. However, the vagueness of definitions of sustainable development can also be an asset. It encourages widespread, multi-disciplinary application and allows for discussion and cooperation amongst diverse interests otherwise often seen as at odds. The term encourages environmentalists to consider the economic and social viability of their work and industry to consider environmental and social implications of production in addition to traditional cost analysis. As such, the concept of sustainability allows the two to speak the same language and create similar goals.

Of the three pillars of sustainability – economic, environmental and socio-cultural – the first two are relatively well researched compared to the socio-behavioural dimension. This is partially because of the fact that socio-behavioural impacts are difficult to determine and funding is not often available for these assessments. Urban development research applied to mega-events has yet to demonstrate the value of social networks, identity, cohesion and

ownership of public space with relation to large-scale developments initiated through the mega-event planning process. Urban development research in general has explored these relationships. However, it is beyond the scope of this project to speculate how these relationships apply to mega-events. Nonetheless, it may be useful to note that studies conducted in other contexts often show a tendency for individuals to choose one neighbourhood over another, even in the face of attractive price differentials and other rational decision-making factors.

The need for improved understanding of the social dimension of 'sustainable development' evaluations of major urban projects is relevant to mega-event planning for two reasons. Firstly, although it is obvious that social impacts occur, the socio-economic and socio-behavioural aspect of large sports developments have been scarcely studied. Secondly, large projects disrupt the urban fabric and, consequently, the social fabric of a targeted space. Without understanding the value of social networks and identity attached to community, the mega-event and its spatial area, it is impossible to put a value on the benefit or damage a major urban intervention of this kind may create. Without this understanding, the socio-economic sustainability of these projects cannot be adequately determined.

4.4 Methodology and stages of development

Another methodological issue relates to the stage of economic development of the host country. Current research focuses on aggregate macroeconomic results. Developing economies may be significantly different

than mature economies in this respect (Cornelissen, 2005). For example, the informal economy (which informally trades goods such as local food, arts and crafts) plays an important role in tourism in South Africa. This is true for many other potential developing country mega-event hosts. However, the impacts of hosting on the informal economy, in terms of trading and employment, are overlooked in aggregate statistics that can only capture, at best, what happens in the formal economy.

Complaints have been lodged in the eThekweni (also referred to as Durban) municipality in South Africa that the government's new policy on informal trading is actually an effort to modernize the image of the city prior to the 2010 World Cup. The policy, referred to as the Public Realm Management Plan, did not initially recognize a difference between illegal and legal street traders. Recently, however, the city issued 800 permits and has legally enforced the policy on traders not holding permits (Ensun, 26 April 2006).

The director of eThekweni's economic development unit, Fred Pietersen, denied that the crackdown is directly related to the 2010 World Cup. Instead, he emphasized that the policy was focused on keeping street trading within the carrying capacity of the city. Currently, there are 60,000 street traders operating in the municipality, 7000 of whom work in the CBD. Pietersen argued that the management called for in the plan is appropriate. However, he acknowledged that the way in which the plan was initially put into effect may have been "overzealous" (Ensun, 26 April 2006, p. 4).

Understanding the impact of the Football World Cup on host nations with a significant informal economy requires more careful consideration of marginalized populations in economic impact assessments of mega-events. Evaluation seems to be changing to represent these sectors more inclusively, yet evaluations still tend to assume that tourism sectors remain constant across different countries and contexts. Intuitively, it is clear that the implications of World Cup tourism in South Africa differ from the impact the event's tourism spin-off had on Germany, Japan or South Korea. Existing methodology, however, does not reflect host-country contextual differences.

Tourism and geographical factors may also be different for developing countries. Consequently, planning mechanisms and impacts on urban development may differ. While experienced hosts assume a link between city tourism and sporting events, this link may not be as direct in developing contexts. The latter often have large income gaps, significant informal economies and different developmental foci than wealthier cities and, in the case of mega-events, this may result in markedly different interpretations of the link between local benefit, tourism and hosting major events. Addressing this necessitates a combined evaluative approach of both quantifiable and qualifiable factors, and a re-evaluation of the ability of standard assessments (i.e., economic multipliers, hotel occupancy) to capture the whole impact of an event on developing urban economies (Cornelissen, 2005).

Further, in developing countries, the areas in most need of regeneration may be considered unacceptable by international event organizers, because of

high crime rates or inadequate transport and service delivery, excessive pollution, and so on. As a result, mega-event related development in these countries tends to result in investment in urban areas that are already middle to high-income. Nonetheless, if even marginal spin-off effects reach poor areas of the city, compared to existing economic activity in these areas, this stimulus can be significant. Current mega-event analysis does not consider these issues unique to developing countries.

While economic and tourism planning are an important part of event hosting precedent, the most critical force driving the catalytic potential of mega-event development is an established common goal. Beyond a common goal, what distinguishes one successful event bid and/or host from the next is a well-established vision and a long-term plan that goes far beyond the event itself. Common objectives are vital both for unifying stakeholders in a common direction and for establishing benchmarks for objective post-event evaluation. In cities like Barcelona for the 1992 Olympics, Paris for the 1998 World Cup, Sydney for the 2000 Olympics and Oporto for the 2004 European Football Cup, mega-events were tools for accelerating an established developmental plan. In other words, for these cities, the event represented a means to a specific end and not an end in and of itself.

This lack of proactive planning represents a critical misunderstanding about the nature of using mega-events to stimulate urban and economic regeneration. Mega-events can be very effective *tools* for accelerating development if used to realize a pre-existing plan. In the absence of such a plan,

however, the host city inevitably focuses its energy on organizing, first and foremost, a once-off event and then, in addition, tries to orchestrate its tremendous spin-off potential with little remaining time and resources.

Event stakeholders must continuously adjust cost-benefit analyses to new developments (Rahmann and Kurscheidt, 2002). Many factors change throughout the decade from bidding to hosting and analyses relevant to the bidding phase may be less accurate, for example, at the time of financing stadiums or determining personnel needs a few years after the bid has been announced. Meticulous planning and effective decision-making are critical to an event's economic success at all stages of the bidding and hosting process, as well as at all levels of organization – local, provincial, national and international.

Development objectives will not be achieved without careful overall planning paralleling plans for the actual event. This type of visionary leadership must come from government networks that are vigorous, allow for different viewpoints and encourage diversity, which enables the city to focus on developing programs that benefit society at large (Pieterse, 2005). Such vision is essential in enabling political forums representative of all stakeholders to effectively establish strategic plans capable of consciously shaping future urban development. In this light, substantial analysis of leadership mechanisms shaping urban revitalization interventions, as well as their ability to represent the most marginalized interests of the city, must be taken into account in assessing the ability of a city to provide an outcome that responds effectively to the identity, needs and desires of interested parties.

CHAPTER 5: POTENTIAL ISSUES AND IMPACTS ASSOCIATED WITH HOSTING A MEGA-EVENT

5.1 Introduction

The potential negative consequences associated with mega-event hosting are relatively under-researched, at least partially because of lack of available post-event funding for such studies. Research points to the purported benefits of hosting in terms of the economy, job creation, image and identity promotion, international tourism promotion, media spin-offs and attracting international investment (Hiller 2000; Higham, 1999, Burgan and Mules, 1992). Several studies, however, argue that the long-term consequences for host cities are often negative and that, as scale increases, so too does the potential for negative impacts (Baade and Matheson, 2004, Higham, 1999; Olds; 1998; Shapcott; 1998). This further underlines the importance of hosting events that compliment an area's strengths and capacity. Perhaps in light of this, the challenge for a country like South Africa in hosting the 2010 World Cup is accommodating the needs of the mega-event, whilst responding to local strengths and capacities and creating community opportunities where possible. This implies a local approach to mega-event planning. Although perhaps less glamorous than a super-charged approach, the most successful cases of event hosting in urban development terms have pursued a minimalist strategy, focusing on local needs, job creation and tenders directed at local companies.

The following section discusses some of the insights gained from precedent about possible impacts associated with hosting mega-events.

5.2 Economic impacts

5.2.1 Event Costs

Many World Cups have been plagued by concerns about potential negative economic impacts of hosting. The more exaggerated of these include the 1950 World Cup in Brazil, the 1978 World Cup in Argentina, the 1986 World Cup in Mexico, the 1994 event in the USA, the 2002 Japan/South Korea World Cup and the 2004 EURO Cup. It is interesting to note that, of the World Cup examples, all of the most cost-sensitive cases are from developing country hosts.

The cost of the event became increasingly contentious following the 1950 World Cup, after which Brazil ended up with USD 100 million debt. The 1970 World Cup in Mexico, like the Mexico 1968 Olympics, signalled the significant rise in the cost of hosting mega-events. Athletes had to be accommodated on-site prior to the event in order to acclimatize to local conditions, adding to the event's overall expense. Despite the grim expectations of Mexico's selection as host site, the country proved a welcoming and accommodating host. Nonetheless, in 1982, Mexico was still USD 80 million in debt from the event (Glanville, 1993).

Infrastructural investments are but one part of the total cost of hosting a mega-event. The most significant associated costs include the following:

- preparing and presenting the bid
- infrastructural upgrading and stadiums

- operational costs
- safety and security
- transportation upgrading
- telecommunications upgrading

Operating costs alone can be very high and security costs can run hundreds of millions of dollars, in a climate of fear of international terrorism and heightened security concerns. Athens, for example, spent the equivalent of 10 billion rand on security for the 2004 Olympics. Combined infrastructural investments, operating costs and security costs associated with mega-event hosting are substantial, even for the world's richest countries.

When New York City lost the 2012 Olympic Bid, an article in the New York Times quoted one "highly regarded chief executive and mayoral ally," who requested to remain unnamed as saying, "I think Mike [Bloomberg] has done a pretty good job. I would say great except resources were diverted" (Steinhauer, 9 October 2005).

On a similar note, following Britain's elimination from consideration as hosts for the 2002 World Cup, the British Minister of Sport at the time referred to money spent on the bidding process as a "waste" and considered future pursuit of mega-events as irresponsible (Cornelissen, 2004). Given that Britain went ahead with its 2012 Olympic Bid, clearly other politicians and investors believe that the event will be valuable. These diverging interests reflect the unresolved debate on whether gains from these events offset the costs, and particularly if

this is possible in a developing context, where public investment is characterized by extreme scarcity and the demand for public funds far exceeds supply.

In developing countries, the bulk of this cost is generally borne by the public sector. Public investment should be directed to maximum public benefit and should focus on stimulating economic growth throughout urban cultures. While this is true in any context, it is of particular importance in a developing context. Depending on how this aim is achieved—by targeting competitiveness, employment creation and the spread of benefits, it will result in slightly different urban structures.

While there is evidence that investment in tourism brings long-term benefits to a destination, these are often less than claimed initially (Baade and Matheson, 2004; Cave, 2003). In a developing country context, economic and tourism benefits must be weighed against the loss of funds from other public sector initiatives diverted in the years prior to the event. This has been a complaint by potential hosts even in the bidding phase. In developing countries, where resources are scarce, their diversion becomes a more contentious issue. Future study must address this issue, as current research merely alludes to it.

Stadium investments, because of their frequently public-private partnership formation and the long time period needed to assess them, are more difficult to evaluate than tourism expenditure, which is seen as the source of the event-related economic 'pulse' expected in Germany in 2006. Vornholz (2000) predicts that following the World Cup in 2006, most German stadiums will fail to cover operating costs and interest on the debt used to finance the stadium

infrastructure. This has implications for South Africa's hosting in 2010, considering that the problem of long-term stadium viability is a chief concern even in Germany, a country that possesses the disposable income to support football and other large events capable of sustaining the arenas following the World Cup.

Both Japan and South Korea in 2002 are good examples of how a lack of careful cost minimizing strategies resulted in negligible net benefits – or, according to some scholars, even a direct loss – from the event as a whole. Within two to four years, some experts anticipate that Japan will recover some of the costs due to positive growth rates. This is debatable in that growth today is very difficult to attribute directly to the 2002 event. Similarly, economic loss in either country today or in the future, would be impossible to singularly attribute to the 2002 World Cup.

5.2.2 Public finance

Increasing transparency of information and far more democratic and informed societies, as well as more integrated management of cities, means that event hosting must do more than make a municipal or national statement: it must be accountable to the community and its local needs in both the short and long term. Moreover, modern technology allows public investment to be increasingly accountable and subject to scrutiny by the greater public: there is increasing pressure to include the public in major urban development decisions.

Turin's 2006 Winter Games preparations cost USD 4.2 billion and eight years of human capital (Guala, 2002). The latter aspect of this cost is often not included in cost projections. Yet, a FIFA World Cup or Olympic Games requires extensive planning across virtually every public and private planning sector in host cities. This concentration of energy and ideas often occupies significant portions of the city's human capital for up to 10 years.

Some commentators suggest that communities that receive the primary benefits of the event in terms of attendance, adjacent infrastructure and urban developments, yet are exempt from the additional taxes and costs of hosting, are the greatest beneficiaries (Higham, 1999). For example, through the Olympics in Sydney 2000, New Zealand may have benefited substantially from spin-off tourism, the Gold Coast from training and acclimatization facilities, and Melbourne by hosting a few events, including football.

Although World Cups are no longer solely public investments, as they had been until the 1980s, even the public-private partnerships that frequently fund these events currently involve significant levels of public investment (in terms of percentage of public budgets). Barcelona will remain in debt until 2007 paying off the public investment in the Olympic Games. At the time, public debt incurred represented 20% of the overall capacity of the city of Barcelona (Metropolis, 2002). This is highly significant, considering that Barcelona has been one of the most successful hosts. For the less profitable events, public debt can last several decades.

Research points to an uneven distribution of benefits accruing from stadium development amongst various sectors of the population, particularly in the arenas of the property market and special interest groups (Hiller, 1998). Uneven distribution of benefits is also apparent in other areas affected by hosting, most notably economic outcomes.

Stadium development in the case of mega-events can have the effect of alleviating risk on the part of private sports enterprises and laying it on the public sector in the form of publicly-financed urban and infrastructure development (Rosentraub, 1997; Kidd, 1995). Particularly considering publicly financed developments, it is important to understand the legacy implications of these projects (economic, social and environmental), in order to effectively determine their value to the public relative to the costs incurred.

In areas where the surrounding community is not supportive or does not possess significant disposable income and interest in sporting and cultural events, facilities will, in all probability, result in under-utilized public liabilities over time. In these cases, either the community's tastes or income level must change over time and embrace the stadium, or current residents will begin to be displaced by groups more likely to view the stadium as an asset than a liability. A variety of factors such as overall public perceptions of the facility, as well as changes in property values may influence these trends.

5.2.3 Urban development and public debt

Generally, in mega-event hosting, there are benefits to some areas or economic sectors and costs to others. The 2004 EURO Cup Football tournament held in Portugal provides a good example of this. The primary goals of Portugal in hosting the 2004 EURO Cup were “strengthening urban renewal and the Portuguese image, as well as an economy capable of promoting tourism” (Marques and Alves, 2002, p. 101).

In the city of Oporto, the organizers created the Local Plan for Antas to pursue the following intentions: upgrading stadium areas, promoting a new urban city centre and beautifying the city with plazas and public open spaces, building quality housing, office, retail and service sector space and promoting the cities and stadiums as quality venues of international standard for sport and recreation.

Many of these goals were achieved. The 2004 European Cup resulted in the creation of a stadium of international quality; (mostly publicly funded) improvements in urban infrastructure and accessibility; improvement of urban development planning mechanisms; stimulus of the building industry for housing and commercial real estate; upgraded public spaces; significant profits garnered by private investors; moderate increases in tourism and a place marketing campaign intended to increase future tourism to the state; and increased alignment of Portugal with global sports enterprise (Marques and Alves, 2002).

Despite these lasting assets, the larger legacy of the event is more complicated to assess. Even the value of these assets to the Portuguese public is difficult to determine. This illustrates the importance of understanding at what

cost these assets come to the host country. Despite its lofty goals, the 2004 EURO Cup in Portugal illustrates a grim example for those promoting the potential of large sports events to create true urban development opportunities:

“The Championship itself becomes a pretext for economic gain through profitable residential and commercial development concentrated in a future shopping area or dispersed throughout the intervention area. The renewal of surrounding areas which initially was promoted as one of the fundamentals of the operation seems now to be displaced by extravagant residential and services construction to unsustainable standards” (Marques and Alves, 2002, p. 101).

The developmental benefits of the event were difficult to demonstrate to the general Portuguese public. Urban developments occurred primarily in the immediate area surrounding the new stadiums and provided few true regeneration benefits for the public at large.

Like the 1998 EXPO held in Portugal, the 2004 EURO Cup preparations were “constantly and predictably over budget” (Marques and Alves, 2002, p. 101). Estimated costs increased from 67 million euros in 1998 to 120 million euros in 2002 and further increased in the period leading up to 2004. Concerns were raised that resources had been diverted from other public projects and tensions mounted between the generous participation and spending of the public sector and the private sector’s focus on commercial gain and development concessions. An over-emphasis on real estate speculation threatened to overshadow the primary purpose of hosting the event successfully.

Despite the articulated preference of a host country for creating local benefits, in reality the primary responsibility taken on is to host a successful event. As countries become more frustrated with the level of public investment

required to host, and the complicated distribution of benefits, they may tend to focus too much energy on local planning at the expense of event's articulated primary purpose. This appears to have been the case in Portugal, and perhaps in the case of the 1996 Atlanta Games, which focused heavily on private economic gain at the expense of ease of mobility of the athletes and spectators.

Overall, the 2004 European Cup required massive public spending to keep projects and image promotion on track, it garnered few public benefits and it resulted in an unfavourable return on public investments (Marques and Alves, 2002). Only after several years will it become clear whether these investments resulted in long-term public value.

5.2.4 Skills shortages

Arguments for employment creation, skills and capacity transfer are central to the 'developmental' agenda of mega-event bids. However, insufficient information exists that correlates the skills and jobs created from these events with actual host city employment needs or that compares them to alternative publicly financed projects which claim employment creation as a central benefit.

One study claims that the 2002 World Cup resulted in USD 27.7 billion value-added, as well as 319,713 jobs created in Japan and 251,040 in South Korea (URS, 2004). While these numbers are significant, and would be considered highly significant in a country with under-employment, it would be useful to compare them to the results of large-scale non-event public investment alternatives such as adult education programs. Many of the jobs created for

mega-event hosting are short-term and may or may not meet the country's skills needs following the event.

Studies are rarely conducted to show this relationship. While 250,000 jobs is clearly substantial, if this only means 249,000 short-term and 1000 long-term jobs, the figure can be misleading. For example, the new stadium built for the 1998 World Cup in France resulted in long-term full-time employment for only 150 people (Metropolis, 2002). This figure temporarily increases to 1000-1500 employees when the French stadium periodically hosts large events.

In preparation for the 2012 Olympics, London will have to overcome significant skills shortages and high turnover issues in the catering and hospitality industries. In addition to improving skills in the hospitality sector, London hopes to modernize its transport network. South Africa faces similar skills shortages leading up to 2010: the challenge is to meet the event's needs while providing useful long-term skills to those who will take up short-term employment for the tournament. Unfortunately, long-term capacity building is expensive and no particular body is in charge of ensuring an effective match between long-term job skills and preparations for the event.

South Africa faces considerable skills shortages in several areas (including in the hospitality and construction industries) ahead of the 2010 World Cup. These will be discussed in detail in Chapter 7.

5.2.5 Potentially uneven spread of costs and benefits

Public participation is generally limited in the mega-event decision-making process and social considerations tend to be secondary to business and political agendas (Jones, 2001; Olds 1998). The role of local residents in staging these events is “less glamorous than some attempt to portray” (Higham, 1999, p. 86).

Notorious examples showing neglect of community interests include the 1988 Seoul Olympics in South Korea, that forced 720,000 residents from their rental accommodation; the forced evictions of thousands of tenants and small businesses prior to the 1992 Barcelona Olympic Games; and the arrest of 9000 (mostly African-American) homeless, before the 1996 Games in Atlanta (Higham, 1999).

Such incidents, although seldom widely reported, are often linked to mega-event hosting, and may result in less-desirable event legacies of gentrification, increases in rate and rental prices, security problems, hooliganism, over-crowding and general change in a community’s existing lifestyle and routine.

The 1978 World Cup in Argentina, for example, drew criticisms of the country’s military leaders for shifting public funds from ‘vital projects that did not serve the World Cup’ to projects that would boost Argentina’s image internationally (Kuper, 2004, p. 175-6). In efforts to hide the country’s rampant poverty, officials bulldozed slum areas and forced residents to relocate to adjacent provinces. Argentinean organizers of the 1978 World Cup and the military government believed that great nations were united through glorious achievements and felt that “boring achievements like providing work, housing

and a stable currency," were less important than triumphant nation-building events such as winning a war or the FIFA World Cup (Smith, 2004, p. 1341).

Smith (2004) has made connections between this and the forced removal policy of the South African government under apartheid. This also relates to current events in anticipation of the 2010 World Cup in South Africa. For example, Cape Town, as part of its 2010 strategy, has embarked on the 'Gateway Project' in attempt to clean up the shack neighbourhoods that line the highway between the central business district and the airport. It is vital that this process occurs peacefully and in communication with area residents, and not simply as a 'cover-up' project to hide the country's poverty from 2010 tourists.

This potential conflict between national pride, mega-event hosting and local need illustrated in the case of Argentina is particularly relevant to South Africa's 2010 preparations, in the light of ongoing debates within South Africa as to the real public costs and benefits of hosting the event. Although the governments and organizers in the two instances are obviously very different, prior to hosting the event, both countries faced difficulties in terms of providing large portions of the population with adequate housing, service delivery, employment and basic necessities in addition to meeting the complex and arduous requirements of the event.

5.3 Political impacts

Mega-events can be used as platforms for local or national purposes (Cornelissen, 2004; Jennings, 1996; Hall, 1993). Research emphasizes the

importance of good management for effective preparation and organization of the event. Infrastructural and resource deficiencies in African countries make coordination of state and event stakeholders particularly challenging and requires extraordinary cooperation.

The mega-event bidding process alone constitutes a major public investment. Studies have argued that this process is driven by business and political interests and is inevitably subject to corruption (Higham, 1999; Jennings, 1996; Hall, 1993). If the majority of benefits are attributed to often international political and commercial interests, this begs the question of whether hosting mega-events offers real benefits to host community residents. Higham calls the legacy of mega-events “one of under-utilized and expensive facilities with associated financial debt” and refers to the Montreal Olympic Games development program as a typical example of developmental intentions gone wrong (Higham, p. 83).

5.3.1 Political lobbying

Heavy political lobbying has been a factor in the selection process since at least the awarding of the tournament to Mexico in 1970 (Glanville, 1993). In this case, several officials were reported as having received perks by Mexican officials associated with the bid. It is important to note this is hardly unique to Mexico in 1970. Although not well-studied, intense lobbying has been an element of most FIFA World Cup bids and was certainly a factor in both the 2006 and 2010 selection processes. The decision to award the tournament to Mexico

in 1970 came shortly after the right to host the 1968 Olympic Games had been awarded to the same country. Although not explicitly stated by either FIFA or the International Olympic Committee (IOC), Mexico, like the USA, Germany, South Korea, Japan, Spain and many other countries, illustrated that the likelihood of hosting one of these mega-event increases after having hosted another. This is influenced by many factors, including infrastructure and experience. However, the political alliances built through the first hosting experience are undoubtedly influential.

5.3.2 Political decision-making in terms of infrastructure

While the unique situation of mega-event driven developments can unleash large, otherwise difficult to access, swaths of land along with energy and enthusiasm to re-create spaces into new symbolic urban centres, agreement amongst stakeholders on what constitutes ideal urban space can be exceedingly difficult and often political.

A number of countries have questioned for whom mega event hosting is pursued and have implied that the power to answer this question is taken away from public civic leaders at the bidding stages (Higham, 1999, Jennings, 1996; Hall, 1993). Jennings (1996) questioned the corruptive influences surrounding the bidding deliberation process. Research indicates that the political and business community interests involved in launching mega-event bids and hosting major events, if not aligned with public interest, can serve to overshadow general benefits for the host cities (Higham, 1999).

Despite repeated objective studies that show that the new stadiums are often of minimal value in the medium to long-term, local governments continue to use public funds to finance stadium developments. Manzenreiter (2004) postulates that this may be because of the 'symbolic power of the edifices themselves" (p. 308). If this is true, what and who do these symbols represent?

The decision of venue selection is highly political. In a study proposing a system to determine the optimal set of venues for the 2006 World Cup in Germany, the authors found it inherently difficult to disagree with political or lobbying entities that favoured a suboptimal location (Rahmann and Kurscheidt, 2002). In dealing with this, the study reiterated previous research emphasizing the importance of clear goals, strategic planning and consistent decision-making according to established criteria. Indeed, this is important to keep in mind in light of South Africa's continued venue deliberations at the time of this report in 2006, just four years prior to the 2010 event.

Frequently, hosting mega-events involves a shift away from the host city's core planning agenda and may result in a reduction of financial benefits funnelled back to the city as well as in significantly negative socio-economic legacies (Higham, 1999; Hall, 1993). This implies a need for a clearer understanding of the political and decision-making processes involved with using mega-events as tools for economic and urban improvement. The aggressive pursuit of mega-events as generators of development is unlikely to change in coming decades. The better the negative potential consequences of hosting are understood, the more informed and prepared cities will be to deal with them.

One approach to urban development advocates the use of market forces to shape policy at the local government level. In terms of this approach, communities are dependent on external factors for development, yet they have little flexibility in altering the direction of growth. The assumption behind this type of development is that economic growth is in the best interest of the community because it inherently spreads to all levels of society (Jones, 2001; Peterson, 1981).

Another view, however, is that market forces by nature result in uneven developmental outcomes and that development does not benefit all sections of the population equally (Jones, 2001). In this perception, market forces lead to specialization, which can result in both improved efficiency and greater social inequality. In either case, growth-driven development is a given result of market-driven policy and this leaves community leaders with little alternative to pursue other policy avenues.

Regardless of the cause, local officials must deal with uneven development, future growth and the task of shaping the city (Logan and Molotch, 1987). The reality of shaping cities lies in struggles amongst local elites via the power of a 'growth machine' driven by a 'provincial clique' in deciding the future of a city (Jones, 2001). Jones and others claim that the costs of development decisions made by this clique may become burdens on the most disadvantaged in the community in terms of service delivery, pollution and gentrification of deprived areas targeted for urban renewal (Jones, 2001; Olds, 1998).

Local decision-makers and influential individuals potentially have the power to shape the urban fabric of a city, under the agenda of fostering growth and development. For example, the city of Los Angeles used public funds and incentives to aggressively pursue American sports franchises located in other parts of the USA (e.g., the Dodgers, Lakers and the Raiders). The support of the Lord Mayor of London for improvements to Wembley Stadium, as part of a strategy to attract either the 2006 FIFA World Cup or the 2012 Summer Olympics, is also an example of the power of decision-makers in priming a destination to attract major sports events and their associated spin-offs (Jones 2001). Now that London has been chosen as the 2012 Olympic host, the iconic new Wembley Stadium on the site of the stadium that played host to the opening match of the 1966 World Cup (in which England brought a World Cup win for the nation where the sport originated) is but one part of a city-wide sports infrastructure overhaul.

The financial trail of the 1994 World Cup gives insight into the intentions of USA organizers:

“Like the 1984 Olympics before it, the event was staged to celebrate the ways in which the United States of America could meet a challenge and put on an efficient and spectacular global show. But it was also a gold rush for a thrusting and entrepreneurial elite, whose commitment to football development has been questioned” (Sugden and Tomlinson, 1996, p. 252).

The head of the USA World Cup Organizing Committee, Alan Rothenberg, personally collected USD 7 million for his work on the 1994 World Cup. In addition, he received generous associated benefits and the rights to set up the lucrative Major League football organization in the USA. Following the

tournament, “no one seemed very surprised... when Rothenburg’s claims about the legacy of the World Cup event looked to have little foundation (Sugden and Tomlinson, 1996, p. 252).

The goals behind the USA 1994 World Cup, however, did not address the complexity of the event. The 1994 World Cup was, “a matter of civic pride for many and massive personal profit for a few” (Sugden and Tomlinson, 1996, p. 250). Studies drew comparisons to the 1984 Olympic Games in Los Angeles – widely viewed as the first primarily privately-funded Games, from which organizers generated a USD 225 million profit, and yet argued over whether the large numbers of full-time volunteers should be fed lunches during working hours. Similar complaints arose during the 1994 World Cup over low bonuses paid to employees, despite the estimated USD 60 million surplus from the event (Sugden and Tomlinson, 1996).

Sports driven-development is potentially accompanied by the expense of uneven urban development and may result in significant transfer of public resources to private interests. These legitimate concerns should be addressed as a country prepares to host. Many past mega-event bids, including the following examples, have specifically cited ‘developmental’ agendas in some capacity:

- The South Africa Football World Cup 2010
- The failed South African 2006 World Cup bid
- The unsuccessful 2004 Cape Town Olympic Games bid
- The Germany 2006 World Cup

- The 2002 co-hosted World Cup in Japan and South Korea
- The World Cup in France in 1998
- The World Cup in Italy in 1990
- The World Cup in Mexico in both 1970 and 1986 and the 1968 Olympic Games in Mexico
- The 2006 Winter Olympics in Turin, Italy
- The 2004 Summer Olympics in Athens
- The 2000 Summer Olympics in Sydney
- The 1992 Summer Olympics in Barcelona
- The 1984 Summer Olympics in Los Angeles

Each of these bids promoted some developmental potential as a result of hosting the event. In practice, however, it is important to note that all of these bids were initiated by political, sport and commercial elites. Insufficient research has been undertaken on the degree to which these developmental aims have been achieved.

The essential problem is not that bids are driven by political and business elites. On the contrary, without the support of these constituencies, it would be impossible to be selected as a World Cup host. The problem is that the decision-making process is rarely transparent and decision-makers are either difficult to identify or difficult to hold accountable.

Despite this, these individuals enter contracts on behalf of the public and under the premise of widespread general public benefit. Subsequently, however, post-event assessments are rare and those that have been conducted show that

reality fell short of expected promises (Baade and Matheson, 2004; Guala, 2002; Hiller, 2000; Higham, 1999). The challenge for future bidding countries and hosts lies in finding creative and realistic ways of achieving the goals proposed at the bidding stage, including commitments made regarding general public benefit, such as job creation, housing, public health, sports development and skills building programs, which are supposed to piggyback on the momentum of the 2010 World Cup in South Africa. Chapter 7 covers the specifics of South Africa's 2010 preparations in greater detail.

5.3.3 Political party changes during the event planning process

Due to the long time-span between the initial stages of mega-event bidding and the actual hosting of the event, it is not uncommon for significant political changes to occur during this time. France had two different presidents and two mayors of Paris, in addition to seismic shifts from left-wing to right-wing policy in the ten years between initially bidding and eventually hosting the 1998 World Cup (Metropolis, 2002). Given that nations underwrite the official contract with FIFA to host the event, political shifts can influence political relations and may disrupt the process if essential skills and contacts are lost in this way.

5.4 Stadium-related impacts

Decisions on infrastructure and facilities are vitally important because these are used to predict the event's outcome with regard to a number of criteria, not least economy and tourism (Rahmann and Kurscheidt, 2002). Effective

outcome assessments are only possible two or three years following an event. This is a key consideration for future mega-event hosts in drawing from benchmark studies. Two-three years may even be optimistic considering that public debt, even by the most generous assessments, generally lasts 15 or more years.

5.4.1 Stadiums for a global television audience

Television changed the nature of the World Cup in 1954 in Switzerland, allowing matches to be watched as far as television broadcasts could reach. That year, international audiences remained meagre. However, by 1970, they had reached 800 million and are expected to reach 40 billion by 2010.

Changes in the game of football in the wake of television and corporate sponsorship influenced stadium construction (Sugden and Tomlinson, 1994). When revenues were generated primarily from ticket sales at the actual event, the prevailing trend was to build stadiums of monumental proportions with the intention of maximizing ticket sales. Classic examples include the 100,000 capacity 'Monumentale' Stadium built in Uruguay for the 1930 World Cup to the 200,000 capacity 'Maracana' Stadium built in Brazil for the 1950 World Cup.

Organizers of World Cup in Italy in 1990 were faced with a different set of circumstances. The increasingly commercial nature of football during the 1980s called for an approach that appeased the needs of fans and television audiences alike. Global spectatorship and the fears of hooliganism that had escalated prior to the 1990 World Cup called for functional, clean, comfortable and safe

stadiums that, as Bourg (1986) described, “reduced the potential for spontaneity and consequently failed in increasing the quality of life” (Sugden and Tomlinson, 1994, p. 149).

The Italian Organizing Committee (COL) endeavoured to create highly functional, covered, low-maintenance stadiums with numbered seats (no standing room) that were smaller than the giant venues of the past and adapted to the needs of television viewers and commercial elites via VIP boxes, innovative telecommunications and video screens.

This was the first time that the importance of deciding to renovate or build new stadiums became a significant public issue, showing an increased civic sensitivity to the urban impacts of venue locations. The San Siro Stadium, the Olympic Stadium in Rome, the Marassi Stadium in Genoa and the Communal Stadium in Florence underwent extensive renovation for the 1990 World Cup.

5.4.2 Finding the optimal combination of venue locations

Rahmann and Kurscheidt (2002) discussed the process of selecting World Cup match locations and the possibility of ‘loser locations’. The study argued that well-chosen match locations were *the most important decision to producing a successful event outcome at the macro level for the host country*. The authors found that poorly selected match locations increased the need for these locations to compensate for the gap between expected benefits and actual benefits. Further, poorly selected match locations (for example, too many venues when fewer would suffice) reduce the aggregate benefits remaining once unsuccessful

locations have been accounted for. This is an overly simplistic view in that the answer to the question of exactly who pays for the development of a given location is a complicated combination of taxpayers, government and private investors. Further, who precisely pays for losses in the event of unprofitability is equally difficult to identify.

Proper allocation of venues and matches requires cooperation amongst all stakeholders: government, FIFA, the local organization committee and individual host cities with the aim of creating a decentralized platform for fair competition and a secure climate for responsible investment planning (Rahmann and Kurscheidt, 2002). Economic criteria should be the most important factors in this choice and bidding cities and venues should be assisted, where necessary, to provide accurate assessments.

A quick decision on the part of the LOC regarding venue location, followed by rapid final decision-making on the part of FIFA is the ideal scenario to curb unnecessary stadium upgrades in cities that would ultimately be unused or underused (Rahmann and Kurscheidt, 2002). The role of FIFA's increasingly stringent bidding requirements in spurring this cycle of optimistic upgrading of stadiums in cities which are unlikely to be selected as hosts begins at the national bid stage, and continues in the city bid stage by venues competing to be included in the final stadium selection.

5.4.3 The importance of highly analytical, swift decision-making

Germany provides a useful case study with regard to decision-making. Landler (2005) discussed the case of Germany's 11 built or renovated stadiums for the 2006 World Cup. Germany has used the event as a platform to move swiftly through major infrastructure renovations. They have built new stadiums, renovated existing stadiums, upgraded rail stations, tracks and road transportation networks. Ahlert (2004) tabulated the cost of building or upgrading stadiums across 15 venues (including training venues) at 1.4 billion euros. Stadiums in Dusseldorf and Munich are mostly self-sustaining as a result of private financing. Other than public funds, the primary model for stadium upgrades in Germany for 2006 is credit. Despite credit-based financing of infrastructure, and the tendency for post-event economic contraction as a result of marginal hikes in the interest rate on these investments, Ahlert's (2004) model estimated overall positive economic effects at the national level.

The country appears to be well-positioned to achieve positive economic and development spin-offs as a result of meticulous and timely planning of the event and associated infrastructure. However, the actual effects of the event will only be clear in a few years time.

5.4.4 The danger of too many stadiums

Portugal provides a good example of the importance of stadium selection. The country was selected in 1998 as the host of the 2004 European Football Championships. The matches were to be played in 10 stadiums spread across

eight cities, despite the fact that the Portuguese football governing body deemed that six stadiums would suffice. While some of the original goals of hosting were achieved, the event resulted in substantial public debt and arguably unnecessary infrastructure. This highlights a tendency, shown in Italy 1990, Japan and South Korea in 2002, Germany for 2006, and both South Africa's 2006 and 2010 bids, to invest in more stadiums than necessary. This is often based on political reasons and/or the potential objective of spreading the benefits of the tournament widely.

5.4.5 The problem of unsustainable stadiums

The problem of under-utilized and non-sustainable stadiums is illustrated in the case of Japan and South Korea, co-hosts of the 2002 World Cup. The legacy of underused stadiums in Japan remains a point of contention. Only some of the ten stadiums built host J-League teams, but often only to partial capacity. Those without long-term tenants continue to struggle financially.

The Sapporo Dome Hiroba multi-purpose stadium is one of the venues that attracts regular events, football and baseball teams and is the only venue with a sustainable long-term business strategy. It is so expensive to maintain that it still only covers about 20 percent of its 2.6 billion yen annual operating and maintenance costs.

Stadiums in Japan have historically been considered publicly-owned, meaning that initial investment and long-term management were public responsibilities. This has posed problems for the under-utilized stadiums from

2002. Prior to changing legal regulations that prevented private ownership of public infrastructure, cities could not sell the naming and management rights. This changed to allow private companies to cover the ongoing operating costs of these stadiums, although in some cities this will still not be enough to make the venues profitable.

The problem is not restricted to Japan. Assessments indicate it may take until 2020, 18 years after the event, for the 2002 World Cup stadium in Seoul, South Korea to begin to turn a profit (Metropolis, 2002). Only half of the 10 World Cup stadiums in South Korea have regular tenants. As with Japan, the others have become financial burdens. The challenge for both countries will be to find post-hoc uses for these facilities. The 2002 example illustrates the importance of thinking beyond the event throughout the entire hosting process. It is much easier to create long-term viable uses for facilities during the initial decision-making and design phases, while financing is still readily available, than after the fact.

There are many other examples of unsustainable sports facilities leftover from hosting mega-events. Most recently, although the 2004 Athens Olympics were generally considered successful, the city is presently struggling to find new uses for the 14 major sporting venues used for the event. Hosting the Olympics nearly left the country bankrupt and the facilities created for the Games are currently underutilized. According to Peter Mann, one of the premier international consultants in the field of mega-event hosting, the event was “hardly then a success when one considers the enormous costs of the event and the

vast ongoing costs of maintaining (or probably not) a host of redundant stadiums and specialist features” (Mann, 5 May 2006, p. 1). This continues to be a primary concern for prospective mega-event hosts.

5.4.6 Overcoming scheduling difficulties and environmental problems

The Football World Cup hosted in France in 1998 provides a useful case illustrating these problems. From an organizational standpoint, France’s case may give hope to future World Cup organizers who are running behind schedule. Metropolis (2002) outlines a number of major difficulties, which arose in the years of organization prior to the event. Selecting the stadium site proved highly contentious between levels of government and this was followed by debate and indecision over who would design the project. Both of these delayed starting construction.

Additional difficulties arose as two national presidents and two city mayors were elected during the decade of planning, as well as major political shifts occurring in the country as a whole.

When site pollution was discovered after construction began on the Stade de France site, building was delayed and costs rose dramatically in effort to make up for lost time. This could have been avoided had organizers conducted adequate research prior to making this critical decision. Because of difficulties and delays, infrastructural improvements centred mainly on the immediate area surrounding the new stadium to the detriment of other locations and wider urban

development potential. As a result, the event left a very small footprint in terms of regeneration impact.

5.5 Perceptual impacts

Urban restructuring not only alters the physical structure of a place, but also directly and indirectly impacts on social acceptance and ownership of space, social interaction, cohesion, interdependence, identity and identification. As a result, alongside physical environmental interventions, care must be taken to effectively promote values of long-term development within social networks. Mega-event research has generally neglected untangling the degree to which new sports developments impact local businesses and the social fabric of a city over time.

5.5.1 Local Business Impact

Research indicates that local businesses may suffer in the process of mega-event hosting (Shapcott, 1998). Small businesses were evicted leading up to the 1992 Barcelona Olympic Games. Students and residents of small hotels were similarly forced to move, despite pre-existing housing contracts, prior to the 1992 Barcelona Games and 1988 Calgary Winter Olympics (Olds, 1998). There is not enough research on the impacts of mega-events on small and medium enterprises to determine if this is a consistent problem; however, many of the business opportunities associated with hosting are allocated contractually through FIFA.

Especially in the case of less wealthy hosting countries, it is doubtful that small businesses will be competitive in winning these lucrative contracts against international bidders. For example, the official airline and beer brands for the South Africa 2010 World Cup have already been selected. These are Emirates Airlines and Budweiser beer. As a result, two of the country's largest companies, South African Breweries (SAB Miller), and South African Airways, both miss the tremendous opportunity to provide their services to official 2010-related events. A speculative discussion of the potential impacts of the 2010 World Cup on South African local businesses is included in Chapter 7.

5.5.2 Residential impact

While local area residents often assume negative impacts in terms of traffic congestion, hooliganism, pollution, and potential declines in property values, this may not necessarily represent the whole story. A variety of unintended outcomes may accompany mega-event bidding and hosting.

Research on the 2002 World Cup in Japan and South Korea shows a generally positive evaluation of the event on the part of residents (Kim and Petrick, 2005; Delamere et al, 2001; Jeong, 1992; 1998). A study by Kim and Petrick (2005) analyzed residents' perception of the 2002 World Cup in South Korea and Japan. The study showed that younger residents often perceived greater potential negative impacts. All ages perceived positive impacts and the most contentious aspects of hosting the World Cup were tourism and infrastructural development because residents had different levels of expectation

of the potential of the event to change the region. Of the negative impacts perceived the most negative concerned economic issues and traffic problems, while general conflicts and chaos were not seen as particularly disruptive amongst residents (Kim and Petrick, 2005).

The same study showed that women were more critical of both the positive and negative impacts of events than men (Kim and Petrick, 2005). In particular, stay-at-home moms gave the most optimistic assessments. This high level of support amongst housewives is unexpected, considering that they are not commonly identified as football supporters. Yet the study indicates that this group may be particularly valuable as volunteers.

The case emphasizes that particular care should be applied to minimizing negative impacts such as adverse economic impacts and traffic problems on residents, as well as mitigating unrealistic expectations on the part of residents.

Unrealistic community expectations are a major problem for mega-event hosts, particularly in small and intermediate host cities and in parts of the country that will only receive a small portion of event spin-offs.

The bidding phase requires strong public support and this tends to result in exaggerated claims of the benefits expected from the tournament. Confusion over who actually benefits from hosting further complicates the issue. Regardless, if the public holds government and organizers to their promises of widespread economic benefit, tourism increases, national unity, or, in the case of 2010, an improvement of social problems such as HIV, this implies pervasive disappointment if these are not achieved.

As previously mentioned, at the 1950 World Cup in Brazil, prior to the opening match in Maracana, traffic became so badly congested that people left their vehicles in traffic and proceeded to the stadium on foot. Several entrances were still under construction and others were ineffective as spectators clamoured over scaffolding and builders rubble to enter the stadium (Glanville, 1993, p. 49). Although this is an extreme example, sports developments often create a variety of residential impacts, both positive and negative. It is impossible to anticipate and prepare for these impacts without evaluating the extent to which these occur before, during and after the event (Kim and Petrick, 2005). It is clear that infrastructure built to host a major event impacts the local community. These effects, however, remain relatively unknown and there is an acute need for further understanding.

Planning has evolved to anticipate many of the issues of crowding, traffic and congestion inherent in hosting mega-events more effectively and the worst cases do not include recent examples. The worst crowding legacies were the 1954 World Cup in Switzerland which resulted in overcrowding and a stifling police presence; the 1950 World Cup in Brazil, in which stadiums were still under construction at the time of the event and traffic was poorly managed; and the first World Cup in 1930 when boat traffic from Argentina to Uruguay was inadequate for the volume of spectators. The Atlanta 1996 Olympics was the most recent mega-event to experience major traffic difficulties, affecting both players and visitors.

5.5.3 Possible benefits to stadium precincts

Stadium developments may have positive effects on the surrounding community (Davies, 2005). As stadiums endeavour to remain sustainable, they must attract long-term tenants as well as host regular large-scale events. This presents potential issues for residents and local businesses by way of increased traffic, congestion, parking difficulties, road blocks limiting residential or commercial access, exposure to unruly fans, increased litter, graffiti, and so on. Care needs to be taken to work with the surrounding community and open up platforms for effective communication between the community, stadium owners and event managers to mitigate the negative effects of the stadium on the local community.

Image building and place marketing mechanisms that accompany major sports event developments may indirectly promote the area and provide spin-off effects such as increased property values (Plumb and McKay, 2001). Some evidence in the arena of mega-event planning supports this, such as the Sant Denis area after the 1998 World Cup and Barcelona's Olympic port area after the 1992 Games. Despite improvements, the area that experienced a property boom from the 1998 World Cup is still wrought with social problems. Further research should explore the impact of FIFA World Cups on the property market more carefully, as well as investigating whether there are examples showing *decreased* property values as a result of stadium developments in the past.

In Barcelona, following the Olympics of 1992, the fiscal introduction of the Euro, significant increases in tourism and a multitude of other factors, housing

prices increased dramatically (Gerlin, 2005). Low and middle-income families struggled to keep apace with the cost of living. It is unclear how much of this is attributable to the 1992 Olympics and the more recent 2004 Forum of the Cultures, a 180-day high-profile event held in the city. The latter event, like the Olympics, significantly transformed large pieces of strategic land in hopes of attracting investment and tourism.

In light of increasing income disparity and rising costs of living, do the majority of residents consider themselves better off? How much of this urban change can be attributed to Barcelona's aggressive pursuit of mega-events as tools for urban development? These critical questions are complicated to answer. Some residents are certainly better off. Some are worse off. The different impacts an event may have on various sectors of a city population arise largely from the effects the event may have on the property market. Some of the change is attributable to hosting the 1992 Olympics and the 2004 Forum of the Cultures. Some of the transformation of the city of Barcelona would have occurred, regardless of whether the municipality had hosted mega-events, as the city opened up to European and international tourism and service industries, and made impending infrastructural investments. The city is also often referred to as 'the city of architects' and is home to many design professionals. This concentration of urban design and architectural talent may also have driven Barcelona's transformation independently of the city's use of mega-events as catalysts for urban change. The challenge is to understand as much as possible

about how these relationships work in order to manipulate the most favourable overall result.

5.5.4 General perception and media portrayal of stadium preparations

Research indicates the importance of the perception of residents that their concerns have been considered and that policies are being directed at attending to these. Without this, residents will likely be uncooperative in the development process (Davies, 2005). In mega-event driven developments, evidence shows that residents have little choice as to whether a stadium will be built in their neighbourhood, yet in the long-term, resident and community support is necessary to ensure the sustainability of these venues.

There is some evidence that that nationalism associated with mega-event hosting may quiet community voices. Studies indicate that criticism of an event seen as in the local or national interest may be portrayed as unsupportive of growth. In sports franchises in the United States, which involve elected community leaders, national government interests and intense commercial interests, there is a tendency to inadequately address long-term concerns and the value of actual benefits to the community (Jones, 2001).

Research has confirmed that mega-events significantly alter public space. Further, they may result in lasting changes in zoning and commercial laws so as to facilitate carrying out necessary construction, facility upgrades and operations for the event. The problem occurs when this process excludes meaningful public

participation and discourages opinions, which are seen as unpatriotic and contrary to the country's future growth and development.

There is also evidence that developments initiated by mega-events may add value to a community (Davies, 2005). Favourable media coverage of a stadium and surrounding district renovation project may encourage general public perception of the venue as a positive asset. In the event that media coverage toward the stadium is negative, resident perception is likely to follow suit. If popular sentiment influences property values, this could have important implications for the influence of media coverage throughout the planning stages of hosting an event. Further study would be necessary to establish this link.

The 1998 World Cup showed that the media could be influential in promoting star athletes, in determining how wins and losses are portrayed and how event preparations and cooperation amongst stakeholders are portrayed. The internal media coverage in the years leading up to the event is as, or more, important to a country as the outgoing media coverage at the event itself: this should be a carefully considered aspect of planning (Metropolis, 2002). This is an important consideration in preparing for future World Cups.

Resident perceptions can change over the course of time. Davies (2005) drew attention to shifts in opinion about the stadium in Cardiff, UK, quoting a Cardiff Residents Group member:

“People were afraid that there would be problems with traffic and litter and so on, we don't really notice it on these streets... as far as the stadium goes... I have learned to love it. I wasn't a big fan at the beginning but it is a pretty impressive building. It's got very positive connotations... had a lot of good press, so I think it's lent a kind of cache to the area” (Davies, 2005, p. 275).

While research suggests that it is possible to manipulate residents' perception of iconic developments, it is unclear precisely how this is achieved. Further study would be useful in determining whether media messages emphasizing the positive aspects of a development and organizer's attempts to include and respond to community concerns can actually influence overall perception.

Stadium development may be related to improving the overall image of an area locally and outside the community (Davies, 2005). Further study should consider whether these impacts are sustained over the long-term and if they can be replicated in other contexts.

Additionally, some research has identified increased community pride related to new stadium developments. This might be the opposite in the case of a negatively portrayed stadium. It is useful to note that many iconic buildings, such as the Centre Pompidou in Paris, Millennium Dome and Magic Eye in London, Guggenheim Museum in Bilbao and Gaudi buildings in Barcelona were, because of their unusual design, widely criticized, yet over time, residents developed a sense of pride related to these unique icons and have incorporated the landmark buildings into their collective identity.

Another under-researched local impact of major sports arenas is the value to the surrounding community of the stadium's post-mega-event repertoire of activities. Many event hosts develop incremental experience. This has the effect of both adding credibility to future bids and, if local experience has been positive, increasing community support for future bids (e.g., Barcelona, Germany, United Kingdom, and South Africa). Future research needs to explore whether

responding to local resident's interests and involving them in event schedules allows event coordinators to facilitate greater communication and cooperation with the community and create greater openness with respect to future large-scale events and developments.

5.5.5 Disorder and conflict

Disorder and conflicts have not been as problematic in recent Cups as in previous years. Hooliganism has been a part of the game since the very first World Cup in 1930. However, in the 1960s, crowd violence started to become a major threat to public safety. Disorder was a significant fear in the 1930 event in Uruguay, in the 1950 World Cup in Brazil, in the 1966 England World Cup, in the 1974 West Germany event, in Argentina for the 1978 World Cup, in Mexico in the 1982 event and in the 1990 World Cup in Italy. The 1974 World Cup in West Germany and the 1978 event in Argentina were additionally marked by terrorist threats.

Although hooliganism has been less of a problem in the last few World Cups than it has been in previous events, many residents continue to perceive football fans as unruly and an element of concern over potential disorder is likely to persist regardless of the actual threat of this occurring.

5.6 Factors relating to sustainability

In the aftermath of a mega-event, the host city must manage the event's legacy, creating meaning and value from the event's heritage. Event legacies

can be tangible, as in the case of sports facilities, buildings and media precincts or intangible legacies of tradition, local identity, symbolism and nation building.

Recent research has emphasized the importance of planning for the challenge of managing the legacy left in the wake of mega-events such as the Olympics or FIFA World Cup.

Four key reasons that mega-events continue to be characteristically poorly planned in terms of sustainability are: (1) social change occurs more slowly than physical change. (2) social change can be negative, (3) debt can be exorbitant and (4) lack of transparency is common (Matheson, 2004).

There is a tendency not to question long-term viability of events until after the event has occurred. In fact, post-event, consideration of the actual benefits derived from the event to a host destination is generally unwelcome (Cornelissen, 2004; Sugden and Tomlinson, 2002). Stadium Australia and the Sydney Olympic Park are two examples. The value of these facilities to the community was only questioned after the Olympics when it became clear that Australia stages few events that effectively utilize these monumental spaces (Sugden and Tomlinson, 2002).

This has also been the case with stadiums from the 2002 World Cup. Both Japan and South Korea have faced major problems utilizing the stadiums since the event. Some research indicates that Germany will also face difficulty filling its arenas in the years following the 2006 event (Ahlert, 2004).

CHAPTER 6: SOME LESSONS LEARNT

Hosting mega-events is a double-edged sword. They have the potential to bring considerable (although the impacts on tourism tend to be overstated) potential benefits or do considerable harm. On the basis of the case studies and literature reviewed, some key concerns and success factors for hosting mega-events have been identified.

6.1 Planning

While there is no standardized approach for success across different national contexts, one of the key elements of the lessons discussed in this section concerns the degree to which host countries align their event planning goals with long-term development initiatives, the real needs and priorities of the city, and local planning, and their ability to do so at a minimal public cost.

If event planning goals are not integrated into long-term planning and decision-making, mega-event planning is likely to be based on short-term preparation for the event, with only peripheral consideration of its longer-term impacts. In this case the event planning process can easily supersede the needs of the city and decisions in this case are not likely to be locally-based, may not reflect local interests and priorities, and tend to divert public money and human resources.

The goals behind hosting the event must be clearly articulated from the outset. The most critical driving force for success is an established common

goal, a well-established plan and a shared vision of the direction of future development in the host city. Although not commonly achieved at the bidding stage, it helps if, along with the primary goals behind the decision to bid, organizers have identified detailed, clearly defined and measurable indicators of progress towards these goals that can be evaluated throughout the planning process and after the event.

The most successful mega-event hosts reduce the various risks of hosting (outlined in Chapter Three) as much as possible and make every effort to host the event within their capacity constraints. These hosts are extremely cost-sensitive and careful to align investments with the actual needs of the city. They recognize that, the greater the weight of socio-economic factors in the argument of any major decision, the greater the risk involved. These hosts will only focus on socio-economic factors when the need and impact of these is relatively clear.

One of the strongest cases of mega-event planning was the 1998 World Cup in France. Organisers applied a minimalist, but targeted strategy focused on local needs, job creation and awarding tenders to local companies wherever possible. The country needed a new national stadium and chose a specific site in an the Sant Denis area that was badly in need of urban and economic development. The plan focused on bringing practical and tangible benefits to a concentrated area, rather than pursuing a diffusionist approach.

Widespread participation is essential to hosting a successful event. By engaging diverse stakeholder interests and the general public, organizers ensure that a wider variety of concerns have been addressed throughout the planning

process. This increases the likelihood that an event will be perceived as successful over time. The perception of the media plays a major role in this process. As a result, media portrayal of event planning progress in each host city, expectations of associated impacts, drawbacks and opportunities and general public opinion need to be managed throughout the planning process, including before, during and after the event.

Despite tight timelines for hosting a mega-event, the planning process should not be curtailed in the interests of haste, as was the case during the 1998 World Cup in France, in which environmental impact assessments on the stadium site were not as rigorously conducted as they ought to have been. This is currently a concern with the new stadium to be built at the Green Point Commons in Cape Town as the city prepares for the 2010 World Cup. Diverting traditional planning processes can undermine the long-term credibility of those involved.

Hosting mega-events requires high levels of ongoing planning and evaluation. The plans conceived at the bidding stage will inevitably evolve as the event draws nearer and anticipating the changing requirements and potential impacts of an event throughout the planning process will help organizers to have more time and flexibility to deal with issues as they surface.

6.1.1 Minimalist but targeted planning

Perhaps the best recent example of this approach is the 1998 Football World Cup in France. The 1998 Cup was spread out over 10 host cities in

France, prepared over the course of 10 years and ultimately sought to create an image of “a dynamic, welcoming country which can be trusted as a winner” (Metropolis, 2002, p. 61). The two primary goals behind the Cup were: (1) to project a modern image of France to the world and (2) to construct a major multi-purpose stadium that could meet the country’s international event hosting needs. Concurrent goals were promoting tourism to new market segments such as youth and South American visitors.

The site of Plaine Saint-Denis, an area in need of urban development, was chosen as the site of the Stade de France. The World Cup was seen as an opportunity to fast-track development in the area in terms of transport, public space, roads and infrastructure. The area benefited from a property development boom in the years following the World Cup, although in 2005, it attracted international attention as the site of immigration-related riots and violence (BBC, 2005). Improvements made to the area surrounding the stadium include a more positive overall image, a sporting legacy, employment creation during the event, preference for awarding tenders locally, and reconstruction of a damaged highway.

In planning terms, the Stade de France project harnessed large investments from the public sector and applied them toward a project that renovated the problematic Saint Denis area and fast-tracked existing plans for targeted renewal of the district, according to *recognized needs*. This is an important difference between the 1998 World Cup and many others, and is one of the key reasons for the overall success of the 1998 event. In essence, France

met and exceeded its clear and realistic initial goals of modernizing its image and building a world-class national stadium.

Although there were glitches and delays in organization, the 1998 World Cup in France is widely regarded as successful in terms of organization and football promotion. France was successful in reaching its primary goals for the 1998 World Cup, although urban development impacts across the country as a whole were minimal.

It is estimated that the event generated a USD 116 million profit (Metropolis, 2002). Other estimates were USD 64 million (Horne and Manzenreiter, 2004). This is further indication of the distortion of figures in the area of mega-event assessment. Whichever figure is used to evaluate the event, it was an economic success. Cost-minimizing strategies used in the bidding and hosting phases helped ensure substantial returns.

6.1.2 Participation

One of the most important lessons that surfaces in the research is that the most successful mega-events involved a high degree of public participation and representation. Additionally, with improved public access to information regarding the potential impacts of mega-event hosting in many countries, there is a heightened expectation among the local population for opportunities to participate in the decision-making process.

Support of local academics, the business community, neighbourhood associations and community leaders is critical to legitimizing hosting a major

event. The degree to which local residents identify with the event and internalize the intentions behind it affects their support of it, the quality of their cooperation and communication and, ultimately, the effectiveness of the event in achieving its goals. An event nominated by elites with little transparency or public participation increases the overall risk of public investment, because public funds are not necessarily spent on infrastructure and services appropriate to public needs. This potentially results in minimal public ownership of development decisions and reduces the likelihood of widespread public benefit.

Full public participation under the extreme time pressure of mega-event planning is difficult at best. Few hosts have succeeded in this regard. This specific aspect of the 1992 Barcelona Olympics contributed greatly to the city's positive urban regeneration, not only in realizing major urban projects, but in including neighbourhood organizations in the entire planning process.

Barcelona's success may be largely the result of unique political situation and unusually powerful neighbourhood associations mobilized after the fall of the Franco dictatorship. These organizations exerted significant political pressure and effectively focused municipal and regional governments on quality of life enhancements, amenities and infrastructure improvements (McNeill, 1999, pp. 41-43; 63-64).

The leaders of neighbourhood organizations effectively represented the interests of the majority of residents in their jurisdiction. This process allowed people to express their concerns regarding planning decisions through their representatives and resulted in widespread public support for the city's Olympic

developments and enthusiasm for future projects. The multi-city nature of the FIFA World Cup, compared to the Olympics, may complicate this. It is rare to find effective public participation in one city, much less in several cities simultaneously competing for the World Cup spotlight. There are no equivalent World Cup host precedents akin to the intense and effective public participation achieved in Barcelona.

Research on the impact of large urban developments in general on surrounding neighbourhoods suggests that, in the absence of good planning, there is a tendency toward disintegration of established strong community relationships (Pol, 2002). With regard to World Cup plans, public participation is a largely under-used resource. In South Africa, for example, community access to the official 2010 bid book and to South Africa's contractual obligations with FIFA are exceedingly difficult to obtain. This has resulted in a general misunderstanding regarding stadium locations and associated infrastructure in Cape Town and other host cities. Although public forums have been held, it is unclear whether these have had any influence on ultimate decisions taken.

The goal of persuading people to adopt values and behaviours that sustain a major physical urban intervention necessitates a social relational and management strategy that respects existing social networks irrespective of socio-economic status and provides support for their transition as the physical environment is restructured. Better understanding of how to embark upon this task in light of mega-event hosting will afford greater control and flexibility in

implementing large-scale urban revitalization, with a long-term view of creating a sustainable event legacy.

Precedent shows that vision is essential to any spatial development strategy. Du Toit (2003) recognized this in South Africa, noting that public investment tends to occur on a case-by-case basis and without any guiding framework for major investment throughout the Cape Metropolitan Area (CMA). In order to mobilize public investment more effectively towards progress, the city needs to create a clearly-articulated vision that is agreed upon via participatory processes and that responds to the simultaneously developed and developing nature of the CMA (Du Toit, 2003).

Conflicting visions for profit-driven, as opposed to quality-of-life focused, spatial development often take the form urban redevelopment programs in which commercial stakeholders seek the most profitable use of land, while residents, neighbourhood associations and the like articulate city development plans which emphasize a better quality of life, upgrading of local infrastructure and/or provision of locally significant amenities. Unless an effective political process mediates the development process, miscommunication will often result in the triumph of commercial interests, since these contribute generously to political campaigns and generate significant tax revenue from community development. Exacerbating these effects, the host communities of urban intervention schemes—those that must identify with, take ownership of and sustain a given development—tend to wield comparatively weak economic and political influence.

The type of well-organized citizen participation that results in effectively unified, articulate and collective representation is not likely to occur without governmental support and encouragement (Pieterse, 2005). Yet, in the fast-paced process of mega-event planning, these mechanisms are often absent.

6.1.3 Gentrification

Socially disadvantaged populations may potentially bear the heaviest costs of urban restructuring generated by mega-events, in terms of privatization of public space, limited access, public financing of the event and a shift in planning priorities to accommodate the accelerated nature of these projects.

The issue of gentrification is a common complaint of neighbourhoods chosen as sites for redevelopment through mega-events. While this is not well-researched, it is understood that some aspect of this occurs either through redefinition of sports venue space or associated developments in transport or hotel accommodation. Because of strict regulations by event owners and organizers that stipulate that venues must be within reasonable proximity to other venues and transportation nodes, some displacement is often unavoidable.

6.1.4 Planning mega-events in Africa

Africa's predicament of being relatively poor in terms of infrastructure and resources relative to countries in Europe or North America has been a factor in decreasing its chances of accessing what mega-events are increasingly seen as

– opportunities to participate in the global economy in terms of investment, technology and production.

There is a prevailing trend amongst developing nations of grasping mega-events as tools for fast-tracking development (Pieterse, 2005; Cornelissen, 2005; 2004; Robinson, 2002; de Tolly, 1997). These studies point out the tendency of government officials to pursue global prestige without fully understanding the full spectrum of costs associated with this strategy.

Following the crisis at the Miss World Competition in Nigeria in 2002, Priyanka Chopra, Indian-born former Miss World 2000, aptly described the increasing appeal of the global competition to potential developing country hosts: these “people want to see their citizens on an international level” (AP, 2002). However, following intense violence and chaos, the event was moved to London that year.

Given the singular nature of these events, a local crisis or major disaster must be avoided at all costs. The Miss World Competition was both a great opportunity and a major challenge for Nigeria. Yet the poorly-handled situation lessened the country’s future event-hosting credibility and reaffirmed the assumption that these events are best handled in countries with a secure track record for hosting events.

6.2 Organization

Events tend to strengthen organizational networks that are already functioning well. Alternatively, they can weaken systems that are not. The

greater the size of the event and number of associated requirements, the greater this tendency becomes.

Planning a mega-event can be divisive across spheres of government, especially when confusion over responsibilities and costs at the local, municipal, provincial and national levels exists. There must be clear accountability in decision-making and transparency of information.

Stakeholder cooperation is essential, as is effective communication amongst all interested parties and with the general public regarding the roles and responsibilities of key individuals involved in the planning process, public expectations and the ongoing progress of event preparations.

International cooperation is critically important to hosting a successful mega-event, and this is particularly true for relatively inexperienced hosts. The event requires that prospective hosts take advantage of opportunities to learn from previous hosts, participate in knowledge-sharing opportunities and improve their international relations in government, tourism and business.

6.2.1 'Tickets' outside the stadium

Highly congested elite sports events can effectively exclude the local population because of a lack of access to tickets (as a result of ticket lottery systems or high costs). Tickets for the 2006 World Cup finals in Germany, for example, have been notoriously difficult to come by. Blocks of tickets are allocated for sale through lotteries and to individuals and companies that use them as rewards and incentives. In the 1994 World Cup in the USA, the average

ticket price was USD 462 and the finals alone generated a total of USD 43.5 million (Sugden and Tomlinson, 1996). In fact, however, with large screen television and attractive 'venues' not associated with the stadium, the game has become far more accessible. Given the cost and scarcity of tickets to attend the actual event, television is realistically the only way the World Cup becomes 'accessible' to the average local resident.

The event must be inclusive for local people, especially considering that many will not be able to attend the matches on account of cost constraints or limited availability of tickets. Local inclusiveness can be achieved through smaller events and vibrant festivities held between matches during the event and in the years and months leading up to the actual event. The case studies reviewed emphasize the critical importance of a festive atmosphere both on and off the field throughout the hosting period.

As technology has evolved, the number of alternatives to viewing the matches inside a stadium have increased. Creative planning and organization might include large-screen television public viewing sites bordered by a number of exciting smaller events and attractions. Television, video games, the internet, mobile phones, films, radio and regular events are all platforms through which organisers can engage the local population. An organized network of such peripheral events, for example, could provide tremendous opportunities for local businesses to reach 'unofficial' spectators without risking legal disputes with FIFA.

6.3 Stadiums

The choice of venue location is a critical factor for the overall success of a mega-event, particularly in terms of the after-use of the facility. In fact, the long-term sustainability of a new sports arena is one of the most contentious concerns that organizers of mega-events have to address. It is often the primary complaint of those who question the allocation of significant public funds for hosting mega-events.

Problems often arise because it is not uncommon that decision-makers who are ultimately responsible for the final venue selection (FIFA or politicians who are out of office several years later) are rarely in a position to be held accountable for the long-term impacts of a stadium on the community after the event. Frequently, too many stadiums are constructed for the event, long-term maintenance costs are inadequately considered, and local attendance at future events is insufficient to make the facility profitable. There is a need for a viable long-term business strategy of each facility during the process of stadium selecting.

Research indicates that the only real long-term impacts of stadiums purpose-built for hosting a mega-event occur within the immediate vicinity of the facility. Stadiums should always be surrounded by mixed-use areas. Communication between permanent stadium management and area residents and business people is an important element of ensuring that these populations continue to support the stadium in the community. This also enables a platform

for discussing possible solutions to any potentially negative impacts that the stadium may create. Local businesses should be encouraged to develop practical business plans to deal with the long-term impacts of the stadium, such as diverted traffic patterns, crowding, security measures or having to close on game days.

The benefits of a major sports arena can be positive or negative on the surrounding areas. In poorer areas, a stadium built with feasible long-term maintenance plans could become an instrument for renewal. Alternatively, it could cause significant gentrification and possibly even lead to a decline in property values. Careful and ongoing planning is required throughout the mega-event hosting process in order to monitor potential impacts and mitigate negative effects.

6.6 Destination marketing

Studies indicate that joint marketing campaigns, which capture the best of both the event and the host destination, could generate greater impact than separate publicity. Commonly, these marketing campaigns either focus on the mega-event or on the host country, but rarely capture the best of both. This seems to be changing and models such as that used for the London 2012 Olympics may provide guidance for more effective joint marketing of mega-events. This could be particularly useful in developing countries, where joint marketing has the added advantage of more efficient use of resources and broader media impact than the destination country might otherwise have been able to afford.

Additionally important in place promotion strategies for 2010 is showcasing opportunities for tourists to learn about South African and African countries more generally. Research from the 2000 Sydney Olympics and the 2002 World Cup showed that sports mega-event tourists are interested in learning about the destination, in addition to attending the event. Rather than presenting the attributes of the host country as peripheral attractions, research suggests that they should be presented as key opportunities to learn about and experience the host destination. Ideally, these messages should be integrated into joint marketing campaigns for South Africa and the 2010 World Cup.

Although not characteristically an event appealing to women, it is clear that women are interested in the World Cup and that female participation in football is on the rise. Research has shown significant differences between men and women's' perception of the local impact of the World Cup, their propensity to travel to the World Cup and their relative sensitivity to risks and costs of attending (Kim and Petrick, 2005). Greater consideration should be given to gender issues surrounding the hosting, organization, celebration and legacy of the World Cup.

Marketing after the event can be an effective method of promoting tourism. Some mega-event hosts do little in the way of long-term association with the event after it has passed. Others capitalize on their permanent affiliation with it. Barcelona, for example, continues to identify itself with the Olympic Games of 1992. Nearly 15 years after hosting, a visit to the Olympic stadium in the city continues to be one of the main tourist draws. Further, Barcelona has

incorporated a permanent Olympic Studies Centre, dedicated to research on the Olympic movement and the city of Barcelona, into its Autonomous University of Barcelona. The centre has extensive local, national and international contacts and has become a well-respected global source of information on the Olympic Games.

Although it is premature to speculate on the destination marketing and event promotion plans for the 2010 World Cup in South Africa, it can readily be seen that many of the lessons described in this chapter have not significantly influenced Cape Town's preparations for the 2010 Football World Cup.

CHAPTER 7: SPECULATIVE REVIEW: THE CASE OF SOUTH AFRICA WITH PARTICULAR REFERENCE TO CAPE TOWN

7.1 Mega-event precedent

South Africa showed itself capable of hosting major events with the successful staging of the Rugby (1995) and Cricket (2003) World Cups. Both events showed a high level of volunteer support and national enthusiasm.

In the years following apartheid to South Africa, the government sought vehicles to foster a unified national identity and align patriotism with the new political paradigm. History has proved the power of sport to build national pride and unity. Hosting the 1995 Rugby World Cup gave South Africa a focus away from the political arena, despite the fact that rugby remained predominantly a sport of interest to white South Africans.

The event was backed by Nelson Mandela as an event for all South Africans. In a memorable moment, Mandela addressed the victorious South African team consisting of mainly white players while wearing a Springbok Rugby jersey, stating, "rugby, once the symbol of division and exclusion, had crossed the threshold into a new era of a united and reconciled nation" (Cornelissen, 2004, p. 44).

Mandela effectively used symbolism to unite the country in support of the national rugby team. "For the first time in history, blacks had a chance to be proud of their white countrymen, to share their feelings in a way never possible before. Whites were hugely grateful to Mandela for that – and for restoring their

national pride. But he could not have succeeded unless millions of other black South Africans had willed it so" (Waldmeir, 1997, p. 270).

In 1997, Cape Town was one of the final cities in contention to host the 2004 Olympics, which were ultimately hosted by Athens. The Cape Town bid was competitive. However, according to Howard Firth, one of the legal representatives of the 2004 Olympic bid, officials involved in the bid believed that the city did not adequately understand the importance of and process of lobbying for the event (H. Firth, personal communication, 17 March 2005). Those intimately involved with the city's bid emphasized the importance of long-term vision and of understanding the special needs of developing cities (de Tolly, 1997). To its credit, Cape Town's bid was the first Olympic bid to explicitly propose development as the fourth Olympic pillar along with sport, environment and culture. De Tolly recognized the need for long-term planning in 1997 and, at the time of this report, in 2006, Cape Town, despite becoming one of the key 2010 World Cup host cities, still does not have a publicly articulated mega-event strategy.

7.2 FIFA World Cup Bid History in South Africa

In more recent years, the focus on the development potential of hosting large events has led to a rise in bids from both developed and developing countries hoping to use the event as a tool for urban revitalization. Although the African continent remains poorly represented within the international mega-event enterprise, South Africa has achieved some success through hosting the 1995

Rugby and 2003 Cricket World Cups and the World Summit for Sustainable Development in Johannesburg in 2002. This has been the result of strategic bidding for events as a platform to announce a modernized image of post-apartheid South Africa on the world stage.

The 2010 World Cup bidding campaign attracted the most African countries ever to bid for a mega-event. In the last two decades, the continent has been increasingly receptive to the prospect of investing in mega-event bids (Cornelissen, 2005). Despite this trend, the intentions, impacts and implications of mega-event hosting in the African context are not well understood.

Research suggests that the core motivations for African mega-event bids include economic and political goals such as nation building. There is little evidence of success in event-driven urban development in developing countries. Politically, many bids (for example, the 1995 Rugby World Cup in South Africa, the 2003 Cricket World Cup in South Africa, the 2004 unsuccessful Cape Town Olympic bid, South Africa's 2006 and 2010 FIFA World Cup bids and Morocco's failed World Cup bids in 2006 and 2010) laid claim to host on behalf of the continent, promoting themselves as the 'gateway to Africa'. This is similar to many mega-event hosts in general (i.e., Atlanta 1996 as the 'gateway of the South' and Turin 2006 as the 'alpine gateway').

Capitalizing on its momentous success when it hosted and won the 1995 Rugby World Cup and its subsequent victory at the 1996 African Cup of Nations, South Africa presented its bid for the 2006 FIFA World Cup in 1998 at the African

Cup of Nations in Burkina Faso. Initial African bids also came from Ghana, Egypt, Morocco and Nigeria.

Although the FIFA World Cup would be the most ambitious event to be hosted on the continent, and this implied some uncertainty, the South African bid committee succeeded in attracting support from the private sector. This was partially due to experience accumulated by companies involved in Cape Town's 2004 Olympic Bid. Unlike the Olympic Bid, however, which was launched by predominately white elites, the World Cup bid had the advantage of representing a wider cross-section of the South African public.

The 2006 bid promoted football, an intensely popular sport among the country's black population, and appealed to many cities across the country. This had a more unifying effect, even in the early bidding stages, than did the 2004 Bid. Despite the failure of the Olympic Bid, it helped officials and private companies understand the process and value of major events and it facilitated relationships that would become paramount in the 2006 bid. The 2006 bid further developed partnerships that would bring the tournament to South Africa in 2010.

South Africa's primary goals in bidding for the 2006 and 2010 World Cups focused on:

- Boosting the country and continent's credibility and status on the world stage
- Fostering political stability post-Mandela and nation building in general

- Creating economic development through job creation, tourism and commercial opportunities

Stimulating the tourism industry was one of South Africa's explicit 2006 World Cup bid goals. Tourism numbers had declined since the 1995 Rugby World Cup, which had significantly increased both the traditional tourism sector and the meetings, incentive, conferences and exhibitions (MICE) market (Cave, 2003). The country's 2006 and 2010 FIFA World Cup bids aimed to further bolster the country's image overseas and to attract greater levels of tourism and investment.

The 2006 bid hoped to emulate the tourism stimulation, national unity and political reconciliation that resulted from the 1995 Rugby World Cup (Cornelissen, 2004). Internationally, the bid proposed to promote a peaceful image of South Africa to the world, to emphasize the country's preparedness to participate fully on the global stage, to demonstrate the nation's peaceful transition and to allay fears of post-Mandela instability.

South Africa's bid for both the 2006 and 2010 World Cups elicited an emotional claim to host on behalf of the African continent. Other bids for the 2006 event came from Egypt, Ghana, Morocco and Nigeria. Of these, Ghana, Egypt and Nigeria later withdrew to present a joint bid. Morocco and South Africa continued with their original bids, through to the final round of competition with England, Germany and Brazil.

Morocco's bid for 2006 was its third attempt at the World Cup. Morocco was the first country in Africa to bid to host the FIFA World Cup (for the 1994 Cup

that went to the United States). Morocco, like South Africa, presented a highly emotive bid that proposed to host an *African* World Cup. The bid aimed to rally the support of other African countries and also to capitalize on existing political and business connections with Spain, France and various Arab states.

In the latter stages of the 2006 selection, both Morocco and South Africa presented formidable candidatures: however, their bids became a divisive factor in terms of the Confederation of African Football (CAF) (Cornelissen, 2004). The organization refused to support publicly either bid, thus splitting the African vote. Further, internal politics, both between African football personalities and FIFA itself, divided support between the two countries.

Other issues arose in the process, particularly relating to the importance of 'personal friendships' in lobbying and networking in order to secure the Cup (Alegi, 2001). Despite the fact that, officially, FIFA's decision is based solely on each country's actual bid and the technical inspection report of each country, it is widely understood that intense lobbying is a critical part of a successful bid. South Africa's experience with the 2004 Cape Town Olympic Bid revealed that the country had not lobbied for that event at the same level as more experienced candidate countries. It is possible that many African countries that are new to the mega-events enterprise are still learning to navigate this process.

In 2000, the final selection came down to South Africa and Germany. While FIFA President, Joseph 'Sepp' Blatter (who had held the post since 1998), supported the South African bid, one member of the executive committee abstained from voting, thus preventing Blatter from being able to vote in the

event of a tie. As a consequence, Germany was elected to become the 2006 World Cup host country.

Because of dissatisfaction with politicized and contentious selection procedures, FIFA adopted a system that would rotate the tournament every four years to a different one of the six football confederations. The first time this decision-making process would take effect would be for 2010 World Cup bids. In 2002, FIFA decided that Africa would be the first regional focus of the new system. Thus, for 2010, South Africa and Morocco renewed their bids, and these were joined by bids from Egypt, Libya, Nigeria and Tunisia.

South Africa changed its bid only slightly from the 2006 version. The number of cities included in the bid increased from 9 to 11, as the country sought widespread support for the initiative by promising a generous spread of benefits from the tournament. The 2010 bid, like its 2006 predecessor, included several existing football stadiums and rugby stadiums.

Morocco altered its bid for 2010 more significantly, reducing the number of cities involved and proposing eight new stadiums in response to FIFA's indications, following the country's 2006 bid, that its infrastructure was inadequate. Further, the country developed 'Vision 2010' and identified significant economic development projects, aimed at capturing the potential benefits of the event.

Morocco hoped, above all, to stimulate its tourism industry. Morocco, as in 2006, aligned itself with Northern Africa, Southern Europe and Arab nations. Historical ties in these areas gave Morocco considerable influence through

commercial and political support (Cornelissen, 2004). However, its ties with Arab countries may have also compromised its bid, considering the intense international fear of terrorism existing at the time of selecting the 2010 host country in the months following the Madrid bombings in 2004 (in which several Moroccan nationals were implicated).

FIFA's final technical inspection report deemed South Africa to be the only African bidding country capable of hosting an outstanding event. The closest contenders were Egypt and Morocco. Egypt, according to FIFA, had the 'capability' to host a 'good' World Cup and Morocco had the 'potential' for a 'very good' World Cup (FIFA, 2004). Tunisia and Libya had hoped to host jointly, as Japan and South Korea had in 2002. However, FIFA did not support the proposal. The final voting resulted for 14 of the 24 votes in favour of South Africa, 10 for Morocco and 0 for Egypt.

It will be interesting to see how the unsuccessful bidding countries develop their mega-event strategies in the future. Egypt has already gone on to host the 2006 African Cup of Nations since losing the 2010 bid, and it would not be surprising to see the other countries emerging along the mega-event hosting continuum.

Sepp Blatter greeted the news of the 2010 World Cup being awarded to South Africa saying, "what greater testimony to what South Africa had achieved with its peaceful transition than the presence of three Nobel Laureates for peace. South Africa is a model for the rest of the world" (Cornelissen, 2004, p. 1306). Nelson Mandela, Frederik de Klerk and Archbishop Desmond Tutu, together,

represented a formidable presence in support of the bid committee, in contrast with the absence of high-profile figures on the part of the Moroccan and Egyptian delegations. This gives an insight into the underlying goals of the image projection, international recognition and place promotion associated with South Africa's hosting of the 2010 event.

The intensely political nature of South Africa's selection for 2010 suggests that South Africa's ultimate success in winning the bid was possibly at least partially related to the country's self-promotion as a leader of the African continent and the championship of the New Partnership for Africa's Development (NEPAD) (Cornelissen, 2005). Given that this will be the largest event of its kind ever to be hosted on the African continent, South Africa's ability to host successfully will have implications for the broader competitiveness of African and other developing nations in the international events industry.

7.3 An All-African World Cup

The South African Local Organizing Committee, in an attempt to ensure that the 2010 World Cup showcases the African continent more generally, proposed that FIFA form a Special African Committee on which several bid ambassadors (such as Abdebi Pele from Ghana, George Weah of Liberia and Roger Milla of Cameroon) would serve.

Sepp Blatter, president of FIFA, additionally announced that a foundation would be created to support Africa's players to play for teams in Africa, rather than accepting contracts overseas. According to Blatter, the initiative already

has substantial funding, as well as the support of all of the 2010 World Cup sponsors (Sullivan, 26 January 2006). The African national teams suffer from a variety of disadvantages compared to other football regions. Danny Jordaan, CEO of the 2010 LOC outlined the key difficulties facing the region (Mseleku, 30 October 2005):

- Africa comprises under 5% of the global football economy
- Significant exportation of their best players
- No national benefit from player transfer overseas
- Few opportunities to host international sporting competitions
- Poor senior level performance, compared to non-African teams
- Few cases of success from youth to senior status

FIFA has additionally promised that the fields of all African national stadiums will be of a high standard by 2010. The organization stated that Thabo Mbeki and other key African personalities would announce new “centres of excellence” in every African football association (Molwedi, 27 February 2006).

In terms of tourism, Africa and the Southern Africa Development Community (SADC) stand to benefit substantially from the 2010 World Cup if plans follow through that are geared to position South Africa as the ‘gateway’ to Africa. The continued development of several trans-frontier parks is being accelerated and collaborative efforts between the SADC countries are focused on encouraging cross-border tourism for visitors arriving in 2010. Plans include upgrading accommodation, transportation and tourism facilities throughout the region and facilitating regional visa access (Mbizwo, 1 April 2005). Plans to

consolidate the visa process for access to SADC countries have been considered over the last eight years. However, these have been complicated by financial constraints and security concerns.

Other Southern African countries are expecting to draw teams and tourism from the 2010 World Cup. Mozambique is investing R300 million in infrastructural upgrades and three new stadiums and the nation has put forth a bid for hosting the 2010 African Cup of Nations (Mseleku, 23 October 2005). Zambia is also building new stadiums for the 2010 event.

Shepherd Nyaruwata, executive director of the Regional Tourism Organization for Southern Africa, says that tourism growth in the SADC has suffered from inadequate infrastructure, low volume of tourism flights, immigration difficulties disallowing free movement between countries and the lack of an effective regional tourism joint marketing strategy (Mbizwo, 1 April 2005).

7.4 Public expectations

In a crucial observation, Vanya Lessing, head of the Association of SA Travel Agents, commented, "We must not create false hopes that South Africans are going to make their fortunes out of the World Cup and we must manage the expectations of our people" (Russouw, 11 June 2005, p. 1).

Along with the original goals of hosting mega-events, in its 2010 bid, South Africa stressed the strong potential of the World Cup for addressing major local issues. One such campaign focussed on HIV/AIDS and was largely an

attempt to solicit local support during the bidding phase, through the use of slogans relating to the issues such as “2010: love to be there” (Cornelissen, 2004, p. 1301). It will be important to follow up on these campaigns in order to stem unrealistic expectations about the potential of the 2010 event to address South Africa’s ongoing domestic issues.

FIFA president, Sepp Blatter, indicated that the World Cup would unite South Africans like no other major event. “We are hoping that in 2010 we will have the best World Cup ever and that it will unite the people of South Africa in a way that the rugby, cricket and golf cups could not do properly,” he announced, while at the World Economic Forum in Davos, Switzerland (Sullivan, 26 January 2006, p. 1). Although previous mega-event research has questioned the nation building potential of mega-sporting events, even if the 2010 World Cup were to have the power to create lasting unity in South Africa, it would be impossible to realistically compare it to the rugby, cricket and golf world cups. Statements such as these are frequent but impossible to validate.

Many other statements have been made by the South African Local Organizing Committee which may lead to unrealistic expectations from the Football World Cup in South Africa. Danny Jordaan, CEO of the South African LOC, announced, “This World Cup is not only important for football but it will help to strengthen and consolidate our democracy” (Patricios, 21 February 2006, p. 2). On another occasion, Jordaan touted the potential of the FIFA World Cup for South African businesses, saying that the event should be hosted using at least, “90% of local expertise and resources” (Mann, 5 May 2006, p. 1). Evidence

seems to be mounting that would make a figure of 90% unrealistic in this regard, as many foreign firms, tour operators, sponsor and partnership organizations will receive the lion's share of profits from the 2010 World Cup. In fact, FIFA's official partners and sponsors to date are largely foreign firms and foreign expertise has already been imported to assist the country in the fields of stadium architecture (in Cape Town), construction and energy. The importation of foreign skills is likely to also occur in several other areas requiring major infrastructural upgrades, such as in the telecommunications and broadcasting sectors, prior to 2010.

In yet another interview, Jordaan emphasized the importance of the 2010 World Cup benefiting other African countries, saying, "We promised that an African World Cup would put a smile on every African's face. We are duty-bound to fulfil this promise." He added that the social and economic benefits from the event should extend "beyond the borders of South Africa" (Mseleku, 30 October 2005, p. 13). Considering that the social and economic development potential of the 2010 Football World Cup within South Africa is not yet well-understood, it seems that it would be impossible to monitor this type of progress throughout Africa. Statements such as these, made by Jordaan on behalf of SAFA, potentially create unrealistic expectations about the potential of the 2010 World Cup to address national issues.

A study by the Human Sciences Research Council (HSRC) on national expectations of the Football World Cup revealed that there were marked differences in South African perceptions of the potential impacts of the 2010

tournament. Men and women shared similar views regarding the costs and benefits of hosting. However, opinions differed amongst various racial segments of the population. Black respondents were the most optimistic about the potential for personal gains associated with the World Cup. White and Indian respondents, however, perceived the event as bringing primarily short-term advantages (Ntshingila, 26 March 2006). Overall, 47% of the total subjects surveyed felt that the World Cup would bring long-term benefits to the country. This was balanced by another 44% who believed that the benefits from the event would be short-lived (Futuse, 15 March 2006). The primary benefits expected by South Africans were concentrated on employment opportunities, the majority of which were expected to be created at the national and municipal levels. Personal gain was a core expectation of 33% of the respondents and this was offset by an equivalent percentage of people who did not expect to gain at all from the World Cup (Futuse, 15 March 2006).

Despite an international trend toward increased public interest in government accountability and transparency of information, 2010 planning in South Africa has not been a participatory process. Since the award of the bid was announced in May 2004, in many provinces and at the national level, it has been difficult to identify decision-makers. This complicates their accountability to the public. Further, there is frequently a lack of transparency in terms of information made available to the public.

The HSRC will continue to monitor expectations regularly until 2010 and for one year after the event in attempt to inform policy makers. While it is

unrealistic to create policies that shape the World Cup to meet the expectations of most South Africans, it is important to understand the expectations of the general public. Studies such as that carried out by the HSRC can be used to create communications strategies aimed at informing the public about the progress of the 2010 World Cup preparations and what can be realistically expected in terms of spin-off benefits.

7.5 Finance, stadiums and infrastructure

The 'diffusionist' nature of South Africa's 2010 bid was seen as necessary to garner significant local support. With this aim, the bid proposed a wide venue distribution with the intention of spreading the benefits of the World Cup as widely as possible. This strategy may later serve to complicate the long-term effects of the tournament, as cities invest in infrastructure that may go unused or underutilized in the post-competition period. Unless these locations can be proven to demonstrate tourism and facility capacity levels adequate for their allotted matches, as well as viable plans for the use of World Cup developments after the event, small and medium-sized cities bear a significant risk that expectations will far exceed actual benefits brought by the World Cup.

In the bid book, the 13 stadiums proposed to be used for 2010 include several rugby stadiums that required minimal renovation. Compared to other African bids, South Africa essentially had the bulk of stadium infrastructure in place. Nonetheless, FIFA strongly suggested that the number of stadiums be reduced to eight. Political and emotive issues continue to surround the process

of stadium selections for the 2010 World Cup, as with the Germany 2006 and Japan/South Korea 2002 events. The argument for a localized and minimalist approach is particularly relevant to 2010 preparations in South Africa, as are lessons learnt from the 2002 World Cup that left a legacy of overly ambitious and under-used sports facilities. The challenge for 2010 will be devising creative ways to host the event to international standards, within the country's capacity constraints.

Eventually, FIFA and the national government reached an agreement and decided that 10 stadiums would be used. Four to five new stadiums will be built for the event and the remaining facilities will be upgraded at a cost of over R5 billion. This figure, from February 2006, was up from R3 billion in October 2005, and likely to continue to rise. The new stadiums built for the 2010 World Cup will include: Green Point (Cape Town), Kings Park Soccer (Durban), Mbombela (Nelspruit) and the Nelson Mandela (Port Elizabeth). The fifth facility, the existing Peter Mokaba stadium, will probably be scrapped and entirely rebuilt. The remaining five stadiums that require minor upgrades are: Soccer City and Ellis Park (Johannesburg), Loftus (Gauteng), Vodacom Park (Bloemfontein) and the Royal Bafokeng (Rustenburg). If the country follows the trends of previous World Cup hosts, actual costs will increase substantially, as the event draws nearer.

Several of the 2010 host cities have become increasingly concerned with the amount of investment required to host the World Cup. Economically-motivated, rather than politically-motivated, decisions regarding venue allocation,

particularly in Cape Town, have not necessarily been focused on long-term viability, cost control and optimal overall benefit of the stadium to its surrounding area.

Cape Town appears to have less World Cup fever than the other 2010 host cities. In 2005, the city was rebuked for its failure to host a 2006 World Cup / African Cup of Nations qualifying match between its national team, Bafana Bafana, and Uganda. As a result of the city's other commitments, namely its internationally-recognized jazz festival and cycling tour, the South African Football Association found that it could not secure adequate hotel accommodation for the match. SAFA's Western Cape president, Vernon Seymour, however, contended that there was indeed sufficient accommodation available to SAFA in the city. The problem had been that the city's hotels did not offer special rates to SAFA for the period in question and SAFA chose to save costs and host the match elsewhere (Molobi, 6 March 2005).

In the contractual bid book with FIFA, the Newlands Rugby Stadium was proposed as the Cape Town 2010 venue. Although this was the most cost-effective choice, it sparked opposition because it is a rugby venue and some officials hoped that the 2010 World Cup would leave a football legacy in the city. Some residents of the middle and upper-middle class suburbs surrounding the Newlands Stadium additionally expressed concern over the stereotypically loud and unruly behaviour of football fans. Others believed that development of the scale of the Football World Cup would be best invested in less privileged districts of the city.

Cape Town, more so than any of the other 2010 World Cup host cities, has expressed its concern over the financial obligations required to host the event. Since the decision was taken to forego plans to upgrade either of the city's existing stadiums (the Newlands Rugby Stadium or the Athlone Football Stadium) in favour of a new stadium built at Green Point, the costs of hosting World Cup 2010 matches in the city have dramatically increased. The city is expected to fund the majority of the cost of the new R1.2 billion facility (as opposed to the R512 million it expected to spend on upgrading the Athlone stadium). At the time of writing, the city had officially acknowledged that cost estimates for the stadium at Green Point had increased to between R3 million and R4 million (threefold more than the city's annual fiscal budget (Powell, 21 July 2006). In addition, FIFA's associated demands on the city (such as security measures, power supply and back-up requirements, telecommunications capacity and transportation needs) add up to additional costs that many administrators feel are too much of a financial burden for the municipality to sustain.

The evolution of Cape Town's World Cup venue selection indicates a lack of local-decision making power. The process has met with intense community opposition in Cape Town. Although it was doubtfully a serious consideration, there was much support for a fourth option to build a stadium on the Culembourg site in Foreshore (Hartley, 24 May 2005). Yet another developmental proposal had been put forth in the Mfuleni/Blue Downs area (Mseleku, 12 February 2006).

The Western Cape premier, Ebrahim Rasool, had backed the Athlone project, stating the province's commitments to upgrade the facility and complete related projects ahead of the FIFA final inspection, "The province will contribute to the upgrading of Athlone and ensure that it is completed by then. We will also make sure that the Klipfontein corridor bus plan is completed by that time. The N2 Housing project therefore becomes part of the bigger picture of getting Athlone right" (Essop, 18 February 2005, p. 1). The Premier further promoted the potential of the World Cup to stimulate social change and to "introduce an alternative set of goals for our youth" by situating the excitement of the 2010 World Cup in an area in need of development.

Cape Town's plans for Athlone Stadium as the venue for the 2010 World Cup involved considerable development in the surrounding low-income areas. The Klipfontein corridor refers to the city's plan for a rapid bus transit line connecting the CBD and the city's southern suburbs with the large Khayelitsha informal settlement. As part of the Athlone redevelopment plan, the corridor would have additionally linked an upgraded transportation station at Athlone Stadium with a renovated central station in the city.

Another significant part of the plan included accelerating progress on the N2 Gateway Housing Project, a plan to upgrade the informal settlements along the N2 highway, which had already been planned by the city. Beginning in 2005, the city broke ground on the project and the first new apartments were completed that year. While the project is admirable in its aims, it has suffered from administrative difficulties and ongoing issues with the community. Most

specifically, these have centred around disputes over allocation of the apartments.

Tourism Minister, Narend Singh, emphasized the link between poverty, tourism and crime, saying, "Nothing is more obvious than poverty. Little is more off-putting to tourists than visible squalor. And poverty inevitably breeds crime, which also drives away tourists" (Cole, 24 November 2005, p. 2). Although the 2010 event is unlikely to make substantial inroads in terms of poverty reduction in South Africa, it should make a difference in high profile areas where "city beautification" strategies will, at the very least, seek to remove poverty from visitor view.

As the N2 Gateway Project unfolds, it will become clearer whether it results in long-term changes that address the city's housing backlog, poverty, crime and access to municipal services in the area, or whether it becomes merely a more acceptable backdrop for international visitors travelling from the airport to the city in 2010.

At the national level, SAFA also supported the decision to make Athlone the 2010 World Cup venue in Cape Town. Chris Stali, the MEC of Sports and Cultural Affairs, in an interview with the *Cape Argus*, said, "We support Athlone to be the primary venue for 2010" (Essop, 5 May 2005, p. 3). In the same interview, he proceeded to detail the upgrades, the R60 million that the Department of Transport and Public Works would invest in the Athlone upgrades and another R21 million that would be used for an indoor sports practice arena near the Khayelitsha informal settlement. The Development Bank of South Africa

estimated that the city would have to spend R512 million to upgrade the Athlone stadium and approximately R2.5 billion on infrastructural upgrades (Gophe, 10 December 2005).

However, between late 2005 and early 2006, the city's intention to host World Cup matches at Athlone Stadium became less certain. A cost-benefit analysis by Standish (2005) indicated that a new stadium in the relatively high-income seaside Green Point area would be the most advantageous choice. The study determined that Newlands Stadium was the least expensive and lowest risk venue, yet that it was inferior to both the proposed new Green Point Stadium and the upgraded Athlone Stadium when using other criteria. Standish concluded that Athlone would provide moderate social and urban development at an attractive cost. Green Point was selected as "the most expensive option...[with] the largest tourism spin-offs and the best social/regeneration effects" (Standish, 2005, p. 10). Specific information as to what constitutes 'social/regeneration effects' was not included in the Standish's report.

Significantly, the final decision over the Football World Cup venue in Cape Town was not a local decision; it was pushed by FIFA in association with the national government. The new African Renaissance Stadium at Green Point in Cape Town will seat 68,000 fans and must be completed by 2008 in time to host the Confederations Cup tournament and get FIFA's final inspection approval for 2010. If the stadium follows the trend in other host cities, the initial cost of the R1.2 billion facility may double or triple before its completion. For example, the costs of building the 65,000-capacity stadium in Port Elizabeth were initially

estimated at R250 million and quickly rose to R711 million (Masondo, 3 February 2006). This trend is not unusual in hosting mega-events.

The call for design proposals for the Cape Town African Renaissance Stadium met with an overwhelming number of inquiries and submissions, both national and international. International firms are required to collaborate with South African companies under a stipulation that all bids must be headed by a local firm (Yeld, 17 March 2006). This policy is not unique to the Cape Town stadium bid. Many of the industries requiring international financial investment or foreign skills to prepare for the 2010 World Cup stipulate similar prerequisites of partnership with local firms.

Although many local companies have already been drawn into the multi-faceted project for the Cape Town stadium, some are reluctant to become involved in an undertaking that may later associate them with a high-profile structure that the city regards as an under-utilized financial liability after the World Cup is over. Many of these firms fear that the African Renaissance Stadium could cost the city even more in terms of ongoing maintenance than the existing, but as-yet unprofitable multi-purpose Good Hope Centre (Yeld, 17 March 2006).

At a KPMG-sponsored seminar on the FIFA World Cup held in February 2006, the South African LOC CEO, Danny Jordaan, and his associates were unable to satisfactorily respond to concerns about whether some of the stadiums being built for the 2010 World Cup would become under-used local liabilities after the event (Mametse, 24 February 2006). Inability to respond adequately to these

concerns at the national level may perpetuate confusion over the value of a new stadium to the local community and the responsibility for the costs associated with building and maintaining the new facility.

In addition to stadium and infrastructural costs, FIFA requires the following additional investments from the City of Cape Town (Bamford, 25 March 2006):

- R24 million from the city for 2010 planning
- A halt on all construction projects during the one-month event
- Exclusive use of billboards and advertising space within a 1km radius of the stadium, the revenue from which will go directly to FIFA
- Upgrades to the existing power supply network (which experienced significant black-outs and shortages in 2006), providing enough back-up power to supply FIFA's needs in the event of a power outage
- Telephone, internet and communications services "without limitation"
- Free office space, equipped with food and beverage vending machines for the FIFA LOC
- Designated traffic lanes for teams, officials and FIFA VIPs during the event

The magnitude of investment required to meet these demands is substantial. Many of these requirements will be satisfied through short-term solutions to FIFA's explicit needs and these may not result in long-term value-added investments for Capetonians more generally.

Contrary to what one might anticipate, the "city beautification" clause of FIFA's contract with the municipality is less about image-enhancement projects

than it is about ceasing construction throughout the city during the event. This supports the notion that the football governing body is more interested in covering up unsightly aspects of each host city during the tournament than it is in long-term urban improvement projects. Any construction already underway, under the mandate of FIFA, must be temporarily halted during the World Cup (Bamford, 25 March 2006). There is no clear indication as to who bears the cost of this suspension; however, the implication is that it will be borne by property developers.

Cape Town mayoral committee member of finance, Ian Neilson, claimed that he was unsure that the city would be able to afford the total expenses involved in hosting. At the time of writing, he was still considering the cost implications. The mayoral committee member of corporate services and human resources, Belinda Walker, articulated additional concerns regarding continued confusion over who is ultimately responsible for the costs of hosting (Bamford, 25 March 2006).

The city's incumbent mayor, Helen Zille, publicly questioned 2010 organizers, demanding that they deliver actual cost estimates of stadium and related investments. She claimed that agreements had been signed on behalf of the city without a proper understanding of the costs involved or prudent consideration these costs in relation to the city's budget. In March 2006, she halted any further progress on the R1.5 billion project for the proposed new Green Point stadium.

Her protests were seen as unsupportive of 2010 efforts and even as a political statement against the majority African National Congress government. Despite media reports claiming that the municipality would be responsible for R1 billion in World Cup-related investments (the equivalent of the city's entire 2006 fiscal budget), Butana Khompela, chairperson of the National Assembly sports committee accused Zille of not understanding the contractual agreement between the national government and SAFA, stating, "Everybody knows that 90% of the budget is carried by the government" (Webb, 29 March 2006, p. 5). Khompela emphasized that the national government had guaranteed to cover the financial risks of hosting the 2010 World Cup and, as such, that Cape Town was not expected to take on these burdens without assistance from the national level. Khompela, like many others, believed that Zille's lack of cooperation was intentional and politically-motivated.

Regardless of her motivation, Zille's request was a practical one and the controversy surrounding it points to a lack of unified direction and support for the 2010 World Cup in Cape Town and the Western Province. Contrary to Khompela's assertion, evidence continually shows that the costs and broader implications of hosting the Football World Cup are *not* clearly understood by South African host cities.

Indeed, the lack of a unified vision has become a paramount issue in South Africa's preparations for the 2010 World Cup and the use of facilities and infrastructure after the event.

Leadership positions in the 2010 World Cup planning process in Cape Town (as well as at the national level) have changed multiple times throughout the period of this research, in terms of both designated responsibilities and the individuals held accountable for them. Leadership for 2010 plans to date in the Mother City has not proved to be representative of broader community voices. There has been little opportunity for meaningful input and interaction. It is still possible that organizers will deliver an event that meets both FIFA's criteria and responds to expectations of the South African public, although this is highly unlikely in a situation with little public participation or transparency of information.

The challenges ahead are substantial. In telecommunications, for example, the German organizing committee for 2006 has advised South Africa to reassess its readiness. While the South African telecommunications industry estimates that it currently possesses 60% of the data-carrying capacity required for the 2010 World Cup, the data carrier in Germany indicated that even if the entire client registry in South Africa were to be taken off the country's telecommunications lines, that the country would only have 50% of the capacity required for even the *2006 World Cup* (Dlamini, 1 February 2006).

Clearly, with rapidly increasing demands, in terms of data carrying-capacity, the required telecommunications capacity for the 2010 event will be even higher. Further, the expected 20,000 media personnel, in addition to FIFA executives and sponsors, coming to South Africa for the event will be high-capacity telecommunications users. The South African and German data carriers' projections are dramatically different and this signals the potential for

devastating consequences if the South African estimate fails to anticipate the actual telecommunications requirements of hosting the 2010 Football World Cup.

The South African Parliament has also warned that the country must make major investments in order to meet the broadcasting needs required to reach a television audience of between 3.6 and 4 billion for the 2010 World Cup. Sentech, the company which manages South Africa's broadcast signal distribution network, alerted parliament to significant shortages in funding and skills to meet the 2010 requirements (Ensor, 14 March 2006). Sentech chief operating officer, Gladwin Marumo, said the company was not ready and that digitization was the only solution to achieving the required 40-gigabyte transmission bandwidth for the World Cup. The company has regularly requested funding from government to upgrade the network since 2003. A request submitted in late 2005 for a loan of R1.5 billion to prepare the network for 2010 had still not received a response six months later from the Finance Minister, Trevor Manuel (Ensor, 14 March 2006). Sentech warned that costs would continue to rise, making the inevitable upgrades increasingly expensive the longer the investment was delayed.

The Minister of Environment Affairs and Tourism, Marthinus van Schalkwyk, spoke of the country's significant shortage of accommodation for the 2010 World Cup: "Our preliminary estimate is that, without major public and private interventions, we may be between 160,000 and 180,000 beds short of the likely demand" (Kassiem, 22 February 2006, p. 5). However, the minister cautioned against building additional unsustainable hotels to meet this demand.

“We must always understand that 2010 is only one important milestone,” he said. “After 2010, we still have to have a growing industry. We are approaching 2010 in a different way than other countries. We have learnt from their mistakes where after (the World Cup) they ended up with hotels and stadiums that stood empty” (Kassiem, 22 February 2006, p. 5). Most notably, this was the case for the 2002 World Cup in South Korea and Japan (in terms of stadiums) and the 2002 Winter Olympics in Salt Lake City (in terms of an over-supply of accommodation). It is imperative that South Africa invests in infrastructure that meets the country’s general growth needs, exclusive of meeting those of the 2010 World Cup.

Beyond this, creative solutions will be necessary to provide the additional beds necessary to host the 2010 World Cup. These can include using cruise ships for accommodation, promoting home stays and encouraging small-scale lodging in the areas experiencing shortages. In some regions, tourism officials are considering using university housing because the tournament is scheduled to take place over the June holidays (Cull, 22 February 2006). This strategy, however, could become problematic if current considerations of moving the date of the World Cup from June to October 2010, in order to ensure better weather, become reality.

Training workers in the hospitality and tourism industries is a major challenge ahead of the 2010 World Cup. Schalkwyk described the problem: “Universities, technikons and other institutions of higher learning have complained that the tourism industry has not properly identified the skills most

critically lacking in the sector. Industry has (also) complained that graduates being produced are not appropriately skilled" (Kassiem, 22 February 2006, p. 5)

To address the skills shortage, South Africa will be investing R7.5 million into a partnership with, among others, the Department of Environmental Affairs and Tourism, the National Business Initiative, the Tourism Business Council of South Africa and the Tourism and Hospitality and Education Training Authority (Kassiem, 22 February 2006).

Experts say that service standards in South Africa, when compared to international standards, currently rate 'poorly' (Cole, 7 April 2005). In an interview for the *Daily News*, Glenda Caine, Director of Independent Projects Trust, an organization that provides training courses to professional waiters, identified an important consideration as South Africa prepares to host the 2010 World Cup, "Customers judge an organization on the employees they meet and waiters are the frontline of customer interaction. They can make or break an experience a customer has. If a customer has a bad experience in a restaurant, that customer is lost forever" (Cole, 7 April 2005).

The same could be said for a nation hosting an event on the scale of a Football World Cup. Service workers, in all sectors of the hospitality industry, are on the front line in terms of the overall tourism experience of 2010 visitors. According to Tommy Edmond, chief executive of the tourism company, Tourvest, "there wouldn't be many benefits" in terms of general tourism during the 2010 World Cup (Russouw, 11 June 2005, p. 10). Edmond asserted that past World Cup hosts have generated the largest tourism impact after the event, by

providing World Cup visitors with an experience during the tournament that encourages them to return with their friends or families on a future occasion. Given this, it is important that visitors who come to South Africa in 2010 are given an experience that makes them want to come back. The problem for the South African hospitality industry is more than merely overcoming a skills shortage; it is also about increasing existing skills to a level that meets or exceeds international standards.

The South African government will spend more than R300 billion on infrastructural upgrades leading up to the 2010 World Cup. The growth of the South African construction industry over the last six months of 2005 has been unparalleled in the last 20 years (Robertson, 5 March 2006).

Cement demand continues to increase, and Naude Klopper, of South Africa's cement producer association, says that the country's cement producers are meeting demand within their capacities and/or are increasing their production capacity (Sigonyela, 27 January 2006). Industry experts indicate that the problem is not in meeting the anticipated demand ahead of the 2010 World Cup; rather it is mitigating the risks involved.

There are instances in the past when the government has failed to follow through with its promised infrastructural investments. Reuben Beelders, of Gryphon Asset Management, described the overall situation for the South African construction industry, stating, "Prospects for the whole construction sector have never been better. The only risk to them not getting their money back is the government failing to deliver on all these promises" (Sigonyela, 27 January 2006,

p. 5). South Africa's association of cement producers, however, indicates that financially, government is now more responsible than it has been in the past and that this risk is unlikely.

Some sectors within the construction industry may have difficulty meeting increasing demand prior to the 2010 World Cup. Jim Guild, president of the Southern African Institute of Welders, indicated that some companies may fail to benefit from 2010-related opportunities because of a marked skills-shortage in welding engineers and supervisors. Theuns Steenkamp, the training director for the Solidarity trade union, echoed this sentiment, saying, "South African employers in the metal and engineering sectors are currently importing foreign skills... There is an urgent need to train well-skilled welders in the country ahead of the construction boom expected" (Mokopanele, 27 February 2006, p. 20). The industry boom, however, has already arrived. At the height of human resource requirements for Sasol's Project Turbo, over 2000 foreign workers had to be brought to South Africa.

Opportunities for the construction sector stretch beyond those involved with building new stadiums and their associated infrastructure. Additionally, general maintenance and urban beautification projects present many smaller opportunities to improve the image of each host city.

Perhaps more so than other host cities and the national government, Cape Town appears to have a more practical approach to 2010 planning. The city has adopted a holistic perspective to hosting the Football World Cup that situates the event within a longer-term view of projected urban and tourism

growth in the region. This is evident in the city's general questioning of the magnitude of financial responsibility required to host and in its outlook that extends well beyond World Cup tourism. SAFA Western Cape president, Vernon Seymour, reiterated this point of view after the city came under attack in 2005 for not hosting a scheduled qualifying match for the 2006 World Cup, stating "We have the capacity to stage any big event... Cape Town is a tourist attraction and people will love to come to our city not only for soccer but for other reasons as well" (Molobi, 5 March 2005, p. 1). Perhaps unfortunately for the city, however, many of the decisions taken so far regarding Cape Town's role in the 2010 World Cup have not been made at the local level, despite the local propensity for a realistic approach to planning for the event.

7.6 Impacts on local businesses

Outside of FIFA's largest deals, many South Africans anticipate that small, micro and medium enterprises (SMMEs) will benefit substantially from the World Cup. The Chief Executive of SA Tourism, Moeketsi Mosola, warned that, "Many South Africans think they will become instant millionaires from the 2010 World Cup but this is not going to happen" (Russouw, 11 June 2005, p. 10).

One tour operator expressed a general industry frustration, stating, "Everyone is saying we are going to make a killing during the event, but we have yet to see any programmes in place that make it possible to liaise with FIFA." The Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, further emphasized the dilemma, expressing concern over the "massive

investments in infrastructure... not happening where it really counts" (Benjamin, 12 April 2006, p. 4).

Most SMMEs do not possess marketing budgets large enough to appeal to 2010 World Cup visitors. Van Schalkwyk cited a study showing that the majority of small tourism companies in South Africa barely stay in business from year to year. These figures were among the lowest of the 35 countries surveyed in the study. However, SMMEs represent 50% of South Africa's GDP and 60% of its overall employment (Benjamin, 12 April 2006). Clearly, these businesses are significant drivers of the South African economy.

Yet the challenges that SMMEs face are substantial. For small tourism companies, these include financial obstacles, limited access to established tourism markets, skills shortages and limited experience navigating legal and regulatory issues. For these businesses to benefit at all from 2010, they are likely dependent upon partnerships with, and the goodwill of, more established tourism companies.

There is some evidence that such partnerships are being formed. However, further progress in this regard will be necessary to ensure that significant numbers of small businesses benefit from the 2010 World Cup. Tourism Minister, Narend Singh, highlighted a mentorship program that went into effect at the end of 2005 (Cole, 24 November 2005). Under this program, larger companies become mentors of developing tourism operators by assisting them with training, skills development and making connections in the business community. At the time of writing, ten such partnerships had been formed,

involving companies such as Hotel iZulu in Ballito and Durban's Southern Sun Elangeni Hotel (Cole, 24 November 2005).

The minimum cost to become a FIFA sponsor or partner is beyond the budget of most South African companies. Nonetheless, there are opportunities in several areas for SMMEs to benefit from the tournament. These include various types of accommodation, transportation services, non-match tours (such as safaris, golf and spa packages), foreign currency outlets, food and beverage services, laundry and other cleaning services and World Cup-related gifts (with or without trademarks) (Mametse, 24 February 2006). Opportunities for SMMEs are likely increase if the national team is strong in the years prior to 2010, because of greater support for the team in local matches before the World Cup.

FIFA's experience in organizing the World Cup for several decades means that few profit-making opportunities have been overlooked by the football governing body. According to one analyst, one of the only true opportunities that cannot be controlled by FIFA is revenue generation from the national team, related merchandise and sponsorships from national matches and friendly qualifying matches held prior to the 2010 official event (Mseleku, 19 March 2006). Although the national team will receive local support regardless of its competitiveness against international teams in 2010, a winning Bafana Bafana would increase revenue-generating opportunities for SMMEs. However, despite the fact that Bafana Bafana represents 65% of SAFA's annual revenue stream, SAFA, at this stage, does not appear to have a viable strategy to turn the team into a top World Cup competitor by 2010.

Tour operators in South Africa will not have the opportunity to sell packages or tickets for the 2010 World Cup. FIFA has exclusively delegated the responsibility of arranging tickets and accommodation (with FIFA's partner hotels) to a firm called MATCH AG. For example, an American tourist may choose to attend the 2010 event, book the entire trip through Match AG, and stay at a Radisson hotel in South Africa for the duration of the tournament. For South African businesses to take advantage of this type of tourist, they will have to find ways of providing services not included in package tours, such as transportation to and from local points of interest or food and beverage services.

Further restrictions are in place by FIFA against informal trading of any kind in the vicinity of the venues and local businesses that lie within the designated "Exclusion Zone" surrounding 2010 World Cup stadiums are required to close their doors on match days, unless they have been granted permission from FIFA to remain open (Bamford, 25 March 2006).

Five of the six FIFA 2010 World Cup partners have already been selected. These are: Coca Cola, Adidas, Hyundai, Emirates Airlines and Sony. Partnership costs over \$100 million USD. In addition to partnerships, FIFA will contract six to nine official World Cup sponsors. Sponsorships are available through FIFA at a price of \$50,000 USD. One of the 2010 sponsors will be Budweiser. Additionally, FIFA will seek four to six "national supporters or suppliers" from South Africa. It is anticipated that the majority of these will come from the country's hospitality industry. FIFA itself is expected to spend over \$1 billion USD on the 2010 event (Mametse, 23 February 2006).

As one of the world's largest beer producers in the world, South African Breweries (SAB-Miller) seemed like the most appropriate choice for the 2010 official beer sponsor. However, Jerome Valcke, CEO of FIFA marketing and television, said that the company "did not even reply to our request for a meeting. We waited three months for them to respond, and they did not, so we signed with Budweiser" (Rondganger, 25 February 2006, p. 3). The implication of the deal means that SAB-Miller beer cannot be served or promoted within a 1km radius of the 2010 World Cup stadiums during the event. Additionally, the traditional jerseys of the Bafana Bafana national team will be changed so that the Castle Lager logo is no longer featured.

SAB-Miller spokesman, Michael Farr, defended the company's decision not to become a 2010 sponsor. The rights to sell beer inside the World Cup stadiums would have cost the company over R600 million. According to Farr, "It would have made sense to pay USD100 million only if we produced beers that were widely available to the millions of international television viewers. Budweiser may be the sponsor in the stadiums; outside, visiting fans will be looking out for local beers" (Rondganger, 25 February 2006, p. 3). Perhaps the company will come up with a more creative, and less costly, unofficial method of promoting SAB-Miller to the 2010 World Cup television audience, as well as to fans in South Africa.

Ambush marketing of any kind is strictly prohibited by FIFA (and, contractually, by the government of the country hosting a Football World Cup). Ambush marketing is the term used to describe a third-party attempt to become

unofficially associated with a major event or its spectators, and, specifically, to do so without the permission of the event's governing body (Harbottle and Lewis, 2003/2004). The reason organisations such as FIFA vehemently oppose this practise is because it devalues formal sponsorship, partnership and other such agreements between the event owner and affiliate companies. Ambush marketing commonly occurs in the form of unofficial use of the event's name or website domain; illegal advertising or promotion; or unsanctioned products sold or distributed in association with the event. In addition to FIFA's rules, the regulations against ambush marketing established in South Africa for the 2003 Cricket World Cup still apply. Areas surrounding 2010 World Cup stadiums will be under tight vigil for illegal sponsorship and promotion activities. Anyone caught engaged in ambush marketing activities will be prosecuted and faces the possibility of prison.

Despite the strict rules, regulations and security personnel dedicated to preventing ambush marketing during the World Cup, creative solutions for brand promotion still exist. The challenge will be for companies to devise methods of skirting official regulations and still capitalizing on the massive audience the World Cup will draw.

For example, in the 2002 World Cup in Japan and South Korea, one of the local mobile technology operators, SK Telekom did not become FIFA's official global cellular technology sponsor. The company's advertising agency, TBWA, nonetheless found effective ways to promote the brand. TBWA focused on connecting with the local market. They created football chants, hosted various

events, created special t-shirts and came up with a rallying slogan, "Be The Reds" to engage their target markets (Moerdyk, 25 September 2005, p. 21). At its height, the "Be The Reds" campaign had sold over 20 million t-shirts and seven million of these dedicated fans celebrated on the streets in support of South Korea during the 2002 World Cup semi-finals match. Although SK Telekom did not have "official" FIFA sponsorship rights, they inarguably garnered massive exposure through their creative World Cup marketing campaign. Significantly, their efforts probably cost them much less than an official deal with FIFA. Given South Africa's reputation for innovative and creative marketing, this country is well-positioned to find ways to market its products, either locally or internationally, in connection with the 2010 World Cup, despite FIFA's stringent ambush marketing regulations.

7.7 Conclusion

The case of Cape Town ignores the 'lessons learnt' from this review on a number of counts. There has been no alignment at all with local planning initiatives, no strong, widely shared vision and little regard to local capacities. Organisers have adopted a high risk, highly cost inefficient approach. The planning process is rushed and there are fears about finishing in time. The likelihood is high that this pressing timeline to finish before FIFA's final inspection in 2008 time will divert financial and human resources from other pressing city priorities.

Organisationally, there has been no accountability of decision-making, and confusion persists between spheres of government about responsibilities and streams of funding. Thus far, there has been no effective means of public participation and this became most pronounced when the decision of stadium selection at Green Point Commons was not taken locally, through significant influence by elites, FIFA and national government.

Regarding the selection of the stadium at Green Point, recommendations of environmental impact assessments have been ignored, thereby undermining legal processes. Moreover, the stadium at Green Point is located on one of the most valuable parcels of land for alternative uses. There has been no decision yet about the stadium venue while detailed planning and design continues. The proposed stadium is highly unsuitable and too large for efficient after-use. In micro terms, stadium location is an isolated pavilion with no surrounding fabric (where the greatest potential benefits exist for residents and local businesses). The facility will inevitably result in high traffic impacts and is not aligned with public transport.

CHAPTER 8: SUGGESTIONS FOR FURTHER RESEARCH

Studies support the idea that hosting events within a country's means and pursuing frequent, smaller-scale local events may achieve greater long-term benefits than hosting the world's largest mega events (Cave, 2003; Higham, 1999). However, a small-scale approach to hosting the Football World Cup is complicated because FIFA typically applies a 'one size fits all approach' to the event in various host countries. South African 2010 organizers should take note of this and consider devising schemes that capitalize as much as possible on local strengths and development agendas. These can be used to organize local activities and festivals, paralleling the international event, that more directly address local initiatives.

Sports events can unite people in common celebration, yet the euphoria inevitably wears off and the duration of this effect is not well known. A study on the 2002 World Cup claimed that effects were short-term (Kim and Petrick, 2005). Certainly, despite the significance of the 1995 World Cup in South Africa, the nation's racial and political divides did not cease to exist.

Further research needs to be conducted longitudinally and cross-culturally to better understand the long-term value of nation-building. The political administration behind a given bid or hosting opportunity, however, may be content with short-term euphoria rather than funding studies to understand long-term unification. This could partially explain this neglected area of research to date.

Along with the official activities, a variety of related festivals surrounded the 1998 World Cup. This, enhanced the excitement of the French team's win on home soil, and contributed a national collective memory of euphoria. The festive atmosphere surrounding the 1998 World Cup in France and the 1994 World Cup in the USA were considered amongst their greatest legacies.

The electric atmosphere of attending a Football World Cup is impossible to capture through media broadcast and adds to the unique appeal of attending a FIFA World Cup. A challenge for South Africa in 2010 will be creating festivities throughout the country that spread benefits beyond the stadiums in ways that celebrate the nation, both locally and on the international stage.

The issue of job creation generated from hosting mega-events deserves greater attention. Questions concerning whether investments in skills development for these jobs pay off or not relative to alternative capacity-building programs, are relevant. Additionally, there needs to be greater clarity on how many of the jobs anticipated are short-term versus long-term and whether the short-term skills developed for these jobs are transferable after the event.

The advantage of strong planning networks in capitalizing on the spin-offs of mega-event hosting cannot be over-emphasized. Research has shown that weak systems tend to become weaker through the experience and strong systems stronger. Countries with weak planning frameworks need to be particularly aware of this tendency and work to strengthen the planning process and organizational links, before, during and after hosting.

This typically requires a clearer understanding of the political and decision-making process behind economic and urban development decisions in general. Because of the accelerated time frame and magnitude of the project, hosting a mega-event will expose inefficiencies. If pursued strategically, however, the planning experience can help develop more effective decision-making and cooperation between government and the private sector on unrelated projects in the future.

The issue of gentrification associated with planning for mega-events deserves further attention than it has received in the research. Most sites considered suitable for mega-event facilities are located in middle to upper income urban areas where significant development has already taken place. Redevelopment of the area to host a major sporting event will require a change in the use of existing space and often a change in the residential and small businesses composition of the selected site and its surrounding area. If gentrification is a natural by-product of this type of development, more research needs to investigate what actually happens to displaced residents. Are they forcibly removed or are they adequately compensated for their cooperation? Are they driven out by changes in the community composition or rising property values? More importantly, is there an acceptable way to handle redevelopments of this size in a way that appeases residents, local businesses and organizers?

Research on residents' perceptions of the impacts of the 2002 World Cup offer a promising outline for further research that would benefit event organizers and stakeholders by improving their understanding of the complex factors

influencing community perception of these events (see Kim and Petrick, 2005). With greater knowledge in this respect, programs could be designed to anticipate and address negative perceptions, while fostering positive perceptions, both in the local community and in targeted international tourism markets.

Most 2010 stakeholders in South Africa are aware that short-term investments must be made with a view of creating long-term opportunities. Equity and redistribution must be at the core of South Africa's urban development strategy. Yet this awareness has not yet materialized in a unified vision or cooperative and cohesive management strategy in which leaders are identifiable and accountable. There is an urgent need for an ethical strategy that: (1) articulates priorities, guidelines and short, medium and long-term goals and (2) effectively addresses concerns of the South African public relating to the 2010 World Cup.

Safety issues will play a big part in tourists' decisions to travel to South Africa in 2010. As previous research has shown, risk perception is a significant indicator of deciding to travel overseas for a World Cup. Currently, although South Africa's tourism industry is doing well, international fear of crime remains high in the country's key target markets. Tourism marketing professionals would do well to design campaigns that both promote the event and allay these fears.

Further study should also address the expected impact the 2010 World Cup on local businesses. As previously mentioned, official contracts have already been awarded to Budweiser and Emirates Airlines for the event, meaning that SA Breweries and South African Airways will miss out on a formidable

economic opportunity. The degree to which small, medium and large local businesses will be able to capitalize on the event, given FIFA's stringent restrictions on sponsorship, sale and promotion, is not yet well understood. Most likely, the greatest number of opportunities for local businesses will exist outside of FIFA's most lucrative contracts. FIFA has already sold the 2010 broadcasting rights and revenues are expected to be double those of the 2002 World Cup in Japan and South Korea. Given that the most direct sponsors and broadcasting arrangements are determined contractually with FIFA, it is important to improve general understanding of FIFA's sponsorship restrictions and to find creative business opportunities for South African companies and SMMEs to benefit from the event.

South Africa will need to articulate clearly each host city's goals, in terms of urban and economic development and to be realistic regarding the possibility of attaining these goals, within the terms stipulated by FIFA and the time remaining until 2010.

Turin's Winter Olympic Games 2006 left a research legacy that could serve as a model for future mega-events. A combined initiative supported by the city, Chamber of Commerce and Polytechnic University began a study in 2002 involving sociologists, economists, urban planners, geographers and others. The study examined past mega-events and created a program for monitoring attitudes and issues arising before, during and after the Winter Olympics.

The organizers of the 2006 Winter Games used a tool called The Social Indicator Observatory to assess, inter alia, the following: social mobility,

demographic changes, cultural preferences, economic issues, general tourism statistics, entrepreneurship and employment (Guala, 2002). This process helped inform a communications campaign fostering transparency of information and addressing the most salient public concerns surrounding the event. The initiative also entailed an environmental impact study and longitudinal program of monitoring environmental effects (Guala, 2002).

If future event organizers follow Turin's example of research collaboration, the result would be greatly improved understanding of the complex impacts of mega-events across various contexts. Although such an involved research undertaking requires additional funding and collaboration, it would be a worthwhile consideration for host nations intent on using mega-events to further their national and development agendas.

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APPENDIX: INTERVIEWS, CONFERENCES AND PRESENTATIONS

PERSONAL INTERVIEWS

Bam, Gert. Director of Social Development and Planning for the City of Cape Town (at time of interview, Bam held the position of Director of Sport and Recreation). 18 April 2005. Civic Centre, Cape Town.

Bathke, Robert. Development Manager, Johannesburg Development Agency. 30 March 2005, JDA Offices, Johannesburg.

Burchell, Alison. General Manager, Disability Sport South Africa. 29 March 2005, Rosebank, Johannesburg.

Cohen, Neil. United States Agency for International Development (USAID) 18 July 2005, Pretoria.

De Tolly, Peter. Former Director of Special Projects for the City of Cape Town, with extensive experience working on the Cape Town 2004 Olympic bid. 18 April 2005, Cape Town.

Drake, Martin. Urban Planning Specialist. 19 July 2005, Johannesburg.

Duncan, Jonathan. Executive Director of the Institute for Ecotourism, 30 January 2005, Sedona, Arizona, USA.

Eadie, Dave. Transport Planner, Cape Metropolitan Council. 7 April 2005. Civic Centre, Cape Town.

Firth, Howard. Legal representative who worked extensively on the Cape Town 2004 Olympic bid. 2005 April 10 (multiple). Cape Town Civic Centre, Cape Town.

Goven, Gita. Partner, ARG Design architects (architecture, urban design, urban and environmental planning). 1 June 2005 (multiple), Cape town.

Guardia, Manel. Specialist in urban history, urban patrimony and the city of Barcelona. Escuela Tecnica Superior de Arquitectura al Valles (ETSAV) and the Polytechnic University of Catalonia (multiple interviews during tenure in Barcelona as a Fulbright Scholar from August 2003-July 2004), Barcelona, Spain.

Haysom, Gareth. Pro-poor Tourism Facilitator and Consultant, Business Linkages in Tourism. 27 June 2005, Cape Town.

Heath, Ernie. Professor and Head of the Department of Tourism of the University of Pretoria. 7 June 2005 (informal), Cape Town.

Hepburn, Craig. Owner, Green Turtle Tours and Safaris. 12 June 2005, Cape Town.

Hutton-Squire, Martin. Partner, MLH architects. 31 May 2005, Cape Town.

Keyser, Heidi. Senior Consultant attached to the Hospitality, Leisure and Tourism Unit of Atos KPMG Consulting. 15 July 2005, Cape Town.

Lennox, Pat. Tourism and economic development expert, former Head of Major Events for the City of Cape Town Economic Development and Tourism, who worked extensively on the Cape Town 2004 Olympic bid. 17 April 2005, Cape Town.

Lever, Peter. Regional Manager of International Power South Africa and Director of Tussendal Management Services, who worked extensively on financial

- aspects of the 2004 Cape Town Olympic bid. 8 April 2005, Tokai, Cape Town.
- Mabin, Alan. Head of the School of Architecture and Planning at the University of Witwatersrand. 26 August 2005, Cape Town.
- Pillay, Udes. Executive Director of the Urban, Rural and Economic Development Unit of the Human Sciences Research Council. 12 August 2005 (multiple).
- Pieterse, Edgar. Special Advisor, Office of the Premier of the Western Cape Provincial Government, 26 August 2005, Cape Town.
- Rendall, Alastair. Partner, ARG Design architects (architecture, urban design, urban and environmental planning). 1 June 2005 (multiple), Cape Town.
- Rishty, Rebecca. Deputy Chief of Party. Support for Economic Growth and Analysis (SEGA). 18 July 2005, Pretoria.
- Santa Maria, Laura. Associate, Planning Partners (town, regional, landscape and environmental planning). 8 July 2005, Cape Town.
- Seager, John. Research Director. Urban, Rural and Economic Development Unit: *Human Development, Environment and Tourism* of the Human Sciences Research Council. April 2006 (multiple), HSRC Offices, Cape Town.
- Seif, Jennifer. Executive Director, Fair Trade and Tourism South Africa (FTTSA). 18 July 2005, Pretoria.
- Smith-Christensen, Cecilie. Director of Event Research International. 2005 February 15 (multiple), Cape Town.

Southgate, Doug. Consultant, KPMG Management Consulting. 11 October 2005, Cape Town.

Southworth, Barbara. Manager: Urban Design, City of Cape Town Department of Urban Design, Planning and Environment. 10 May 2005, Cape Town.

Stern, Matthew. Chief of Party, Support for Economic Growth and Analysis (SEGA). 18 July 2005, Pretoria.

Swart, Kamilla, Dr. Cape Peninsula University of Technology and Director of Octagon South Africa. 17 March 2006, Cape Town.

Tomlinson, Richard. Consultant and Urban Specialist. 18 November 2005 (multiple), Cape Town and Pretoria.

Van Zyl, Hugo. Independent environmental economics consultant. 20 October 2005, Cape Town.

CONFERENCE ATTENDANCE

2005 June 7. 2010 World Cup stakeholders seminar. Cape Peninsula University of Technology Hotel School, Cape Town.

2005 June 8. Gateway (N2) Housing Project. University of Stellenbosch Business School, Cape Town.

2005 June 14. Municipal Services Project. Observatory, Cape Town.

2005 July 4-5. International Housing Seminar: building an international body of knowledge on urban development: towards achieving the MDGs. International Convention Centre, Cape Town.

FORMAL PRESENTATIONS MADE RELATING TO THIS RESEARCH

2005, July 19-21. Witwatersrand University WISER Economic Research

Conference on the 2010 World Cup. Presented research on international experience hosting mega-events. Wits University, Johannesburg.

2005 August 26. Brazil – South Africa network conference. Presented research on international experience hosting mega-events, tailored to South Africa. Western Cape Parliament, Cape Town.

2005 September 23. Human Sciences Research Council seminar on the 2010 World Cup and urban development. Presented research on international experience hosting mega-events. Presented to the HSRC head offices in Pretoria (via video conference in Cape Town).

2005 October 31. South African Cities Network 2010 conference, Presented research aimed at helping South African cities consider the planning for the 2010 World Cup in light of international precedent studies. SACN, Durban.

UNIVERSITY OF CAPE TOWN
FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT

DECLARATION FORM:

FOR COMPLETION BY MASTERS DEGREE CANDIDATE

| | | | |
|--|--|--------------------|-----------|
| Title: | Ms. | Student No: | ALTBET001 |
| Name, Surname: | Beth Altringer | | |
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