



## **Will the Workers and the Poor Benefit from the 2010 World Cup in South Africa?**

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Wednesday, July 11, 2007, 10:14am

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South Africa's success in winning the 2010 bid for the Soccer World Cup has been announced with great fanfare. The World Soccer Cup is the second biggest international sports events in the world, second only to the Olympics.

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But, we need to ask an important question: why has the South African State been so keen to host the 2010 World Cup? Why has it chosen to spend money on an event like this, when there are so many other serious problems in South Africa?

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Informal traders from the World Class Cities for All campaign want to be included in preparation for 2010. Photo by Cheche

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### **GOOD THINGS**

Now, there are a number of positive things about this:

- \* Soccer is basically a working-class sport, in South Africa as well as in the rest of the world, and, if the tickets are affordable, there will be some great matches for local fans

- \* The State has promised - and this is probably quite true - that some jobs will be created

- \* As part of the build-up to 2010, the State will be spending billions of rands on improving transport and health services. There will also be some improvements in housing, although mainly around the areas near the sports stadiums, and finally, of course, there will be new stadiums as well as significant amounts of money for improving some existing stadiums.

- \* For the first time ever, the World Cup will be held in Africa

- \* We don't agree with that view of certain sectors of society that the State will not be able to get the country ready in time for the World Cup. It probably can get things ready in time. In fact, one of the noticeable trends of recent years is that semi-industrial countries can run major sports events (there have been, or are, major events in these countries: Malaysia 1998, China 2008, India 2010 etc.).

As part of the 2010 project, the State will be upgrading, or building, stadiums in the host cities: Bloemfontein, Cape Town, Durban, Johannesburg, Nelspruit, Polokwane, Port Elizabeth, Pretoria, Rustenburg. Linked to this, State will be spending money upgrading public transport - trains, airports, buses - and in making the areas around the main events attractive to foreign tourists. This will cost, the State says, around R16 billion

[1,65 billion €] - but the figure keeps rising, and we can expect it to rise quite dramatically.

## **ASKING THE BIG QUESTION**

But, we need to ask an important question: why has the South African State been so keen to host the 2010 World Cup? Why has it chosen to spend money on an event like this, when there are so many other serious problems in South Africa?

Unfortunately, the State reasons raise a lot of concerns about the whole project, and raise questions about who is really going to benefit from this process.

We live in a society dominated by class and capitalism. In this society, there is a ruling class, which controls the State and the economy, all the productive land, factories, buildings, shops, mines and so on. The State and the economy are used to promote the power and wealth of the ruling class. The working class and poor, in turn, provide the labour force to make this happen. The working class and poor are exploited by the ruling class, creating the wealth the ruling class enjoys, while its needs are ignored: wealth and power benefit the few; the great majority lives in conditions of poverty and misery, and when it challenges the situation, it is told to shut up.

Whether we are talking about a private company, like Anglo American, or a government company, like Eskom, the aim is basically to make a profit. This profit is squeezed out of the working class through low wages and high prices, and this profit goes into the hands of the directors, managers and owners, who can live the sweet life of private jets, mansions, holidays in Europe, and salaries of millions of rands per month. As you have heard, Whitey Basson, head of Shoprite, gets R67 million [6,83 million €] a year in income, while the workers in his shops get around R24,000 [2.450 €] a year.

Basically, the resources of society are geared towards benefiting the ruling class; the workers and the poor are not really in control. The demands and needs of the working class do not play an important role in society: we have to fight for everything we want, because the whole way society is organised is to benefit the ruling class. We often speak of redistribution, but in our society, redistribution goes one way: from the working class to the ruling class, not the other way around.

Now, our multi-racial ruling class - the bosses (capitalists), the politicians, the Mbekis, the Sexwales and the Oppenheims who rule the country - have their own agenda with regard to 2010, and it is important to look closely at that agenda.

## **MARKETING AND INVESTMENT**

The ruling class believes that the 2010 project will attract investment by businesses - local and foreign - into South Africa. And how will it do so? By creating space for making lots of money for a few people. The use of global games to market and advertise a country for capitalist investment is absolutely central to the pursuit of global games by semi-industrial countries. For our ruling class, 2010 is about dressing South Africa up nicely and putting it on display. The country is to be showcased as a hot investment destination. The idea is that large foreign companies will invest in South Africa, and grow the economy. It will also open space for a whole lot of partnerships between the South African ruling class, and the ruling class in other countries. This will also, the idea goes, create some jobs for the working class and poor, who, after all, will provide the sweat that will help the local and the foreign companies to generate wealth for their owners.

The view that 2010 will attract foreign investment is in line with the neoliberal, privatisation, approach of the State. It is in line with the GEAR policy [Growth,

Employment and Redistribution, see: [www.info.gov.za/otherdocs/1998/poverty/macroecon.pdf](http://www.info.gov.za/otherdocs/1998/poverty/macroecon.pdf)], and with its offspring, ASGISA [Accelerated and Shared Growth Initiative for South Africa, see: [www.info.gov.za/asgira](http://www.info.gov.za/asgira)]. Both GEAR and ASGISA are based on the idea that the only way to deal with the country's crushing social ills and evils - poverty, crime, prostitution, unemployment, misery for the many millions in the working class - is to create a situation where the rich can get richer. The idea is this: if business, South African and foreign, finds it can make a lot of profits in South Africa, then it will open up factories and other workplaces. And this will create jobs. With jobs, the working class will benefit - even if those jobs are basically designed to enrich the rich. According to GEAR, the only way to attract business investment is to ensure profits for business: in other words, to ensure that the rich can get richer. The wealthy and powerful should not, the government insists, be forced to create jobs nor should the wealth of society that they control be placed under the control of the masses. No! Rather, those who already control wealth and power will continue to decide where and when they want to invest, and whether the millions in the working class will get jobs, and, if they get jobs, how much they will be paid. Jobs are created to the extent they benefit the ruling class, and because the working class owns nothing, it has to be satisfied with this situation.

## **INFRASTRUCTURE AND NEOLIBERALISM**

So, one of the major aims of 2010 is to create opportunities for making profit, and this will have the effect of creating jobs. The spending for 2010 is mainly aimed at promoting opportunities for profit; it is not about benefiting the working class, although the working class will benefit to the extent that jobs will be created. The investment in transport, health and stadiums follows the same approach: creating the space for profit making. 2010 will show businesses that South Africa is a great place to make money. In both GEAR and ASGISA, the State is allocated a major role in providing infrastructure – but the aim of this State provision of infrastructure is to do something that the market can't do (it isn't very profitable, for example, to build a highway) but that capitalists need to turn a profit (a company can't operate without roads). In short, it is not about infrastructure for the masses, but about infrastructure for the ruling class. From Adam Smith onwards, free market theory – economic liberalism, which we today usually call neoliberalism – has insisted that the State play the major role in providing goods that the market requires in order to make a profit, but can't provide profitably (infrastructure, public goods, national defence) or provide fairly (law-and-order, currency).

The GEAR policy, as well as ASGISA, are based on exactly this line of thinking. You privatise to create new areas to generate profit; you cut government spending in order to reduce tax on the rich and the companies; as far as possible, you run the government and its industries to make a profit; you remove protection for local industries in order to make those industries competitive, and to reduce the costs of the items from abroad; you promote a situation where labour is cheap, so that workers can be fired or hired more easily; government takes no responsibility for job creation, but leaves this to private businesses; in the meantime, governments spending is focused on creating conditions for profit-making, such as investments in harbours (which promote trade), rather than on the social needs of the working class (for example, housing).

## **THE GRAVY TRAIN**

Of course, there are many other benefits from the 2010 bid for the ruling class. It will give them a chance to show what a good job they do in running South Africa - despite the ongoing poverty and inequality! The politicians and the sports administrators will get a chance to make money, through various business partnerships and corrupt deals. This is already under way, and it won't be long before details of how so-called leaders are involved in getting contracts for construction work, and kickbacks for awarding tenders to friends. And you can be sure tenders will go to the rich and powerful: yes, we often dream of creating our own small companies and getting rich, but we forget, it's only those who already have money that manage to make more money; the system is stacked against the person on the street, and not 1 out of 100 will ever escape the working class, through education or through business. Fourteen Cabinet Ministers and Deputy Ministers have been appointed to monitor the construction and upgrading of the 10 stadiums, and these politicians will be first in line to make sure they get a cut of the money that will be made.

Now, there is a much bigger issue here. Around the world, as we have said, soccer is a working class sport. The big English teams, like Manchester United and Arsenal, came from the big industrial towns, and started as workers' clubs. The same is true of South Africa: we only have to think of teams like Kaizer Chiefs and Orlando Pirates, which emerged in the townships of the black working class. But the ruling class everywhere has been taking it over, and using it as another way to make money. There is a fortune to be made from owning soccer stadiums, selling tickets, TV rights and also merchandise, like flags, shirts, and stickers. The symbols of the big teams are owned by capitalists, and they make a fortune selling official items of merchandise. And if you produce the logos of your own team, and sell them, without permission, they will say you are producing pirate goods, and arrest you and destroy the stuff you made, and they might say that if you buy these, you support your team

And if you buy the official goods, you are showing your support for the team, but the money you pay to do so goes into the pockets of people like Irvin Khoza (owner of Orlando Pirates), Kaizer Motaung and Primedia (owners of Kaizer Chiefs), and Patrice Motsepe (owner of Mamelodi Sundowns). Just like factories, teams are "owned" by bosses, and so we should not be surprised that some soccer players have even formed a trade union.

## **CLASS OR NATION**

The other problem is this: in an event like the World Cup, the teams are organised by countries, and this provides a way for the ruling class to promote divisions between the working class around the world: a German worker is encouraged to support the German team, and think about being German, rather than about being a worker. In this way, sadly, a sport that brings the world's working class together is used to divide it.

Make no mistake: a lot of money is going to be made. R16 billion [1,63 billion €] at least, mainly paid by tax payers, is going to be handed out to local and foreign businesses to make sure the country is ready for 2010. That's a lot of money, that's 16 thousand million rands, that's equal to 8 million monthly wage packets of R2000 [204 €] each. Where is the money going to be raised? From two main sources: money from central government (which is raised from tax on companies, salaries, VAT, "sin taxes" on cigarettes, alcohol and so on), and money from local governments, because municipalities are expected to pay in as well. Where does municipal money come from? It comes from partly from tax on businesses, but it also comes from charges for property, electricity, water, sewerage removal and other services.

## **NOW, THIS WILL HAVE SEVERAL IMPORTANT EFFECTS:**

**1.** First, money spent on the 2010 project is money not spent on other areas. In 2005, the government allocated R48 billion [4,9 billion €] to health. This has to pay for the whole government health system. This money has to cover 400 hospitals and 43 million people. Of this money, around 1,5 billion [0,15 billion €] goes to upgrading and revitalising hospitals every year, so government will spend around 6 billion on repairing the hospitals over by 2010. This is less than half of the money government plans to spend in the same period for building soccer stadiums for a one-time event! To put it another way: if the money for the 2010 World Cup was spent on hospitals instead, it could do four times more to fix the hospitals than it will do otherwise. Now, we know the state the public hospitals are in. The ruling class and the middle class are able to access a high tech high quality private hospital system. This serves only a few million people.

The vast majority have to use overcrowded, inefficient, dirty, understaffed hospitals that regularly run out of medicines. For example, the George Hospital in the Western Cape only has 265 beds, and it serves 550,000 people in the region. If the money being spent on soccer stadiums was directed to a much more pressing need, hospitals, the benefits to the working class would be enormous. The money government allocates to fixing the hospitals is, I should add, only going to a few hospitals: most don't benefit, and are left to fall apart.

Linked to this: cut offs. The money for 2010 will be partly raised by the municipalities. As we said, the municipalities get money from services and taxes. This will place a great deal of pressure on the municipalities to increase charges for water and electricity, and, of course, to cut off people who don't pay.

**2.** Transport. One of the main points about 2010, the State says, is that the transport system will be improved. And that can't be a bad thing. The railway system caters for millions of working class people, and half of the people who use the trains earn under R1600 [163 €] a month. The trains are cheaper than the taxis, and a bit safer, and if you lie far away from your work, you can save quite a lot of money by using the trains. But the railway system has never been properly developed. The trains cover only a small part of the towns and townships, and many areas are left off the railway gird. Also, not only has the railway system not been expanded over the last thirty years, despite the huge increase in the cities, but is actually been closed down quite a bit over the last ten years.

The railways are owned by a giant State company, Spoornet [see: <http://www.spoornet.co.za/SpoornetWebContentSAP/html/index.htm>], and Spoornet has been reducing the number of trains that run during the day, and closed smaller railway lines. This is partly because the government has been planning to partially privatise the railways, which has involved closing down railways that aren't likely to be profitable. Spoornet also aims to make a profit in the meantime. It's cheaper and more profitable to have a few overcrowded trains at peak hours, than a comprehensive railway network and regular trains. The other aim of Spoornet has been to focus railways on moving goods, rather than people, because this will cut the costs of doing business as companies can move goods quickly and cheaply. In practice, it's done a terrible job of this, because even many bosses are complaining about the inefficiency, unreliability and high costs of the trains.

And, of course, the effects of all of this on the working class are bad: around 20,000 jobs have been lost, trains are late, and sometimes don't come at all: the system is badly managed, and there is a shortage of carriages and workers, so if a train driver is sick or a

train engine is damaged, the train does not come. Now, add to this the situation in the State's electricity company, ESKOM [see: <http://www.eskom.co.za>], and you have a serious problem. Over the last fifteen years, ESKOM has been restructured. Although it is mainly government owned, ESKOM is run on a profit making basis, and has been making increasing profits for years. At the same time, ESKOM has let the electricity grid fall apart, and, since the trains use electricity, Eskom's continual power cuts mean the trains also stop when ESKOM messes up.

One good thing about ASGISA, which as I said is GEAR's baby boy, and about the 2010 developments, is that government seems to be waking up to the need to sort some of these problems out. Make no mistake: government is not planning to change its mind about running Spoornet and ESKOM for profit, and still has plans to partly privatise both. But it has, it seems, started to realize that there is something seriously wrong with transport and power in South Africa. So, one of the major promises of 2010 is that the transport grid will be improved, specifically with a) taxi recapitalisation, meaning a move from the dangerous combies to buses, b) an upgrade and extension of the railways and c) new initiatives like the Gautrain [see: <http://www.gautrain.co.za/intro.php>].

But there are worrying signs. The Gautrain, in particular, raises some serious questions. In the first place, the Gautrain is basically directed at improving transport between the suburbs in Johannesburg and Pretoria, and at a cost of more billions, will essentially set up a middle class express for the suburbs. The ticket prices, as announced so far, are quite high, around R60 [6,12 €] - but a more serious issue is that the money that is being pent could have been used much more effectively to fix and expand the railway network that serves the townships and the south of Johannesburg. It will cost R20 billion [2,04 billion €] so far. This is a perfectly good example of the biases in capitalism: while millions of people use the trains to put a bit of bread on the table, the Gautrain is about saving driving time for wealthier people who own cars anyway.

**3. Jobs.** Of course 2010 will create some jobs. The big construction contracts, in particular, will need large numbers of workers, and there is nothing this country needs more than jobs. But here, too, I think we need to be a bit careful before we get too excited. One of the serious problems to think about is: how long will the jobs last? Building a soccer stadium is not a lifetime job; at most, it's work for a few years. What will happen after 2010? If the government's plans work, there is a chance that investment will increase, and a number of new jobs will be created after 2010 is over. Will this be enough for the six million unemployed?

We don't know what will happen in future, but the terrible record of South African capitalism in creating jobs provides reasons to be concerned. The South African economy has started to grow at about 5 percent, which is the best performance since the early 1970s. But over the last ten years, as we know, at least a million jobs have been lost. Only recently has this started to change: there have been around 100,000 more jobs created than lost over the last two years. This is a drop in the ocean, and unless people mobilise to demand jobs, and if everything is left up to the ruling class, which can create jobs at its own sweet pace, well, the situation looks bad. The other thing, linked to this, is that many existing jobs are being casualised and subcontracted, with well over half the working class in various types of insecure employment. Will the jobs created to build 2010, and maybe the jobs that come after it, be secure jobs with a living wage? Or will they be short-term, low wage, dangerous work without benefits like medical aids?

## **SOME FINAL ISSUES**

The 2010 World Cup project is a ruling class project. We need to mobilise around it, and, where necessary, against it.

On the one hand, this means fighting for a better deal from the World Cup. At a simple level, we can demand ticket prices are kept low enough to ensure ordinary people, not just the rich, and not just tourists, can watch. More importantly by far, we need to mobilise to make sure that transport is structured to benefit the working class. Gautrain provides an example of what can go wrong. Unions and community groups need to put pressure on the State to ensure that as many jobs are created as possible, and that these are quality jobs. Also, that they are safe jobs, and the workers organised into strong unions. We need too remember that soccer is our sport, and to start to resist the ways soccer is being privatised in the hands of a few capitalists.

On the other hand, we must fight every part of the 2010 World Cup that is anti-working class. There is a serious danger that the process will be associated with major evictions, In Cape Town, there are already moves to clear the squatter camps near the airports, so the city looks nicer. But this moves people away from their homes and jobs. The people are being promised housing: will they really get it? Struggles against cut-offs must continue, and we need to start challenging other taxes, like VAT. If the government wants to spend R16 billion [1,63 billion €], let them raise the money by taxing the ruling class, not the poor. And let us make sure that money is spent on basic needs, first and foremost, rather than on building stadiums that may not have a future after the 2010 cup. Life doesn't end in 2010: what we need are sustainable jobs, pro-poor development and a powerful mass movement. This is not going to be provided by the 2010 World Cup.

In every struggle, we need to have a resolute way forward, and a clear perspective: WHAT DO WE WANT? AND HOW DO WE GET IT? What we want is a powerful and revolutionary working class movement, and we need to build this through struggles. 2010 is just one of the struggles we can use, and we need to use it carefully and strategically. In the first place, this means being independent of the 2010 project. COSATU [see: <http://www.cosatu.org.za/>] has, tragically, asked its investment arm to become involved in building the stadiums. Now, this makes no sense: how will COSATU's investment arm act differently to any other investor? The job of a union is not to hire workers and make a profit, but to protect workers from the profiteers who run our society. So we should oppose this terrible idea. We should oppose this sort of corruption. We should use the build-up around 2010 to highlight our issues, and demand measures that improve the conditions of the workers and the poor. And we should also understand the opportunity that the global spotlight on South Africa will provide to the popular movements: that is something very important.

At the same time, we must also be aware of the threats that 2010 poses. We must not get caught up in this Proudly SA nonsense. South African workers and the poor have nothing in common with South African bosses and politicians. Let's not forget that, or get caught up in nationalist campaigns. Nationalism is poison to the workers and the poor. We are the working class, and we are part of the world's working class. That's what matters; we should not hold hands with the bosses and politicians, but keep resisting, keep fighting, until we can win and create a new society without bosses and politicians. We need to create a new society, and that is what anarchism is about: a society where we control our jobs, where everyone has work, where no one goes hungry, where crime ends as inequality ends, where the economy is directed to meeting human needs, not private greed.

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