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Power Play: International Politics, Germany, South Africa and the FIFA World Cup™

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ABSTRACT

The decision to bid for and host a mega sport event is largely a political one. Yet despite an increasing focus on socio-political implications, there is a pervasive notion that staging such an event will result in significant economic dividends for the host nation. Analysis shows that expectations are rarely met and reflects increasing concern about the potential for positive economic outcomes, particularly for the wider population. Despite this growing awareness, competition for the right to host mega events has increased, particularly among states outside traditional locations in the advanced economies of the West. Problematically, the resource implications involved in staging a successful event for these non-traditional hosts are likely to be higher. This could reduce the potential return and may also create additional internal strain. The situation raises questions about whether states have similar reasons for engaging in the mega event circuit. Less-developed states may be more interested in goals that are politically and socially orientated, and may regard such goals as equally, if not more, important than perceived economic outcomes. The hosting of the two most recent Football World Cups by states at very different levels of development offers an opportunity to look at this possibility. The paper explores these wider motivations and how mega sport events may be used as tools of domestic and foreign policy. It also considers the extent to which mega sport events are viewed as effective resources for this purpose by countries seeking to enhance their role and influence in international affairs.

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ABBREVIATIONS AND ACRONYMS

AU	African Union
BRIC	Brazil, Russia, India and China
EUR	euro
GBP	British pound
GDP	gross domestic product
MSE	mega sport event
ZAR	South African rand

INTRODUCTION

The significance of hosting mega sport events (MSEs)¹ such as the Summer Olympic Games or FIFA World Cup^{TM2} (hereafter referred to as the World Cup) in terms of political and international relations is relatively well recognised.³ However, there is a pervasive notion that staging such an event will result in considerable economic dividends for the host nation. Analysis therefore tends to focus on economic rather than on socio-political implications,⁴ and shows that there is often a gap between expectations and outcomes, weaknesses in the evaluation methodology, and growing scepticism regarding the potential for significant economic growth.⁵ The German Federal Minister of the Interior suggested that Germany would ‘as a result of the World Cup alone’ experience an increase in gross domestic product (GDP) by ‘nearly EUR⁶ 8 billion from 2003 to 2010’, with an increase in turnover for the tourism industry of ‘around EUR 3 billion’.⁷ The German government hailed the event an economic success, whereas post-event studies have variously concluded that the country experienced limited or no macroeconomic effect and a net additional tourism income of just EUR 600–700 million.⁸ Early indicators for South Africa are similarly sobering. Initial projections suggested a GDP gain of ZAR⁹ 21.4 billion (or 1.9% of the projected GDP in 2010).¹⁰ However, a Grant Thornton Report published shortly before the event suggested a net additional economic impact in 2010 of ZAR 13 billion (total additional 2010 GDP impact 0.54%).¹¹ Post-event calculations made by the Human Sciences Research Council are less positive and suggest that the World Cup added only between 0.2% and 0.3% to GDP.¹² Despite growing awareness of the limitations of their economic potential, competition for the right to host MSEs has increased. This is particularly so among states outside traditional locations in the advanced economies of the West. Problematically, the resource implications involved in staging a successful event for non-traditional hosts are likely to be higher. This could reduce the potential for gaining a return, which balances expenditure, and may also create additional internal strain related to the diversion of scarce resources away from public service delivery.¹³ It suggests that greater attention should be paid to the wider political motivations which may be as, if not more, important for these non-traditional hosts.

The paper explores these wider political motivations. It begins by considering how MSEs may be used as tools of domestic and foreign policy, and the extent to which they are viewed as effective resources by countries seeking to enhance their role and influence in international affairs. The paper then focuses on the aims and objectives articulated by Germany and South Africa in the lead up to their respective hosting of the World Cup in 2006 and 2010. It considers whether developed and developing countries share international objectives for such events, and whether similarities and differences in ambition and outcome may be attributed to their respective stages of development.

MEGA SPORT EVENTS: AN ADDITIONAL TOOL IN THE FOREIGN POLICY ARSENAL OF A STATE?

Soft power is a term that is widely associated with Joseph Nye. It refers to the way state actors seek to use the power of attraction, rather than coercion or payment, to achieve foreign and domestic policy goals.¹⁴ Soft power uses attractive values and positive

attributes to shape preferences by generating admiration and setting examples others wish to follow. This behavioural adaptation then facilitates the coalescence of agendas, outlooks and ambitions. The strength of this approach is significant for situations in which hard power capacity is absent, limited, inappropriate or ineffective. In such situations, soft power provides the ability to gain acceptance of a favoured agenda and could help to establish the parameters of the associated debate, thereby adding critical mass to an otherwise limited formal capacity. Nye suggests that soft power capacity is dependent on three main resources, namely culture, political values and foreign policies. The culture of the country should be attractive, political values adhered to – at home and abroad – and foreign policies should be perceived as legitimate and morally grounded.¹⁵ In domestic and foreign policy spheres, soft power capacity therefore accrues in line with the degree to which these resources can be mobilised. Awareness of these resources is key to mobilising them, which ensures the importance of public diplomacy as a tool of soft power expansion. The media, tourism, sport, and cultural and education exchanges are well-recognised outlets for exercises in public diplomacy. However, Nye cautions that public diplomacy is only effective as a tool of soft power when it is marketing an attractive product. Soft power capacity will be undermined by state activities that are perceived as illegitimate or that contravene values or promoted attributes.¹⁶ This means that efforts to expand soft power should be approached strategically. As with any other foreign policy initiative, it should be understood that soft power capacity is vulnerable to external factors and unsustainable in the absence of a supportive environment.

The positive potential of MSEs is identified in their ability to capture global attention and elevate popular interest in the host nation throughout, and potentially beyond, the run up to the event. In view of the level of global spectatorship and media interest that surrounds these events, the perceived potential has a certain logic. Consider the exposure South Africa is likely to have gained during the 2010 World Cup final between Spain and the Netherlands, which was watched by an estimated 700 million viewers. Equally important is the impact the direct experience of covering the event is likely to have had on those reporting, which in Germany 2006 amounted to 300 000 or so accredited journalists reporting back to 215 countries.¹⁷ Undeniably, MSEs provide the host nation with a platform from which to raise its profile and project messages to the international community. They have a reach that few public relations initiatives could match. The positive perception and emotive appeal of sports, particularly those that involve the national team, enable MSEs to provide ‘moments in time’ around which the nation can celebrate national pride and patriotism. As a result, MSEs can also mobilise attractive cultural attributes and provide a supportive context through which other social and political credentials can be projected. MSEs also require a high level of state engagement, from pre-event support concerning lessons learnt given by former hosts or interstate co-operation on issues of security, to event time hosting of political elites. Accordingly, they further offer opportunities for states to develop mutually supportive relations in an informal setting. Given Nye’s explanation of soft power, the utility of MSEs as tools of public diplomacy and for the expansion of soft power capacity is clear.

Despite the potential to expand soft power capacity, MSEs tend to be primarily promoted for economic-based goals. These include foreign investment and tourism, infrastructure development and urban regeneration. There is a secondary focus on less-tangible outcomes related to nation-building and consolidating political legitimacy.

However, these goals can also support soft power expansion, albeit indirectly, in facilitating the development of the state as a productive, legitimate and functioning political entity and projecting this image to a wider audience.

Regardless of the potential opportunities, it is clear that there are significant resources involved in not only staging an MSE, but even engaging in the bidding process. The budget for the London 2012 bid campaign is reported to have been around GBP¹⁸ 20 million, while the costs of staging the event are estimated to be GBP 12 billion.¹⁹ Although these figures are significant, a focus on the financial implications detracts attention from the vast array of non-economic resources required to deliver an event and to meet the demands of the international sports organisation to which it belongs. The larger the event, the more prescriptive these requirements are. The International Olympic Committee and FIFA have clear preconditions that must be guaranteed by the host government as a prerequisite to the award of their respective events. FIFA's preconditions for the World Cup include the provision of a minimum of eight stadia each with a minimum seating capacity of 40 000; and special dispensations related to tax obligations, immigration controls, and the provision of facilities and accommodation for FIFA personnel. These requirements, which FIFA regards as 'indispensable' and 'minimum',²⁰ involve legislative changes and public funding. They also depend on the sustained engagement of numerous departments throughout the governing structures at both national and subnational levels. As such, they entail the diversion of significant human, political and economic resources from other areas of national policy. The mobilisation of these resources is a significant undertaking even in the resource-rich environments of the developed world, where the required infrastructure (e.g. public transport and stadia) tends to be established, the domestic financial environment is supportive (e.g. a functioning tax base exists) and society is stable. The resource implications are clearly far greater for developing countries that may lack capacity in one or more of these areas. This is because developments have to take place from a lower base, which means the economic cost of staging the event will be higher. Diverting the focus of financial, political and human resources from domestic priorities also raises opportunity costs and may exacerbate existing challenges.

Despite the resources involved in staging an MSE, it is difficult to determine whether they offer value for money. This is because of the methodological challenges involved in evaluating outcomes, both in terms of tangible economic gains and less-tangible benefits relating to status and nationhood. Research into economic outcomes highlights the difficulty in disaggregating the impact of an MSE from other influential factors. The difficulties in measuring the intangible outcomes are generally well known and equally challenging in terms of isolating effect.²¹ Evaluating the degree to which events meet the expectations of the host government is problematic. It is not in the government's interest to publically acknowledge any shortcomings, owing to the material resources involved. Therefore, official reflections are rarely critical and should be considered alongside other evaluations.²² Research findings have raised questions about the limited potential for MSEs to meet economic expectations, the sustainability of their social impacts and their potential for having both unexpected and unhelpful consequences.²³

In view of these findings and given that the decision to bid for and host a mega sport event is largely a political one, the question raised is whether states have similar reasons for engaging in the mega event circuit. If, as research suggests, the potential for a balancing

economic return for the state is questionable, then it may be that greater attention should be paid to the relative weight attached to social and political goals. States at different stages of development are likely to have different ambitions for such events and equally variable capacities for achieving them. The hosting of the two most recent World Cups by states at very different levels of development offers an opportunity to explore this possibility.

GERMANY AND THE 2006 WORLD CUP

The 2006 World Cup was awarded to Germany in July 2000 under rather dubious conditions involving allegations of foul play and bribery. The most prominent of these allegations involved the abstention of the Oceania Football Confederation's representative from the award vote. This move prevented FIFA president, Joseph Blatter, from casting a tie-breaking vote that was widely expected to be in South Africa's favour.²⁴ The incident was important because it formed the backdrop to FIFA's subsequent introduction of a policy of rotating the event on a continental basis, beginning with Africa. Ostensibly, the policy was to facilitate a general rebalancing of awards, although it has been suggested that the main objective was to ensure South Africa would be the next host.²⁵

Germany had been widely regarded as having experienced a post-war economic 'miracle' in becoming the largest economy in Europe.²⁶ However, at the time of the award Germany was facing significant economic challenges. Many of these were attributed to the cost of reunification in 1990 and included low growth, high unemployment and a virtually stagnant economy.²⁷ Following the award, Germany's outlook did not materially improve. By the time the event took place, the economic situation had combined with various austerity measures, including a reduction in welfare state provision. The disappearance of the euphoria that surrounded reunification seemed to exacerbate the situation.²⁸ Despite these domestic challenges, Germany was a leading economy and an influential player in the international community, particularly through the EU, and had developed a more assertive and globally focused foreign policy approach post unification.²⁹ However, greater assertiveness regarding policy preferences can strain relations in the international community. Germany faced challenges in relation to policy choices, taken in the domestic economic interest, that were seen to compromise diplomatic influence. This was particularly so with countries in the EU.³⁰ It also faced the problem of the image held of Germany abroad. In Britain, for example, positive official relations were perceived as undermined by a 'relatively unsympathetic, frequently hostile, British media discourse' viewed as 'imprisoned by visions of Germany's Nazi past'.³¹ This problem was also viewed as undermining economic opportunities. It was cited as being responsible for tourism ratings that left the country at the bottom of the cohort of 'safe' destinations, even falling below Egypt and Brazil, two countries 'not usually chosen by the risk-averse'.³²

Germany's primary motivation for seeking to host the 2006 World Cup appears to be the rebranding and linked financial opportunities presented through the global projection of the country as a 'modern and innovative location for business, science, culture and sport' and a fun-loving, welcoming destination for tourism.³³ By adding a new, friendly, cosmopolitan dimension to the German brand and projecting this globally, it was envisaged that the event would redress popular international perceptions of cold, efficient authoritarianism and replace negative World War associations. Germany also had

domestic ambitions related to nation-building, with the event being viewed as a means to generate positive patriotism and address World War legacies of domestic discomfort with open displays of nationalism to ease social tensions between East and West Germans.³⁴

The Federal Government, led by the Ministry of the Interior, sought to achieve these aims primarily through the delivery of a World Cup hosting strategy. Besides meeting FIFA requirements, the strategy incorporated a public relations campaign, and programmes for arts and culture and service and hospitality. The strategy was the World Cup's first comprehensive nation-branding strategy. It had a domestic and an international focus and was aimed at co-ordinating all stakeholders behind the re-imaging ambition. This involved using straplines such as 'you are Germany' and 'the world as guests visiting friends' to promote German identity, strengthen the projection of hospitality and to decrease any potential for xenophobia.³⁵ Although the strategy was developed by the Federal Government, it was implemented by the stakeholders, including the Local Organising Committee, host cities and the business community. It is significant that the engagement of the business community is understood as being extensive, and that the German government made a particular point of confirming that public funds did not support the German Football Association's application to host the event, and the government did not issue an indemnity bond to protect the association from related financial risk.³⁶ Costs associated with the stadia development were predominantly borne by football clubs and other forms of private investment. Only Berlin and Leipzig gained significant public subsidy as a result of particular policy objectives of the federal government.³⁷ Public sector investment was concentrated on the marketing initiatives security and infrastructure related to the World Cup. This included public transport, which although already recognised as fit for purpose, was developed to improve capacity and to maintain image.³⁸

In terms of the actual event, the 2006 finals were perceived as a resounding success. Cited reasons include fantastic weather, near-maximum ticket sales and the popularity of the public-viewing areas, which helped to accommodate ticketless fans while also providing global media evidence of the country's new cosmopolitan identity.³⁹ Reflections on the outcome of the event in relation to the government's objectives are equally positive. The official 2006 final report suggests that goals were not only met, but exceeded.⁴⁰ The event has been positioned by some academics as the most fan-orientated World Cup in FIFA's history.⁴¹ It has been credited for Germany's rise up the Anholt-GfK Roper Nation Brands IndexTM,⁴² for economic gain, growth in tourism numbers and investor confidence, as well as increasing popular support for Chancellor Angela Merkel.⁴³ Indicative of the political nature of the re-imaging goals is the government's use of reports from German embassies in the official report to evidence a perceived change in international opinion: 'no event since the wall came down probably had such an intensive and positive impact on Germany's image. The British public again and again congratulated us on this...'.⁴⁴ Yet without questioning the overall positive impact, the government appears cognisant of the limitations of an event-led image makeover. The official report notes that 'in countries where Germany already has a good image, this opinion was reinforced and new aspects were added. In countries that were traditionally more critical, the 2006 World Cup led to a questioning of old stereotypes'.⁴⁵ Given the perceived level of negativity in the British media highlighted previously, this finding is interesting, particularly as the official 2006 final report also states that the most positive effect was seen in the UK.⁴⁶ This finding

reflects the methodological challenges in evaluating intangible outcomes. Research findings are also cautious about the impact of the event on supporting community cohesion and nation-building. It has been suggested that, overall, the event did not contribute to sustainable patriotism, but had a small effect on reducing xenophobia.⁴⁷ This outcome supports existing concern about the sustainability of event impacts, as does Germany's fall from first to third place in the 2009 Anholt-GfK Roper Nation Brands Index™. One cause for Germany's displacement was the rise of the US from seventh to first place as a result of the country's increased popularity following the election of President Obama. This development highlights that, as with other foreign policy initiatives, MSE outcomes are equally vulnerable to external developments.⁴⁸ However, given the level of investment and focus on the re-imaging aspect of the event, these findings are instructive and should help to inform the debate regarding the re-imaging potential of MSEs.

SOUTH AFRICA AND THE 2010 WORLD CUP

At the time of the award of the 2010 World Cup in May 2004 and although nearly 10 years on from the 'miracle' transition to democracy, the South African government was still grappling with the challenges of transforming itself from a liberation movement to a legitimate governing body, consolidating a fragile democracy and addressing Apartheid legacies of inequality. Problematically, only a minority received the social and economic benefits that were expected by historically disadvantaged communities as a result of the liberation movement. The majority continued to live in poverty without access to basic services such as health, education and housing. Social tensions were increasing as existing racial inequalities gained an economic dimension. Regionally, the ANC-led government sought to improve South Africa's relations and overcome Apartheid legacies of mistrust. Objectives at an international level were concerned with rebalancing relations between the continent and the international community to facilitate greater access to, and influence over, the channels of international capital and decision-making, particularly for South Africa itself.⁴⁹ Founded on the adoption of a liberal capital market model, the country aligned its African Renaissance ambitions with western-orientated values of human rights, democracy, free trade and economic development, in a bid to move from the position of dependant to partner in relations with the developed world.⁵⁰ Through this pan-African approach and by championing African interests, South Africa sought to address Apartheid legacies of regional mistrust, while developing critical mass behind regional leadership projections.⁵¹ It also had ambitions to develop influence and to position itself as a credible voice within the emerging states of the global 'South'. To the detriment of these regional and international ambitions, South Africa faced difficulties in balancing support for liberal western norms, particularly those concerning democracy and human rights, with pan-African interests and the need to project anti-imperialist solidarity.⁵² This is an important consideration, given the vulnerability of soft power resources to state activities perceived as illegitimate or that contravene values and positive attributes.

The narratives around South Africa's bid clearly align with the country's political goals and ambitions. From the outset, the government presented the World Cup as an event that would, at fairly modest cost, promote economic development and support social rebalancing and nation-building objectives:

Capital expenditure on the upgrades of [stadia] and other infrastructure will amount to ZAR 2.3 billion and the event will lead to a direct expenditure of ZAR 12.7 billion while contributing ZAR 21.3 billion to the country's GDP. 159 000 new employment opportunities will be created and ZAR 7.2 billion will be paid to the government in taxes. It is clear that staging the Soccer World Cup in South Africa in 2010 will create significant direct and indirect economic benefits for the country's economy.⁵³

The years leading up to 2010 can and definitely will be the catalyst to the realisation of our vision of building a united, cohesive, non-racial, non-sexist democratic and prosperous South Africa.⁵⁴

As discussed, economic ambitions are not unusual for a mega sport event host. However, South Africa's approach is unique in the way the event was presented as something the country was undertaking for the good of the African continent, an approach that was intended to support regional and international ambitions of reconciliation and recognition. The bid process itself was framed using pan-African narratives and positioned South Africa in the leadership role it seeks with regional and international recognition as 'the gateway to Africa' and the 'voice of African interests'.⁵⁵ Ostensibly, to soften regional concerns regarding hegemonic aspirations and to gain political capital for the undertaking, the 'Africa first' and altruistic nature of the endeavour was emphasised. Within the bid book, the event was defined as a practical policy approach to achieving African Renaissance ambitions and the associated New Partnership for Africa's Development goals of growth and development.⁵⁶ During the bid book handover, President Zuma stated that: 'Africa is the stage with South Africa as the continent's representative. ... Bringing the World Cup to our country ... is about restoring Africa's rightful place on the global stage'.⁵⁷

It was envisaged that these regional goals would be achieved predominantly through a country and continental image makeover, which would project images of cosmopolitanism, modernity, efficiency and capacity to the global community. It was hoped that this would replace existing perceptions of underdevelopment, poverty, mismanagement and incapacity, the basis of the so-called afro-pessimism perceived as responsible for Africa's weak position in international relations and low levels of foreign investment and tourism. The goals would also be supported through tangible 2010-associated economic development in the continent and an intangible development of aspiration, catalysed by the example set by South Africa.⁵⁸ In the context of these regional goals, South Africa clearly viewed the World Cup as a means to improve and develop relations with African States in support of regional leadership ambitions and aspirations, and to be regarded by the international community as the legitimate representative of the continent.

Like Germany, South Africa sought to co-ordinate the 2010 project through a national level department (the Department of Sport and Recreation). It established 24 subprojects at the national level, which were to flow down to provinces and host cities.⁵⁹ The size of the country and the spread of the event created obvious challenges in co-ordinating the required developments for the event. However, the government rationalised these challenges and the work involved in overcoming them as providing wider benefit to the country than if the project had been limited to, for example, fewer locations. The government repeatedly emphasised the economic potential of the event to counter suggestions of misplaced priorities. Opportunities arising from associated job creation,

skills development and the economic gain for small businesses was emphasised and initially accepted at the popular level.⁶⁰ Unlike Germany, however, financing of the stadia development for the event predominantly came from the public purse. The investment in stadia has raised concern (domestically and internationally). Although greater public financing should ensure event-led development is directed towards domestic need, the 2010 World Cup was perceived as becoming the domestic priority and diverting resources away from local priorities.

Possible regional benefits of the 2010 World Cup, besides Africa's image makeover, included tourism, infrastructure investment (linked to the location of team preparation camps and accommodation in neighbouring countries) and support to develop health and education capacity. Various initiatives were established, such as the 2010 African Legacy Programme launched by the African Union (AU) as part of its 2007 International Year of African Football. South Africa, FIFA, the AU, African states and regional economic communities were to deliver the legacy programme. It was broadly aimed at realising African Renaissance objectives, maximising African participation in the event and addressing Afro-pessimism through projects aimed at promoting continental security co-operation, nation-building, football development and tourism.⁶¹ However, stakeholders in the 2010 process suggested that resource constraints in South Africa and the absence of a strategic approach to leveraging regional opportunities undermined a practical regional impact.⁶²

As with 2006, the 2010 World Cup was widely perceived as a resounding success. South Africa gained international recognition for delivering a complex event to a high standard and to deadline. This recognition is evident in the post-event media reporting. In terms of the economic impact, President Jacob Zuma felt able to report to parliament his expectations of a 'healthy return' on the ZAR 33 billion spent on transport infrastructure, telecommunication and stadia.⁶³ There are economic reports that support Zuma's projection, albeit with qualifications, pointing to perceived gains in the retail industry. In a possible hint towards a positive international impact, UN secretary-general, Ban Ki-moon, affirmed his belief of a new confidence in 'sustained investment on the continent'.⁶⁴ Immediate reflections of the impact of the World Cup on the intangible goal of nation-building are also positive. The outpouring of flags and multi-racial composition of stadia audiences are seen as signs of racial reconciliation and the development of a South African identity.

South African and African government stakeholders acknowledged that expected immediate tourism benefits and associated developments did not accrue to the continent: 'there were ambitions to make the event more African, to develop more in African states so that they could benefit ... This has not been possible because resources have been so stretched'.⁶⁵ South Africa had been 'empowered'⁶⁶ by the event and gained significant social capital⁶⁷ in the region. This social capital was seen to result from initiatives like the invitation given to all African heads of state to both the opening and closing of the event. One African ambassador regarded the move as a 'political masterstroke', which would incline African states positively towards South Africa and provide the basis for reciprocal support in other areas of the country's regional or international interest.⁶⁸ South African political stakeholders also reflected that the event had created an informal space to develop mutually co-operative relations, particularly with the diplomatic core of foreign states.⁶⁹ In terms of projection of regional importance and status, attention has

been drawn to President Zuma's use of the event to further ambitions in the Brazil, Russia, India and China (BRIC) grouping. Examples to support this contention include scheduled presidential visits to the heads of BRIC states to coincide with the elevated media attention in 2010 and the message given by Brazil's official head of state visit to the country during the World Cup.⁷⁰

As with evaluations of the German experience, the positive impact perceived has been qualified, particularly in relation to domestic economic development. For example, the same government report that highlighted growth in retail also cautioned that overall growth would be contained by the high level of household debt and poor performance of the labour market. Critics suggest that these areas may have been exacerbated by the financial strain of delivering the 2010 project. The critique supports a wider debate of how appropriate it was for South Africa to take on the 2010 project. The debate questions whether associated goals would have been more efficiently achieved if they had been targeted directly. This is particularly so in light of the perceived failure of economic benefit to accrue beyond a select group of political and economic elite; the government's apparent prioritisation of FIFA over national interests; and the financial implications of maintaining stadia, many of which will be significantly underused.⁷¹ This debate is important, as it may affect perceptions of political legitimacy attributable to South Africa upon which soft power resources and social capital are based. It also provides a context in which recent developments in the country, for example the recent public service sector strike, are understood. As such, it may affect the sustainability of the positive effects created by the hosting of the event.

COMPARING GERMANY 2006 AND SOUTH AFRICA 2010

Many parallels can be drawn between the ambitions Germany and South Africa held for their World Cup projects, and the contexts in which the bids were made and the events hosted. The countries share a history of political reunification and face associated legacies of social division. They bid for and hosted the events in an environment shaped by economic and social challenges, which then influenced their respective economic and social ambitions. Both countries also sought to use the event to project a new or expanded image to the global community in support of individual domestic and foreign policy ambitions. Beyond this, however, there are many differences in both ambition and outcome. For Germany, the 2006 World Cup was clearly an exercise in public diplomacy encapsulated in a financial marketing strategy for the development of tourism and business investment opportunities. Significant public and private resources were invested in leveraging this outcome. Other public funding went primarily into upgrading well-used and required public transport infrastructure, rather than funding stadia from which the broader population would have benefited proportionately less. For South Africa, the 2010 World Cup was also an exercise in public diplomacy. However, there was an overt expectation around regional and international ambitions, and the event was clearly perceived as a tool with which to pursue foreign policy goals and accumulate soft power capacity. This could be because South Africa is weaker than Germany in terms of global stature and influence and perceived a greater utility in the event in terms of projecting qualities of leadership, capacity and competence. The countries' differing levels of development also influenced

their respective abilities to manage the World Cup process in their own best interests. South Africa is perceived as having the weaker outcome in this regard and less able to absorb the diversion of public funding and political investment. The additional strain this placed on the ability to meet local needs potentially exacerbated existing challenges and certainly raised questions regarding the appropriateness of the prioritisation of investment in the World Cup. Regionally, there was a relative dearth of practical outcomes that may have provided a more enduring basis for developing positive regional relations. As soft power capacity is dependent on a country's perceived attractiveness of political values and a supportive environment, these issues may have negative consequences for South Africa's soft power potential.

Developing countries, such as South Africa, that lack international power and influence in traditional forms perceive MSEs as a tool of domestic foreign and domestic policy, which can help to mobilise soft power resources. Such states perhaps focus more specifically on this potential than developed countries, such as Germany, which have relatively less need in this area. There is a clear potential for developing soft power capacity through MSEs. However, the ability to achieve these domestic and foreign policy goals is likely to be compromised by a lack of resources to leverage such outcomes, or a misunderstanding of what such events can deliver in the absence of such a leveraging approach.

ENDNOTES

- 1 Mega sport events are generally agreed as one-time or reoccurring spectacles held in rotating locations that are of such scale and significance in terms of media attention, spectatorship and interests that they can be defined as global.
- 2 See <http://www.fifa.com>.
- 3 See, for example, Levermore R & A Budd (eds), *Sport and International Relations: An Emerging Relationship*. London & New York: Routledge and Taylor & Francis Group, 2004.
- 4 Baade RA & VA Matheson, 'Bidding for the Olympics: fool's gold?', in Barros C, Ibrahim M & S Szymanski (eds), *Transatlantic Sport*. London: Edward Elgar, 2002, pp. 127–151.
- 5 Horne J, 'The four 'knowns' of sport mega-events', *Journal of the Leisure Studies Association*, 26, 1, January 2007, pp. 81–96.
- 6 EUR is the currency code for the euro.
- 7 Speech delivered by Otto Schily, Federal Minister of the Interior, 'Germany and the FIFA World Cup™', at the occasion of the official opening of SportAccord 2005, 18 April 2005, <http://wm2006.deutschland.de/EN/Content/WorldCupNews/Speeches/2005/speech-schily-opening-of-the-sport-accord-2005.html>, accessed August 2010.
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