

1 Introduction

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South Africa is host to the 2010 Fédération Internationale de Football Association (FIFA) World Cup™ (referred to hereafter as the ‘World Cup’, the ‘FIFA World Cup’ or the ‘2010 World Cup’).¹ It is the world’s largest media event and second largest sporting event after the Olympic Games. Its uncontested global media reach sets it in a class of its own. While the 2006 World Cup in Germany attracted a television audience of 26,29 billion viewers, the 2010 event is assured of even greater numbers. Its magnitude warrants the title of a ‘mega-event’, a term for a phenomenon that is considered to be a large-scale event with a high profile and global publicity. Mega-events are short-term, one-off events for the host country (such as the Olympic Games in Athens in 2004) and are associated with large-scale economic impacts on that country.² World Fairs or expos would also fall into this category of events.

Mega-events are an economic phenomenon.³ They are considered important vehicles for promoting economic growth and stimulating urban redevelopment as a result of increased tourism, infrastructural improvements and short-term employment.⁴ The South African Department of Tourism recently stated that

the economy will benefit significantly from the World Cup, with 2010 visitors expected to spend over R15,6 billion, up from earlier estimates of R8,5 billion.⁵ The department's estimates place World Cup visitor numbers at between 330 000 and 450 000 during what is traditionally the low tourist season.⁶

Mega-events tend to generate vigorous debates within host countries about post-event usage and sustainability of related infrastructure and the tangible, measurable economic benefits and outcomes.⁷ Mega-events involve the political leadership of a host country and often feed into the strategies, spending priorities and policies of a country's government. Governments are often keen advocates for the impact that these events have, not only on a country's economy, but also on its developmental legacy.⁸ Events like the 2010 World Cup act as a marketing opportunity to showcase South Africa to the world. With over 200 countries watching, a successfully hosted event is likely to improve the country's international image, enhance national identity and pride and reduce Afro-pessimism.⁹

Football World Cups are enormously profitable for FIFA. As the events' official, FIFA undertakes to provide the entertainment while the host country and its cities provide all the necessary infrastructure and services.¹⁰ FIFA's costs are paid for by television broadcasting rights, funding from its corporate partners and marketing rights.¹¹ FIFA stands to make significant profits from the South African event. It is estimated that it will generate an income of between \$3,2 and \$4 billion.¹² Also, all revenues from television (\$2 billion), marketing (\$1 billion), hospitality (\$120 million) and licensing (\$80 million) go to FIFA and its local organising committee.¹³ The South African event is projected as the largest of all World Cups thus far, generating more revenue than any other one.¹⁴

Mega-events, like the FIFA World Cup, often require huge infrastructural development projects. They reflect the global increase in the magnitude and frequency of mega-projects in recent decades. Mega-projects have become central to infrastructural development and are financed by a combination of national governments, international organisations and private capital.¹⁵ Some of the most pronounced infrastructural projects for the 2010 World Cup are the numerous investments in transport infrastructure.¹⁶ Nine billion rand has been spent on improving roads, the Gautrain rapid rail link, airport upgrades and the Bus Rapid Transport (BRT) systems. In addition, R8,4 billion has been dedicated to five newly built stadia and five refurbished ones. The stadia offer a legacy of sports infrastructure and a strong basis for attracting future national and in-

ternational sporting and entertainment events to South Africa. Moreover, these giants stand as a testament to South Africa's innovative architectural abilities.

The business opportunities that stem from the world's biggest sporting event are plentiful. The infrastructure projects generate lucrative construction and other related tendering contracts, which are often financed by host nations and their governments. The FIFA World Cup is thus a catalyst for competition – not only among football stars, but also among the many private and public contenders for the multiple tenders that flow from these highly financed events. There is ample opportunity for corrupt individuals to influence outcomes through bribes, fraud and extortion, thereby increasing the risk of conflicts of interest and, ultimately, corruption.

Before we consider how conflicts of interest might arise in the context of a mega-event like the World Cup, it is appropriate to define what we mean by this term. A 'conflict of interest' is regarded as a situation in which a public official or entity has a private interest that may improperly influence, or appear to influence, a public decision. It can be thought of as an inconsistency, clash or conflict between the duties of a public official or entity and their private interests.¹⁷ When conflicts of interest are not identified and regulated they can lead to corruption, which is a situation that is generally understood as the use of public money and goods for private gain. Influence peddling, nepotism, favoritism, bribes, kickbacks and extortion all involve conflicts of interest.¹⁸ However, conflicts of interest should not be conflated with corrupt or unethical behaviour. A conflict of interest is a *situation*, not an *action*, and a public official may find him or herself in a conflict of interest situation without actually behaving corruptly. In other words, the concept of conflict of interest does not refer to actual wrongdoing, but rather to the *potential* to engage in wrongdoing.¹⁹

This monograph explores a range of conflict of interest situations in the context of the 2010 World Cup. The analogy captured in the title refers to different actors finding themselves in the position of being simultaneously 'player' and 'referee' over key decisions about, for example, tenders or stadia location. In other words, fair play should preside both on the field and off.

Three factors make large construction projects vulnerable to conflicts of interest situations and corruption. First, the sheer financial magnitude and scope of public-funded infrastructure projects is a factor likely to generate ethical conundrums.²⁰ The South African government committed itself to the investment of billions of rands in infrastructure, logistics, communications and security

to ensure a successful World Cup. The funding arrangements for the World Cup are complex and problematic for several reasons. Separating out national government costs from others (such as host city, local and provincial government budgets) is difficult. Further, one must distinguish between financing that is directly related to the tournament and that which would have occurred anyway, but which has been expedited for the event. Also, cost escalations since the initial Bid Book budgets and requested 2006 budgets have made the tracking of budgets more challenging.²¹ Nevertheless, an overview of budget allocation and spending, shown below, offers some idea of the vast amounts of money involved. The government’s total contribution to infrastructure and stadiums stands at R17,4 billion. Of this R9 billion will go towards transport and supporting infrastructure while R8,4 billion will pay for building five new stadia and upgrading another five.²²

However, it is not only World Cup infrastructure projects that will receive funding. The national budget also provides for non-infrastructure projects such as sports and recreation programmes, arts and culture programmes, policing and emergency medical services. Funding from the national government will be supplemented by contributions from provincial government, local government and other partners.²³

Table 1: Budget allocation towards hosting the 2010 World Cup

Project	Amount (descending order)
Transport	R9 billion
Stadiums	R8,4 billion
Organising committee	R3,2 billion
FIFA	R3,1 billion
Information communication technology	R2,5 billion
Ports of entry	R1,573 billion
Safety and security	R666 million
Broadcasting	R400 million
Legacy projects	R337 million
Arts and culture-related projects	R150 million
Training of volunteers	R25 million
Community mobilisation	R17 million

Source: Based on State of the Public Service Report 2009: The state of readiness of the public service for 2010 and beyond, Public Service Commission.²⁵

In the 2010 Annual Budget Speech presented to Parliament, the Finance Minister, Pravin Gordhan, pointed out:

The 2010 FIFA World Cup is expected to contribute about 0,5 percent of GDP growth in 2010. To date, government has spent about R33 billion in preparation for the tournament.²⁴

Transparency International (TI) argues that the concealment of corruption is directly related to the size of these highly financed projects, in that bribes and inflated claims are more easily hidden in larger projects.²⁶ In addition, the uniqueness of many large-scale projects, such as one-off mega sporting events, often means that rates for labour, materials and equipment vary according to a specific market demand. As a result costs are often difficult to compare, making it even easier to inflate costs and hide bribes.²⁷

The South African Public Service Commission (PSC), tasked with promoting an effective, efficient and ethical public sector, noted in its 2009 *State of the Public Service Report* that the massive resources involved in hosting the World Cup as well as an abundance of business opportunities ‘bring with them increased risks for corrupt administrative practices as some officials and members of the public try to benefit through unethical means’.²⁸ The report continues:

In the context of the FIFA World Cup, opportunities for government tenders abound ... The pressure to award tenders unethically is a serious risk considering research findings which show that corruption in the private sector is particularly prevalent when companies compete for contracts from other companies or government.²⁹

An equally worrying observation made by the PSC in the same report relates to the poor annual financial disclosure compliance rates by senior public servants in departments such as Public Works and Trade and Industry, which are involved in big programmes and tenders for the 2010 World Cup.³⁰ The PSC rightly argue that their lack of 100 per cent compliance puts these departments at risk regarding potentially corrupt practices.³¹

A second factor that exposes mega-events to conflicts of interest situations concern the time parameters to which host countries and their partners are subject. In a few short years the government must ensure its obligations are met and related spending is expedited according to a tight schedule, as demanded by FIFA’s stringent requirements.³² Accomplishing the job on time is key. In addition, the infrequency of large-scale projects also generates a sense of urgency

for companies whose immediate future may depend on a single project. As time becomes a disproportionate measure of performance, it creates opportunities for corrupt officials and business people to argue that we cannot afford the ‘luxury’ of oversight – and very soon contracts are awarded to companies who are ‘known’ and can be ‘trusted’. Jobs for pals may follow.³³

These challenges are compounded by a third factor – the nature of the construction industry, which is notoriously corrupt. Transparency International’s *Bribe Payers Index 2002* captured the dishonest reputation of the construction industry when it identified the public works and construction sector as the most corrupt worldwide.³⁴ Estimates of the amount lost globally to corruption in infrastructure procurement lie at US\$3,200 billion per year.³⁵

Consider the complex contractual structure – construction projects normally have a large number of participants linked together in a complex contractual web.³⁶ The project owner, (the South African government in the case of the World Cup), contracts the whole project to a handful of main contractors. The main contractor then sub-contracts key parts of the project to major sub-contractors. Those sub-contractors may in turn sub-sub-contract parts of their work to other companies, who, in turn, purchase equipment and materials from suppliers. Each link has its own contractual documentation and there may be in excess of a thousand contractual links.

This complex web-like interaction makes oversight very difficult and facilitates corruption, particularly bribery, extortion and fraud. Each link provides the opportunity for someone to pay a bribe in return for an award of the relevant contract or certifying the work done or for fraud (collusion, price fixing or inflated claims).³⁷ With literally hundreds of contract services for each stadium and linkages that are too difficult to keep track of it becomes easier for public sector employees to discreetly award contracts to their own companies or those of friends and family.

Moreover, corruption in construction projects can occur at multiple stages – during the provision and management of the financing for a project or during project execution, including the tendering and construction phases.³⁸

Consider these observations in the South African context where the Auditor-General’s office found a significant overlap between public life and private business interests. A total of 1 678 executive members and senior managers, spread across national and provincial government departments, were identified as directors or members in companies and close corporations.³⁹ In addition,

50 223 ordinary civil servants were identified as directors and/or members of companies.⁴⁰ Moreover, the majority of government departments did not have systems in place to control conflicts of interest.⁴¹ These situations create a huge potential for conflict of interest situations to arise, providing many opportunities for public officials to award state tenders and procurement deals to private companies in which they, or their fellow employees, hold financial or other interests. Similar concerns led the Institute for Security Studies' Corruption and Governance Programme to warn in 2005 that the 2010 World Cup was in danger of becoming a prime target for corruption, especially through tender fraud.⁴²

The potential for conflicts of interest and corruption does not end there. Contractors may establish cartels, where a group of companies collectively attempts to limit competition by controlling the production and distribution of a product or service and thus its price. In 2008, the South African Competition Commission launched an investigation into cartel activities in the construction sector, looking specifically at the allocation of multibillion rand tenders for the construction of football stadiums across the country, amid concerns about the substantial cost escalations in each of the awarded tenders.⁴³ The companies probed were Murray & Roberts, Group Five, Grinaker-LTA, Wilson Bayly Holmes-Ovcon, Basil Read, Stefanutti Stocks, BAM International and Bouygues Construction.⁴⁴ There seem to have been very little in the form of competitive bids from the major construction companies.⁴⁵

The Competition Commission also suspected a steel 'price fixing' cartel: companies in the steel sector had allegedly colluded to inflate prices of all inputs by at least 20 per cent. Since steel products are critical in the infrastructure sector, the alleged misconduct was said to affect the allocation of work and the cost of major construction projects in the country. The rising costs of steel were therefore suspected to be responsible for the increasing costs of many infrastructure projects, including the 2010 World Cup stadia and related projects such as the Gautrain.⁴⁶ The Competition Commission continues to investigate this cartel and an outcome is expected in 2010.⁴⁷

Mega-projects are made more complex by the multitude of implementing institutions that are involved. The sheer scale of the World Cup means almost every government department is involved.⁴⁸ In addition, the Local Organising Committee (LOC) brings together the South African Football Association (SAFA), government, business and labour.⁴⁹ The Host Cities Forum is a joint government and LOC structure that manages host cities' preparations and com-

mitments.⁵⁰ Moreover, the three levels of government (national, provincial and local) are all involved with their own budgets, structures and responsibilities. Further, within host cities a complex project management structure is in place involving the city councils and mayoral committees, 2010 sub-committees and project teams with their own units that oversee coordination, technical issues and operations.⁵¹ Political oversight of public spending appears to be spread across multiple government institutions and at multiple levels of government.

Without significant public financing, construction projects like World Cup stadia could not be built. Yet, the combination of high levels of corruption in the construction sector, the magnitude of the project's financing budgets and tight deadlines make a mega sporting event, like the 2010 World Cup, a likely candidate for unethical activities. As Transparency International state in their report on *Preventing Corruption on Construction Projects*:

The complex contractual structure, the diversity of skills, different project phases, the large size, uniqueness and complexity of projects, the concealment of some items of work by other items, the lack of transparency in the industry, and the extent of government involvement all contribute to an environment in which bribery and fraud can be difficult to prevent and detect.⁵²

These concerns are not hypothetical, nor are they unique to South Africa. When the semi-final of the 2006 World Cup in Germany was played in the Munich Allianz stadium, many commentators glossed over the fact that the president of the hosting club and his son had been accused (and in the latter case convicted) of receiving bribes worth over R30 million in exchange for contracts linked to revamping the venue in preparation for the Word Cup (see box insert).

Stadium corruption affair⁵³

Since March 2004 a corruption affair relating to the Allianz stadium in Munich has occupied the football world and German courts. On 9 March of that year, Karl-Heinz Wildmoser Sr., president of the TSV 1860 München, along with his son, Karl-Heinz Wildmoser Jr., who was chief executive officer of Allianz Arena München Stadion GmbH, were charged, along with two other people, with corruption in connection with the

award of arena construction contracts and were taken into custody. On 12 March Wildmoser Sr. struck a plea bargain and was released. Wildmoser Jr. was charged on 23 August 2004 with fraud, corruption and tax evasion. The allegation was that he had awarded the construction contract at an inflated price, provided the Austrian builder Alpine with inside information that enabled it to win the contract and in return received €2,8 million. On 13 May 2005 Wildmoser Jr. was convicted and sentenced by a Munich court to four and a half years in prison. He was released on bail pending his appeal. The Federal Court of Justice rejected the appeal in August 2006.

Conflicts of interest situations in relation to the World Cup are not limited to host countries. FIFA, the official organisers of the World Cup, has long been plagued by allegations of lack of transparency and corruption. In 2006 British investigative reporter Andrew Jennings book *Foul! The Secret World of FIFA: Bribes, Vote-Rigging and Ticket Scandals* (Harper Collins) rocked the football world by outlining serious allegations of greed, nepotism and corruption that include scandals involving vote-rigging, cash-for-contracts and dodgy ticket sales – all of which allegedly involve, and benefit, FIFA officials.

In 2009, FIFA once again came under the international spotlight for unethical conduct with the scalping (buying and selling) of 2010 World Cup tickets by its own members.⁵⁴ Allegations of this illicit activity are reminiscent of past World Cups, which experienced the selling on of tickets by FIFA officials.⁵⁵ A recent example was Botswana's Ismail Bhamjee, a FIFA executive committee member, who admitted selling 12 tickets at three times the original price at the World Cup in Germany.⁵⁶ FIFA has since introduced a revised Code of Ethics for officials and formed an ethics committee. The British press, however, recently had this to say about the committee:

Conceived as a fig-leaf against the torrent of misconduct allegations against FIFA members, Blatter rendered the committee toothless by preventing any substantial allegations from being heard.⁵⁷

Conflicts of interest and mega-events can also be explored along a different dimension. Consider the contesting interests of different actors. For example,

the corporate interests of the organisers, FIFA and the ‘public interest’ of a host nation might generate conflicts of interest. Such a situation may arise when FIFA, which profits from the mega-event, is in a powerful position to advocate for decisions that maximise its own marketing and profitability. Yet, if the outcomes are detrimental to the project’s financial sustainability and the host country’s developmental legacy, it inherently conflicts with the public interest. In this instance FIFA is both player and referee – being heavily involved in the direction of the host nations development legacy but also set to make significant profits from the same decisions.

After all, FIFA’s primary aim is to maximise its public profile and its members’ profits. The host country’s objective is to hold a successful event. More importantly, its government seeks to use the mega-event to the public’s greatest advantage by maximising long-term developmental and legacy objectives while minimising the cost to the public purse. As the 2009 PSC report argued, any assessment of public value from investing in the World Cup must be drawn from a long-term perspective to ensure that the public goods invested in the event ‘add momentum to the socio-economic development of the country’ long after the event is over.⁵⁸ If, however, the long-term public interest is sacrificed for short-term profits, a conflict of interests presents itself. Yet, according to Citibank’s researchers, a recent impact assessment of the sporting event on South Africa’s domestic economy suggests that FIFA, the monopoly organiser, is the major beneficiary while South Africa, the host nation, ‘carries a disproportionate share of the cost burden’.⁵⁹

Since South Africa won the bid to host the World Cup in 2006, debates have raged about the benefits to the wider public body over a number of developmental, social, labour-related and economic issues. One such issue relates to the choice of stadium location. Appropriate venues for refurbished or newly built stadia were to be identified based on accessibility and long-term benefits to the wider community. As early as 2004 a joint meeting of the portfolio committees in national parliament on sport and recreation, and provincial and local government, acknowledged that ‘FIFA required that facilities be placed in areas of greatest support where use was guaranteed over a long period to avoid “white elephants”’.⁶⁰ Yet, as preparations unfolded, it became apparent that the chosen locations for stadia were not necessarily the best placed to serve the community from financial, environmental or social and sporting perspectives. As Pillay et al explain, in the case of Cape Town, the city wanted to construct a new stadium

in the suburb of Athlone, believing that it would contribute to the development of that part of Cape Town.⁶¹ Yet ‘FIFA strong-armed Cape Town and central government to construct a stadium for which there is no demonstrable need other than its location, which shows the city to its best advantage.’⁶²

The overarching concern is that Cape Town’s Green Point stadium will become financially unviable after the World Cup. Its future sustainability remains uncertain. Indeed, there are indications that in Japan and South Korea, some of the stadia built to host the 2002 FIFA™ World Cup could not be maintained and used beyond the event, and thus had to be demolished.⁶³ As overall government spending increased and exceeded expected budget allocations for new stadiums like Green Point, more public resources had to be added to help accommodate the additional costs. Yet local governments (and their taxpayers) tasked with the ongoing maintenance of the stadia are stretched. What of the taxpayer? Eddie Cottle explains:

In 2004, the financial impact report for the South African World Cup bid committee (prepared by Grant Thornton) estimated the cost of infrastructure and stadiums to the taxpayer would be about R2.3 billion. By October 2006 this amount had increased to R8.35 billion. The current estimated costs to the taxpayer of the stadiums and related infrastructure is R17.4 billion.⁶⁴

Some social justice activists have responded to the escalating and exorbitant costs by arguing that taxpayers’ money should be spent on directly assisting with poverty alleviation and providing the most needy communities with sporting facilities.⁶⁵

The cost to the taxpayer of luxury items is a public interest issue – and especially in a developing country like South Africa, where the delivery of basic essential services such as housing, electricity and water by the state remains a daily challenge. As the Public Service Commission states in the 2009 State of the Public Service Report:

A key implication for public administration in this regard is the importance of ensuring that as decisions continue to be made on the allocation of resources, the resources are utilized in a manner that generates public value. Public officials should remember that the resources allocated to the

hosting of the event could have been used for other equally worthy causes which can yield positive spin-offs for the public.⁶⁶

Why should these varied and seemingly unrelated observations about the 2010 World Cup concern us? If mega-events make governments expedite the spending of public funds efficiently and advance much-needed infrastructural projects and other important social services, surely they act as catalysts for economic and social development? If the means can justify the end perhaps it is acceptable to side-step democratic governance and accountability. It may even be tolerable to overlook conflict of interest situations and isolated instances of corruption to ensure the public have ready access to enhanced infrastructure and the country to an enhanced international image. However, the costs of corruption are high. Apart from eroding public trust and a country's global reputation, it can result in more expensive financing and capital and maintenance costs, the misappropriation of funds, or inappropriate financing, unviable and defective or environmentally or socially destructive projects.⁶⁷ Preventing corruption in the procurement of these contracts and throughout the duration of the projects can save millions in inappropriately diverted, potentially squandered or looted public funds and help ensure the best quality infrastructure for poor and vulnerable communities in host countries.

Similarly, the 'public interest' tensions raised here are important but perhaps too elusive. Can we ever accurately judge whether different spending decisions or stadia location outcomes would better serve the public interest? Yet, as slippery as they appear, the public interest issues encourage us to explore deeper, more fundamental questions around the 2010 World Cup and mega-events generally. Which public values does FIFA espouse and which private interests does the organisation serve? Do public interest values suitably guide government's decisions on the 2010 World Cup? And, ultimately, whose interests are really being served?

This monograph explores some of the ethical and governance challenges that have been raised in this chapter. It does not aim to present a set of proposals for reform or a set of 'best practice' recommendations. Instead, the objective is to provide readers with an accessible, stimulating and exploratory documentation of some of the more controversial aspects of the 2010 World Cup. Six detailed case studies highlight how the dynamics particular to mega-events can generate

ethical conundrums and complexities that confront current and future policy makers and host nations.

In chapter two Rob Rose explores tendering irregularities surrounding the contracts for Soccer City, the showpiece stadium for the 2010 World Cup in Gauteng. He amasses evidence to show how the City of Johannesburg effectively ceded the profits it will earn from the World Cup to a little-known company called National Stadium SA (NSSA). Rose also highlights other disturbing aspects of the contract, particularly the legitimacy of NSSA's 'empowerment status', which was a key pillar of its tender bid. The chapter points to policy flaws in South Africa's opaque tender system, which mask crucial details of supposedly 'public' tenders, providing fertile ground for serious conflicts of interest to fester.

In chapter three, Eddie Botha and Gcina Ntsaluba examine tendering irregularities in the Eastern Cape. They provide fascinating material alluding to irregularities in the allocation of advertising and branding contracts by the Eastern Cape Tourism Board (ECTB), the suspension of a whistle-blower and accusations of favouritism by losing bidders for a contract awarded by Buffalo City Municipality in East London, for the upgrade of the Absa Stadium. In addition, they explore controversy and allegations of bribery surrounding the construction of Mthatha's stadium, which the King Sabata Dalindyebo Municipality hoped could be used as a base camp or training field by World Cup teams.

Andrew Jennings provides essential reading on the global nature of corruption in FIFA in chapter four. He provides a compelling account of how FIFA is organised to apparently enrich a handful of officials and keep them in what appears to be perpetual power. The absence of transparency and accountability within the organisation is identified as the cultivator of unrestrained nepotism and favouritism. Jennings' work also reminds us of the disproportionate power and leverage FIFA wields over host nations and their governments, manipulating deals and profits in their favour without scrutiny.

In chapter five Rob Rose documents, with precision, potential conflict of interest situations regarding how FIFA awards its lucrative contracts for the World Cup. Rose focuses on two companies, Match Event Services, FIFA's exclusive official accommodation provider to the World Cup, and Match Hospitality, the official provider of exclusive packages to companies. This chapter raises important questions about the lack of scrutiny and transparency of FIFA's contracts,

showing how FIFA appointed both companies to exclusive multi-million dollar contracts without any tender process or transparency. Rose also questions the unprincipled basis for vast profit margins that these companies will reap from the 2010 World Cup for overseas shareholders.

The story of Cape Town's Green Point stadium aptly illustrates the ongoing tension between the public and the private interest. In chapter six Karen Schoonbee and Stefaans Brümmer eloquently explore how Cape Town came to build a new stadium, although the FIFA inspection committee found that it had other suitable options. They closely examine the decision-making process that led to the outcome, providing the factual basis for an argument that national government was structurally conflicted. Instead of it remaining the neutral arbiter of competing interests, including those of FIFA and the public interest, FIFA's interests effectively became those of government. Their conclusion that the least desirable and most expensive option was chosen is carefully supported.

In chapter seven, Sam Sole continues the public interest theme, questioning whether the Moses Mabhida stadium in Durban represents 'an arch of hope' for the city or 'a yoke of debt'. Although the Durban bid started off as one of the more modest proposals in the South African FIFA 2010 Bid Book, the push by the KwaZulu-Natal provincial government for a new stadium meant that the Moses Mabhida stadium became a highly priced legacy project. Sole argues that while there is no evidence of corruption, the benefits of this new stadium are highly concentrated among big construction firms, empowerment regulars and the local political elite. Yet the costs, both current and future, are high, spread wide and disproportionately affect the poorest citizens of the city.

The monograph concludes with reflections on the South African experience, concentrating on several important governance themes that run throughout the monograph. The first theme reflects on the lack of transparency and accountability in mega-event decision-making. Another theme interrogates the link between mega-events and the public interest, while the third questions the role and responsibilities of host governments in mega-events. The final chapter also reflects on the South African context, particularly with attention to tendering practices and the effectiveness of the existing regulatory environment. It also provides broad recommendations to a range of actors interested in strengthening the governance of mega-events.

Finally, it is imperative to note that the contributors in this publication are supporters of South Africa as the hosting nation, and of the beautiful game itself. Long after the final whistle has blown South Africans will continue to confront the ramifications of the 2010 FIFA World Cup. We therefore remain committed to critical enquiry as a means to both serve the public interest and strengthen transparent and accountable governance.

NOTES

- 1 Each reference to 'World Cup', 'FIFA World Cup', or '2010 World Cup' in the text that follows must be read as a reference to '2010 Fédération Internationale de Football Association (FIFA) World Cup™'. The abbreviations have been adopted purely for the sake of convenience.
- 2 Harry H. Hiller, Mega-events, urban boosterism and growth strategies: an analysis of the objectives and legitimations of the Cape Town 2004 Olympic Bid, *International Journal of Urban and Regional Research* 24(2) (2000), 449–458.
- 3 Ibid.
- 4 Ibid.
- 5 GCIS, *2010 FIFA World Cup South Africa*, Pretoria: Government Communication and Information System, http://www.gcis.gov.za/resource_centre/multimedia/posters_and_brochures/brochures/sa2010_govprep.pdf (accessed 3 March 2010); Kevin Davie, Costing the greatest show, *Mail & Guardian*, 8 January 2010, 14, <http://www.mg.co.za/article/2010-01-08-costing-the-greatest-show> (accessed 3 March 2010).
- 6 Ethel Hazelhurst, World Cup's main beneficiary is FIFA, and SA's slice slims, *Business Report*, 10 March 2010, 1, <http://www.busrep.co.za/index.php?fArticleId=5383837&fSectionId=552&fSetId=662> (accessed 10 March 2010).
- 7 For an in-depth overview of the debates, see Udesch Pillay, Richard Tomlinson and Orli Bass (eds), *Development and dreams: the urban legacy of the 2010 Football World Cup*, Cape Town: HSRC Press, 2009; Mortenp, What is a mega sport event?, <http://www.thepulse2007.org/?p=106#more-106> (accessed 17 March 2010).
- 8 Mortenp, What is a mega sport event?
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- 10 Glynn Davies, Managing the alchemy of the 2010 Football World Cup, in Udesch Pillay, Richard Tomlinson and Orli Bass (eds), *Development and dreams: the urban legacy of the 2010 Football World Cup*, Cape Town: HSRC Press, 2009, 33–34.

- 11 Ibid.
- 12 Davies, *Managing the alchemy of the 2010 Football World Cup*, 35.
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- 14 Ibid.
- 15 William L Richter and Frances Burke (eds), *Combating corruption, encouraging ethics: a practical guide to management ethics*, Lanham, MD: Rowman & Littlefield Publishers, 54.
- 16 Tomlinson, Bass and Pillay, Introduction, 11.
- 17 F Malan and B Smit, *Ethics and leadership in business and politics*, Lansdowne, Cape Town: Juta and Co, 2001, 9.
- 18 Bertram I Spector (ed), *Fighting corruption in developing countries: strategies and analysis*, Bloomfield, CT: Kumarian Press, 2005, 5.
- 19 Q Reed, *Sitting on the fence: conflicts of interest and how to regulate them*, *Anti-Corruption Resource Centre U4 6* (2008), 8.
- 20 Richter and Burke, *Combating corruption, encouraging ethics*.
- 21 For further discussion of 2010 funding arrangements and allocations see Davies, *Managing the alchemy of the 2010 Football World Cup*, 45–48.
- 22 Ibid. Also see GCIS, 2010 FIFA World Cup South Africa: funding, <http://www.sa2010.gov.za/en/funding> (accessed 3 March 2010).
- 23 Ibid.
- 24 National Treasury, *Budget review 2010*, Pretoria: National Treasury, 17 February 2010, <http://www.treasury.gov.za/documents/national%20budget/2010/review/default.aspx> (accessed 4 March 2010). Also see Times LIVE Website, 2010 budget highlights, http://www.timeslive.co.za/multimedia/archive/00489/BudgetHighlights201_489736a.pdf (accessed 17 March 2010).
- 25 This breakdown of costs is provided in PSC, *State of the Public Service report 2009: the state of readiness of the Public Service for 2010 and beyond*, Pretoria: Public Service Commission, 5. <http://www.info.gov.za/view/DownloadFileAction?id=107892> (accessed 17 March 2010). Also see Ramos Mabugu and Ahmed Mohamed, *The economic impacts of government financing of the 2010 FIFA World Cup*, Stellenbosch Economic Working Paper 08/08, Department of Economics and Bureau for Economic Research at the University Of Stellenbosch, 2008, <http://www.ekon.sun.ac.za/wpapers/2008/wp082008/wp-08-2008.pdf> (accessed 3 March 2010).
- 26 Transparency International, *Preventing corruption on construction projects: risk assessment and proposed actions for funders*, July 2006, 4, http://www.transparency.org/global_priorities/public_contracting/projects_public_contracting/preventing_corruption_in_construction (accessed 17 March 2010).
- 27 Transparency International, *Preventing corruption on construction projects*, 12.

- 28 PSC, *State of the Public Service report 2009*, 9.
- 29 PSC, *State of the Public Service report 2009*, 13.
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