

# **The 2010 World Cup, the Neo-liberal Agenda and the Class Struggle in South Africa**

Lucien van der Walt

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The 2010 World Cup is part and parcel of the neo-liberal restructuring of SA capitalism. It is also, however, a major opportunity for social struggles.

South Africa's success in winning the 2010 bid for the Soccer World Cup (the biggest international sports event after the Olympics) has been widely hyped as the solution to the country's huge social problems. In the speeches of the politicians, and the editorials of the bourgeois press, the 2010 World Cup is being presented as the great test of the country's ability to "succeed".

News of the successful bid was greeted by celebrations in the streets – celebrations that drew in large sections of the working class. Soccer's history as a working class sport, worldwide, accounts for some of the enthusiasm, and the fact that the Cup is going to be held in Africa also has some appeal to the nationalist sentiments that are, sadly, widespread.

## **HOPE AND HYPE**

Even those who have little interest in the game have grasped feverishly at the hope of benefiting from the billions the State machine is starting to spend on upgrading or building stadiums in the host cities and the money being earmarked for upgrading public transport. Some jobs will certainly be created, and, more recently, the State has announced that money will be injected into the run-down State health system, and that the main tourist hot-spots will be upgraded. Current estimates are R16 billion, but we should expect the figure to rise dramatically.

We believe the State will probably be able to get the country "ready" for the World Cup. But does it matter?

## **THE TOUGH QUESTIONS**

While improvements in transport and health, and some job creation, can only be welcomed, the question must be posed: why is the South African State so keen to host the 2010 World Cup? Why spend billions on this once-off event, when there are so many other serious problems?

The fact is that there are many powerful interests who stand to benefit. Our increasingly multi-racial ruling class – the politicians, top officials, and big business – see the 2010 Cup as a major opportunity. The ruling class believes that the 2010 project will attract investment by businesses, both local and foreign, into South Africa. Global games increasingly play a central role in marketing countries as destinations for investment.

Other semi-industrial countries have used these events in exactly this way: thus, we have seen major events in Malaysia 1998, and there will be more to come in China 2008, India 2010, Ukraine/Poland 2012... A successful event will tackle the country's reputation for crime, low-skilled labour, and general inefficiency. In addition, the Cup will provide a focus for the State's commitment (made in both the neo-liberal GEAR and ASGISA programmes) to improve infrastructure.

## **NEO-LIBERALISM (AGAIN)**

The focus on marketing the country, and on infrastructure, is in line with the State's commitment to a neo-liberal restructuring of the capitalist economy. Since the late 1970s, first the apartheid government, and, in the 1990s, the post-apartheid regime, has been set on liberalising the economy.

While many left commentators, like Ravi Naidoo, have helped expose GEAR's impact on the working class (in terms of job creation and service delivery, particularly), it is also important to understand that neo-liberal restructuring has massive benefits for the South African ruling class. Not only has the economy grown at over 4 % over the last few years (its best sustained performance since the early 1970s), but unions have been hammered, labour flexibility has increased dramatically, cost recovery policies have cut municipal costs, and taxes on high income earners have been slashed.

## **CLASS POLICIES**

It is quite wrong, then, to suggest that GEAR has "failed", as if the policy can be judged in class-neutral terms: GEAR has "succeeded" for the ruling class precisely because it has "failed" the working class. In a class society, the "success" of a policy can only be judged relative to particular class interests and agendas.

Now, one consequence of economic liberalisation has been the removal of various controls over capital investments (like prescribed assets policies) and movements (with a continually rising ceiling on capital outflows). The State is focussed more on attracting, rather than controlling, direct investments, which is where deregulation, marketing and infrastructure come into play as major instruments for growth; the State is, equally, increasingly vulnerable to the perceptions of private and parastatal investors, with local capital itself "globalising" into foreign markets.

In line with neo-liberal theory (expressed in its crudest, optimistic form in GEAR), implementing neo-liberal policies means more local and foreign investment, which means more economic growth, and then more jobs, which redistribute opportunities to the working class. For GEAR, the main areas of investment would be manufacturing (with a focus on exports), and services. Essentially, the theory goes, if the rich get richer, the poor supposedly also have a chance to get richer.

Hiding behind this cosy rhetoric of cross-class compromise and all-round friendliness, however, is the brute reality of capitalism generally (class inequality) and neo-liberalism particularly (restoring profitability through class war from above).

## **WINNERS, LOSERS**

The class realities of the situation are easily seen in the 2010 initiatives. The State spending is mainly aimed at promoting opportunities for profit: lucrative contracts in infrastructure, a focus on upgrading health and transport in wealthier areas, while hiding the poor, a focus on stadiums rather than houses, schools and township upgrading. This is intended to attract investors, drop the cost of doing business, and making sure that major economic decisions remain out of the hands of the working class.

Money spent on 2010 is money taken from other areas. In 2005, the government allocated R48 billion to health, covering the whole government health system, including 400 hospitals. Of this, about R1,5 billion goes to upgrading hospitals every year: in other words, government will spend around 6 billion on repairing hospitals by 2010, which is less than half of the money government plans to spend on soccer stadiums. Yet hospitals are obviously more important than soccer stadiums. If the full 2010 budget went to hospitals, four times more repairs could be done.

This tells you something about the priorities of the ruling class, and how low down on the list public health is compared to the neo-liberal project.

Where is the R16 billion going to be raised? First, from central government allocations (raised from tax on companies, salaries, VAT, and “sin taxes” on goods like cigarettes) and, second, from local governments (which means from various local rates and service charges, including charges for property, electricity etc.). The flip-side of the coin will, of course, be increasing service charges and tougher cut-off policies for municipal services. Social movements: beware!

## **GAU-TRAINS**

Talk about improving public transport must surely be welcomed. Around half of the millions who use the trains are from the lower ranks of the working class, earning under R1600 a month and unable to afford the taxis. However, the commuter railway system has not only been frozen for the last thirty years, but was actively run down in the 1990s; the trains cover only some areas, are in an appalling state, and around 20,000 jobs have been cut. Spoornet and Metrorail, part of the giant State company Transnet, have focussed on cutting costs to such an extent that even powerful capitalist sectors, like the big farmers, have been seriously frustrated by the lack of capacity and unreliability of the railway grid.

The focus on 2010, and ASGISA’s revival of GEAR’s promise to improve infrastructure, suggest a serious change in direction. Outright sell-offs seem to be off the agenda: the neo-liberal extremism that suggested that the railway grid be fully privatised has been replaced by a more pragmatic neo-liberalist view that recognises that major infrastructure is (as economist Milton Friedman puts it) a State responsibility – and absolutely vital to a successful export drive in agriculture and manufacturing. The same applies to ESKOM, the other giant parastatal, which has gained an unpleasant reputation for unreliability over the last few years (to which it has responded, predictably, not by improving services but by raising costs and running TV adverts telling people not to run major appliances- like TVs!).

The State is not planning to change its mind about continuing the commercialisation of Spoornet and ESKOM, and still has plans to partly privatise both entities. The optimistic view – championed by COSATU figures like Karl von Holdt and Randall Howard – that union “engagement” with the State had led to abandoning the neo-liberal project in transportation – has no real basis. Nor is there any reason to start announcing the death of local neo-liberalism.

But even the dullest bureaucrat supports taxi recapitalisation,, and upgrading and even extending the railways, as with the new Gautrain project, which runs parallel to the 2010 initiatives. The Gautrain shows clearly the class character of the new course. A multi-billion rand high speed line between suburbs in Pretoria and Johannesburg, the self-proclaimed “middle-class express” will charge up to R60 a ticket, and is primarily designed to alleviate highway congestion by encouraging middle- and ruling class car owners to take the luxury train instead. It is not about helping out the working class.

The 2010 initiatives 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 how long will the jobs last? Building a soccer stadium is not a lifetime job; at most, it is work for a few years. What will happen after 2010? 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.

## **GRAVY TRAINS**

Of course, there are many other benefits from the 2010 project for the ruling class. The politicians and the sports administrators will get a chance to make money, through various business partnerships and corrupt deals. As the arms deal scandal and the Gautrain have already shown, no major State project these days works without kickbacks, crooked tenders and contracts for pals.

Furthermore, worldwide, soccer is becoming increasingly controlled by major capitalists, and run on capitalist lines. The big English teams, like Manchester United and Arsenal, came from the big industrial towns, and started as workers' clubs: today millions are made from their "official" merchandise, while the police diligently arrest sellers and makers of so-called "pirate" merchandise. There is a fortune to be made from owning soccer stadiums, selling tickets, TV rights and merchandise. In South Africa, this raises millions for people like Irvin Khoza (owner of Orlando Pirates), Kaizer Motaung and Primedia (owners of Kaizer Chiefs), and Patrice Motsepe (owner of Mamelodi Sundowns).

Finally, an event like the World Cup has the great benefit (for the ruling class) of promoting backward ideas like nationalism. 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, and so on.

## **SOCIAL STRUGGLES**

The 2010 World Cup project is a ruling class project, but also provides an opportunity to mobilise social struggles, particularly as the State will be uncomfortable with bad publicity under the global spotlight. There are opportunities to mobilise not just for small things (like affordable tickets), but for more jobs, better transport, unionised well-paid jobs in the 2010 initiatives, and for resisting the commercialisation and privatisation of soccer. There is a serious danger that the process will be associated with major evictions of squatters and hawkers, as well as rising taxes and service charges. If the government wants to spend R16 billion, let them raise the money by taxing the ruling class.

Life doesn't end in 2010: what we need are sustainable jobs, pro-poor development and strong working class movements. This must be independent of the 2010 programme – reports that COSATU's investment arm may become involved in stadium building should raise alarm bells. 2010 is a chance to highlight popular issues, but this can only succeed if we avoid the poison of nationalism, with its Proudly SA, lets-hold-hands-with-the-bosses propaganda. We need a different type of society, and this needs struggles, equality, internationalism, and working class struggle. Human dignity and rights are not possible under the current social order.

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