

teaching note

2010 FIFA World Cup: An analysis of South Africa's decision based on Keynes and Game Theory

A major lesson learnt that could be elaborated with students is that South Africa can always rely on Africa continent for supporting its national objectives; thus, generating the notion that "Africa matters to South Africa when there is something in it for South Africa". Another issue to be discussed could be that South Africa can serve as a representative of Africa in the world. Additional questions that can be debated in class include: will South Africa continue with its strategies of counting on the continent for its bidding of major international events? Will the major African regional economic players continue to support South Africa for future bids? Will South Africa's game plan backfire?

Target Audience

The case study itself is understandable at the post graduate level for students in courses such as Events Management, Economics, Marketing and is still relevant to the undergraduate student. Even though the contextualization and analysis of the case study, including additional reading material, is more suited for post graduate level work. Instructors of under graduate level students can adapt this case study for use in their classrooms by replacing the contextualization with discussions based on their own textbook.

Learning Outcomes

Presented in this case are real examples of the impacts of what transpired in the process of the 2010 FIFA World Cup. By the end of this lesson a student must be able to:

1. Explain the reasons for South Africa's decision towards hosting the 2010 FIFA World Cup
2. Provide practical information on benefits associated with the hosting mega sporting events
3. Explain the economic theories by contextualizing them into practical mega events
4. Use analytical skills and apply these skills to economic issues of hosting the World Cup
5. Demonstrate substantive knowledge about Keynesianism theory and Game theory
6. Demonstrate and develop the skills and knowledge required for undertaking research

Lesson Plan

Prior to the lesson, students will be asked to read this case study along with additional readings on South Africa's decision of hosting the 2010 FIFA World Cup, bidding processes of the mega events, Economics theories including Keynesianism theory, Game theory, Monetarism and

Socialism theories. Students can also be asked to develop a general understanding and be able to discuss the following topics:

- Social, Economic, Environmental and Political issues facing countries deciding to host mega events
- Advantages and disadvantages of hosting mega events
- Marketing strategies of mega events such as the FIFA World Cup
- Theories

Questions

- What are other environmental, social and economic benefits that can be associated with the hosting of the sporting events?
- Why is hosting a mega event not open to every country? Why all countries are not provided a right to host the World Cup?
- How did South Africa end up being the host of the 2010 FIFA World Cup?
- Did South Africa capitalize on other stakeholders to be awarded such an opportunity of being a host?
- Should South Africa continue with its strategies of counting on the continent for its biddings of major international events?
- Will other African countries continue to support South Africa on future bids?
- Will South Africa's game plan backfire?
- What other theories can be used to contextualize South Africa's decision to host the 2010 FIFA World Cup?

Teaching Approach and Suggested Sequence or Time Frame

Instructors may use this case in variety of ways.

- An individual assignment
- Group assignment
- A class discussion exercise
- A combination of an individual and group assignment
- A research example

For example, it can be used as a research exercise to prepare students to be able to apply relevant theory to country's decision of hosting a mega event. Three separate class periods could be utilized to address strategies utilised by South Africa to host the World Cup, Keynesianism and Game theory and the effects of South Africa's decision to host the FIFA World Cup. Alternatively, the issues could be separated based on the text book. Allow 60 minutes for critical learning, explanations and discussions on the topics chosen.

Background

South Africa's decision of hosting the event came at a price due a number of issues including the following:

- South Africa benefited because of the investments made during the construction of the infrastructure. According to Swart and Bob (2004: 1311), major international events are generally associated with high levels of socio-economic and political benefits for host countries. They contend that such socio-economic and political benefits are often linked to the accrual of economic opportunities, related infrastructural development, and identity and image building of the host country, as well as to a significant contribution towards future tourism potential.
- There was uncertainty when it comes to the infrastructure's operationalization. South Africa did not know if the stadia would be redundant or not. There was a slight difficulty due to the danger of the stadia turning into white elephants considering that they were not regularly used after the event - a factor that led to high costs (Donaldson et al. 2008: 37).

Discussion Topics and Questions and Analysis of Teaching Objectives

South Africa's positioning

Located at the southern point of Africa and bordered by the Atlantic and Indian oceans, South Africa is regarded as the most popular tourist destination in sub-Saharan Africa. According to Ridgers, (2007: 46), the fact that the country is a perfectly positioned and boasts the most developed system of infrastructure within the African continent may have played a big role in its being chosen to be the host of the 2010 FIFA World Cup (see also Donaldson et al. 2008: 35; Umuuna 2004). South Africa is by no means unaware of her strategic location; hence she takes advantage of potential trade and tourism opportunities in both the East (Indian Ocean coast line) and the West (Atlantic Ocean coast line). It should also be noted that South Africa's compelling marketing strategies may have played a crucial role for the country to position her in the global hierarchy, and she has creatively used sports tourism events and mega events such as the Rugby World Cup in (1995) and the Cricket World Cup in (2003) to champion her global marketing agenda. In this connection, one would argue that South Africa used the opportunity of the hosting of the 2010 FIFA World Cup to further entrench her global position.

Dynamics of the 2010 FIFA World Cup

According to Grundling and Steynberg (2009: 16), the reasons for the FIFA World Cup to come to an African continent were solely based on three factors. First, Africa had never hosted the FIFA games previously. Second, the largest number of members of the African Football Confederation among any; of the FIFA regions come from Africa. Third, African nations have become increasingly competitive on the

world soccer stage (see Matheson & Baade 2003: 4; Sterken 2010: 10; Grundling & Steynberg 2008: 16). According to Matheson and Baade (2003: 4), the designation of Africa as the 2010 host of the FIFA World Cup came amidst scandals such as major controversial FIFA decision of awarding the World Cup in Germany, USA and Asian countries. Nonetheless, this groundbreaking decision encouraged serious competition among Africa countries. Thus, countries were willing to pay whatever price, as long as they would at least be accorded a once in a million chance to host the mega event.

Mega events as a strategy for socio-economic development

Since this was the first time for such a big sporting event to be held in Africa, a lot of expectations and assumptions were triggered. Such expectations and assumptions ranged from economic, social and environmental benefits. According to Swart and Bob (2004: 1311), major international events are generally associated with high levels of socio-economic and political benefits for host countries. They further contend that such socio-economic and political benefits are often linked to the accrual of economic opportunities, related infrastructural development, and identity and image building of the host country, as well as to a significant contribution towards future tourism potential. Judging from the above assertion as well as the World Cup being famous for delivering measurable media value, category exclusivity and a genuine opportunity to reach core consumers while at the same time expanding the boundaries of brand loyalty through an authentic marketing vehicle that boosts sales, it would be no surprise that hosting an event of such magnitude could be viewed as providing a unique and advantageous opportunity to market the host country.

Effects to the 2010 FIFA World Cup

The other important factor of the study is the understanding it provides on the feelings and expectations of other regional economic players regarding South Africa's activities. It is hoped that this case study will encourage the importance of South Africa's need to be wary of the expectations and the apprehensions of other regional economic players in relation to South Africa's activities. The research conducted by Cornelissen and Swart (2006: 111 cited in Black & Van der Westhuizen, 2004) revealed that political and rhetoric instances could dangerously jeopardize the campaigns driven by the developing world. Hence, this study will assist South African government to be wary of certain nuances that could deal a severe blow to her continental maneuvers.

South Africa needs to be wary of the expectations and the apprehensions of other regional economic players in relation to South Africa's activities. According to Nibon (2006: 64), South Africa is seen as an 'Imperialist country' by some countries on the African continent. She further states that many Africans assert that South Africans are the 'new imperialists' albeit others see South African presence as helpful

and necessary (also See Umunna 2004: 11). Reporting to the parliamentarians, the then Acting Director of the Department of Trade and Industry warned that 'a biggest challenge was a continued negative perception of the country wanting to dominate everything' (Nibon 2006, p64). This shows that South African government is by no means unaware of such negative perceptions. Therefore, it is critical for South Africa to protect her image within the continent and internationally. In view of the need to rebrand her image South Africa will benefit from assessments on how her hosting of the 2010 FIFA WC was perceived by Africans, especially the major regional economic player.

Importance of Regional Integration

The support of other African countries towards South Africa as the host of the 2010 FIFA World Cup appears to be genuine and pure. Almost all the major African regional economic players concurred that the 2010 FIFA World Cup contributed towards the ongoing continental integration effort and to Pan Africanism, even though they felt that South Africa did not open the doors enough for them to utilize the opportunity. There was the feeling of African solidarity and Pan African spirit of togetherness. Nonetheless, the effects of the 2010 FIFA World Cup had less impact on financial benefits, but more on social, regional and continental integration. It is crucial to add value on the importance of synchronizing individual country's policies with the long term objectives of continental integration.

Bidding Process

Looking at the bidding process which was characterized by pan-Africanist sentiments, the logo and slogan 'It's Africa's Turn!', as well as the marketing of an event itself (it is Africa's time), one would contend that South Africa appealed to the pan-Africanist ideology for her benefit. Moreover, it should be noted that the official slogan of the 2010 FIFA World Cup was "Ke Nako – Celebrate Africa's Humanity". Ke Nako means 'Its Time'. According to the Local Organizing Committee (LOC), the second part of the theme which is 'Celebrate Africa's Humanity' resonates with the objectives of the global football family as well as the intentions and ambitions of the African Diaspora. Using Game theory to explain South Africa's appeal to pan-Africanism, it would appear that the country second-guessed FIFA and the international community at large. From this premise, one may argue that South Africa employed this strategy with the thorough consideration of the history of the event. After realizing that FIFA had been alternating between America and Europe but not Asia and Africa, South Africa used that history to its advantage. In this context, FIFA was plunged in a dilemma between maintaining its alleged rigid position and facing criticism of discrimination or surrender to Africa's demands and risk criticism from the beneficiaries of the status quo.

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