

# Is it all smoke and mirrors?

 By [Dr Nikolaus Eberl](#)

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One year on - and not a single South African newspaper considered the 2010 FIFA World Cup Anniversary worth mentioning on the front cover (apart from a tiny *Zakumi* gracing the *City Press* banner). Equally disinterested was the national broadcaster, which did not even devote a single show to remembering what once had been billed "[South Africa's greatest moment in history](#)" - and even 702 pulled its World Cup Special in favour of a discussion on how holiday homes can be rented at a discount in low season.



## Was 2010 a waste of time and money?

Compared to the anniversary events hosted by the three previous world cup hosts, France, Korea/Japan and Germany (the latter even going as far as calling for a public holiday to mark the watershed in turning around the national brand image), the 2010 anniversary turned out to be such a non-event that hardly anybody was seen wearing the once-so-popular national jersey and not a single *vuvuzela* could be heard in areas that were abuzz with the sound of *Ayobaness* just a year ago.

It appears that the media apathy betrays a general sense among the public that the 2010 world cup was certainly the greatest party held on planet earth and did South Africans proud, but that the benefits one year on are limited and certainly not tangible for the man on the street.

## Did FIFA rape South Africa?

Interestingly, British commentators were leading the pack in suggesting that SA had been ripped off by FIFA and that the "[Rainbow Nation had lost its Pot of Gold](#)" and that, while "FIFA may be laughing, South Africa should be sobbing."

This sentiment was stoked by recent comments by the Britons' pet hate, FIFA president Sepp Blatter, [who told worldsoccer.com](#): "I am the happiest man to announce that the World Cup in South Africa was a huge, huge financial success for everybody, for Africa for South Africa, for FIFA ... For the first time in FIFA's four-year accounts we are over four billion dollars."

Whilst the *Economist* [estimated the world cup contribution](#) to the SA economy at R93 billion and the world cup economic boost to total R38 billion and the BBC predicted "[a reputational boost that can help bring inward investment and visitors](#)", many analysts are pointing to the expectation gap that was created by unscrupulous merchants peddling their world cup services to the public in the run-up to the world's biggest sporting event.

### **Were expectations over-inflated?**

This begs the question whether the expectations held by the public about the world cup ushering in an era of prosperity were over-inflated.

Contrary to public belief, crowd wisdom many times has a keen sense of opportunities brought about by major events. [According to financial analyst](#) James Surowiecki, the author of the bestselling book *The Wisdom of Crowds*, large groups often exhibit more intelligence than smaller, more elite groups, and that collective intelligence shapes business, economies, societies and nations.

Maybe the collective intelligence was right in remembering that a similar epochal event in transforming perceptions about SA, both internally and externally held, did usher in an unprecedented era of economic prosperity: the first free elections in 1994, followed by the 'Miracle of the Rainbow Nation', the Rugby World Cup victory in 1995 and the triumph of Bafana Bafana at the 1996 Africa Cup of Nations.

These three seminal events were followed by 36 (thirty six!) quarters of continuous economic growth, and certainly left an indelible mark in the collective consciousness of what kind of socio-economic legacy is possible when deliberately leveraged.

### **What benefits can be reaped going forward?**

Having hosted what has officially been declared the "most successful FIFA World Cup ever", SA is now internationally acknowledged as an expert host and is well-positioned to compete for a major share of the global entertainment action.

According to Simon Anholt, author of the quarterly Nation Brand Index, a country's good name doesn't just help consumers make millions of everyday purchasing choices; it affects much bigger decisions too:

- companies deciding where to build their factories,
- set up their overseas operations,
- outsource their industrial processes and customer service centres;
- governments deciding where to spend their foreign aid budgets;
- international sporting bodies, entertainment, talent or beauty contests deciding which country or city will host their next event;
- opera and theatre companies deciding where to tour;
- film studios deciding where to go on location;
- even governments picking their allies in times of international conflict.

### **What was Germany's ROI?**

Interestingly, Germany had a very similar debate recently in the wake of the 2010 world cup, when CNN surveyed the gains reaped from hosting the football showpiece. Comparing the state of the nation within one year from the 2006 FIFA World Cup, Germany posted significant gains in key economic indicators year-on-year:

- Brand Germany became the most valuable country brand in the Nation Brand Index;
- International business tourism went up by 47% in the host city of Berlin;
- Investors confidence rose to an all-time high since reunification in 1990;
- Exports went up 14%, making Germany the leading export nation;

- International leisure tourism bookings increased by 31%;
- Consumer confidence rose to its highest since 1980;
- Unemployment dropped by 29%.

At the same time, Chancellor Angela Merkel's approval ratings rose to the highest levels of any German chancellor since the war (79% as of September 2007), and *Time* magazine titled its August 2007 front cover story "Germany revs up: As companies like BMW grow more nimble, the nation's economy gathers speed", while the *Financial Times*, notoriously critical of Germany, wrote admiringly of a "new economic miracle".

### Is it too late yet?

Although the window of opportunity for Brand South Africa is closing and the global spotlight is set to move to the next hosts, the spiritual home of the beautiful game, Brazil, it is not yet too late to leverage the newly gained global reputation and achieve similar socio-economic benefits as Germany is still experiencing today - more than five years after the final whistle was blown in 2006.

*In particular, the prospects for creating jobs in export-oriented industries have never been better and the sequel to this article in this '[Legacy 2010 series](#)' will explore what it will take to create one million jobs in hospitality and entertainment by the time the opening whistle of the 2014 FIFA World Cup will be blown.*

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## ABOUT DR NIKOLAUS EBERL

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