

# WHY SHOULD TRADE UNIONS PAY ATTENTION TO MEGA SPORTS EVENTS?

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## **Abstract**

In this article the authors trace the development of mega sports events as big business and the growing awareness by unions and civil society of the threat to working conditions and social and union rights. The authors argue that the high profile and economic importance of mega sports events such as the Olympics and the Football World Cup also provide unions with opportunities to build organisational strength and influence the ever-more globalised world of work. After a brief outline of the role of unions in the Atlanta and Sydney Olympics the authors compare union attempts to influence the 2006 FIFA World Cup in Germany and the upcoming 2010 World Cup in South Africa. After providing an overview of the political and organisational context of the union movement in each country, they identify areas of union activities with the potential to achieve sustainable gains regarding working conditions and long-term organisational strength and assess the degree to which unions in both countries managed to take advantage of such opportunities. The authors find that attempts by German unions to use the World Cup for long-term strategic gains were exceptional, rather than the general practice, with some notable exceptions in the security and sportswear industry. While unions in South Africa have taken a more strategic approach, with significant achievements in the construction and security sectors, they are still a long way from achieving an 'unionised' World Cup. The article highlights some exciting new developments in relation to role of union learning, broad coalition building, global networking and an increasing role for the Global Union Federations.

## **Introduction**

The formation of a sports-media-business alliance has transformed international sports events into mega sports events. This development presents significant threats to labour standards and raises questions in relation to trade regulation, migration and union and social rights. On the other hand, these events also provide political space and opportunities for unions and social justice groups to publicly discuss the impacts of globalisation and challenge the current neo-liberal discourse. In addition, they can be a source of union revitalisation and power, by providing opportunities for unions to build organisational strength and to strengthen collaboration between unions and with NGO's; nationally as well as internationally.

The following article will trace the development of mega sports events as big business and the growing awareness by unions and civil society of the threat this poses to working conditions and social and union rights, not only in host cities and countries, but also in countries along the supply chain. This will be followed by an assessment of union attempts to influence mega sports events, with a particular focus on the 2006 FIFA World Cup in Germany and the upcoming 2010 World Cup in South Africa. The aim is to identify fields of possible union activities with the potential to achieve sustainable gains regarding working conditions and organisational strength and to assess the degree to which unions have managed to take advantage of such opportunities. The approaches used by unions are assessed with reference to elements considered essential for union revitalisation: organising; political action; coalition building; labour-management partnerships; organisational change; and international solidarity (see for example, Hurd et al. 2003; and Frege and Kelly 2004).<sup>i</sup>

### **Mega sports events as big business**

Over the past few decades national sports competitions have been progressively transformed into fully commercialised mega sports events. The most notable are the Olympics and the FIFA World Cup but other events of increasing relevance include the Pan-American Games, the Commonwealth Games and the Rugby World Cup.

A mega-sports event can be described as a planned and unique performance with high emotional 'value', which offers opportunities for business in terms of advertising and/or selling products. Such an event does not simply happen - it must be created. To make it compatible with business interests the sports contest must be 'dramatised' and 'emotionalised', so that it is attractive to spectators (i.e. through innovative rules which create suspense). It must be commercialised through media presence (TV) and economisation (sponsoring, merchandising). Finally, it must be professionalized, to guarantee high standards of event-management and sports presentation (Schmidt 2006). The importance of mass media in this process can not be underestimated. New mass media technologies such as satellite television have acted as a driving force behind the commercialisation and transformation of sport, creating a global audience for events like the Olympics and the World Cup (Horne and Manzenreiter 2006). Generally the rule applies: without mass-media, no mega-event.

At the centre of this global business stand the event-organisers. As the owners of the exceedingly valuable event trade-marks, these event organisers have profited enormously from the growth of mega-sports events, especially the International Olympic Committee (IOC) and the Fédération Internationale de Football Association (FIFA). In particular, the sale of television and sponsoring rights, have provided high revenues for both organisations with flow-on benefits for their functionary body, in terms of expansion, income and expenditure (Horne and Manzenreiter 2006, Preuss 2004). These event organisers have been described by Horne and Manzenreiter (2006) as "largely undemocratic organisations, often

with anarchic decision-making and lack of transparency” which operate more often “in the interests of global flows than local communities”.

### **Threats and Opportunities**

The global character of mega sports events and the strong involvement of multinational corporations as suppliers (in the broadest sense) and sponsors is most striking in the sportswear-industry, as most clothes and other sporting merchandise are nowadays produced in developing countries – while the final value adding often remains in the metropolis. However, what happens within host countries is also of concern as this is increasingly globalised as well.

The current discussion about working conditions in the sportswear and sports equipment industry in relation to major sporting events is relatively recent and appeared mainly during the staging of the 2004 Olympics in Athens. This also marks the first time that substantial initiatives were undertaken to improve working conditions in world-market factories and sweatshops. Since then, efforts in this field have increased in intensity, particularly during the FIFA World Cup 2006 in Germany, and the 2008 Olympics in Beijing. At the forefront of initiatives in the international sports goods industry is the network “Play Fair” ([www.playfair2008.org](http://www.playfair2008.org)), which is organised by the Clean Clothes Campaign (CCC), the International Trade Union Confederation (ITUC) and the International Textile, Garment and Leather Worker’s Federation.

In the host countries of mega-sports events massive investments in sports venues are undertaken, normally with considerably involvement of tax payers’ money. Contracts are frequently awarded to multinational corporations with little care taken about working arrangements and conditions: employment is often characterised by subcontracting and various other forms of precarious work arrangements. Trade unions have for a long time voiced concern about the deteriorating working conditions on big construction sites; and with respect to mega sports events there is the additional problem, that the construction of sports venues takes place under intense time and ‘public’ pressure. Reference to the ‘national honour’ of hosting the games is frequently used to press construction unions to agree to no-strike agreements and demands for better working conditions are denounced as ‘unpatriotic’.

Besides the construction industry there are other service industries which also profit from such mega sports events: such as hospitality, catering, security, cleaning etc. and companies within these industries try to become contractors for the sports event. Most of these industries are part of the widening low-wage and casual work sectors.

However, although mega sports events present considerable threats to workers across a range of industries, both their high profile and the extensive preparation needed for their staging, also provide opportunities for both ‘wind-fall’ and sustainable improvements in wages, working conditions and collective power.

### **The Goal for Labour: Union Games**

Thus, despite, or perhaps, because of the currently difficult union environment, it would be important therefore to ensure that mega sports events become “union games”, which are staged in “union cities”. This means, that all work which is done in the framework of a mega sports event would be done in a unionised way under the roof of collective agreements.

However, to make this happen, a broad coalition with civil society actors, strong international solidarity and a strategic approach is essential. That this goal is not a utopia is demonstrated by two successful examples, which came relatively close to this goal, at least in the host cities: the Olympic Games of 1996 in Atlanta and of 2000 in Sydney.

### ***1996 Olympics in Atlanta – a successful struggle for union standards***

In the case of the 1996 Olympics in Atlanta, Georgia (USA), a broad and intensive union campaign resulted in nearly all work, in the lead-up to and during the games, being done according to union standards. At the beginning, such a result was anything but clear. In contrast, it happened against the background of a weak labour and trade union position in Atlanta and a very pro-business environment (these games were financed mainly by the private sector). This was counteracted to some extent by Atlanta's history of strong activism in the civil rights movement, which provided a basis for activism and community coalitions. After a long-term campaign with rallies, protests and other interventions, through which workers exercised their power to disrupt normal business life, a first major step was achieved: that union standards were applied to construction work on Olympic venues. These standards were step-by-step extended to other areas where non-union work prevailed. The result was a significant increase in wages and union power.

### ***The 2000 Olympics in Sydney – tripartite agreement on labour conditions***

The 2000 Olympics in Sydney, New South Wales (NSW), Australia, also achieved good results in terms of implementing union games. A memorandum of understanding was signed between unions and the state government and a unique set of industrial agreements were negotiated, which covered wages and conditions for all workers involved in preparing and staging the Olympics. In contrast to Atlanta, this was achieved more as a result of the political relationship between unions and the then labour government in New South Wales (a federal state), then by extensive union campaigning. However, this was backed by the knowledge that there would be no industrial peace if union demands were not met. Unions, particularly in the construction industry, were seen to have sufficient power to disrupt preparations for the Olympics. In addition, both the Local Organising Committee (LOC) and the government recognised that they needed union cooperation to ensure sufficient workers were available during the event.

## **II. The FIFA-World Cup**

The following section focuses on specific trade union activities in connection with the FIFA World Cup, held in Germany in 2006 and to be held in 2010 in South Africa. The goal is twofold: First to provide an overview of specific trade union activities and evaluate them in light of the international debate on trade union renewal and second, to identify possible fields of trade union activities, which have the potential, for achieving sustainable improvements in working conditions and union organizational power.

The FIFA (which is based in Zurich/Switzerland) does not itself play an operative role in staging the World Cup. Instead, it assigns the organisation of the event to the national football federation of the country which wins the bidding process. However, it retains control over licences and broadcasting rights, which are sold with the help of its own subsidiaries or global trade-mark agencies. As mentioned above, sponsoring arrangements and the sale of various licences and rights generate extensive revenue. The national football federation of the 'winning' country establishes a World Cup Organising Committee (WCOC) or Local Organising Committee (LOC), whose task is to build the infrastructure and to plan and conduct the World Cup contests. FIFA provides a grant to the LOC, and the organising committee also receives the revenues from the ticket sales.

### **The World Cup 2006 - Germany**

In contrast to other countries, German trade unions have been deeply integrated and recognised in society and state. German industrial relations are built on two pillars: a social partnership of trade unions and employers' associations, which negotiate collective

agreements for the specific industry; and co-determination rights at the company level. Co-determination operates through works councils and, in bigger companies, through employee seats on the supervisory board. The state does not intervene in the negotiations of unions and employers' associations and the right to join a union is guaranteed by the German constitution, as is the right to strike.

The system has worked for a long time but is now in dissolution. After a long period of relative stability in the post-war era German unions, like unions in many other countries across the world, face union decline, with continued membership loss and growth of 'union-free' zones.<sup>ii</sup> The challenge has been compounded by the effect of German re-unification and the growth of decentralised bargaining (Gumbrell-McCormick and Hyman 2006). However, it also reflects long-term structural deficits in the composition of union membership, which corresponds to a 1960s labour market model rather than reproducing structural changes in the labour force. White-collar workers, young people, migrants and service sector employees are either only weakly organised or not organised at all (Hoffmann 2004).

German employers previously regarded the system of social partnership as not just a 'fact of life' but also as a source of strength, as it was built around the notion of a 'productivity coalition'. Today, however, under the pressure of increasingly competitive markets, many employers see it as a barrier to economic success and are increasingly hostile towards trade unions. This is reflected in the growing numbers of companies leaving or refusing to join employers' associations; preferring to negotiate outside of national agreements (Deeg 2005). Union power has been further undermined by the trend towards vertical disintegration and restructuring of large employers, which 'often breaks apart the traditional sectoral and firm-level bargaining institutions that have been traditionally central to German trade unions' bargaining power' (Doellgast and Greer 2007: 58-59).

### **The Sportswear Industry**

Working conditions in the manufacture of sportswear was a major issue in the lead-up to and during the World Cup, however, the level of trade union activities in Germany should be seen in the context of a declining textile industry and the specifics of union representation in this sector. Due to a series of mergers the smaller Textile and Garment union (IG Textil und Bekleidung) has been absorbed into the larger metal workers union, the IG Metall, while workers in two of the major German-based sportswear MNCs, adidas and Puma, are organised by the IG BCE, the chemical and energy union.<sup>iii</sup>

Union campaigning in the sportswear industry was mostly carried out in collaboration with the 'Kampagne für saubere Kleidung', the German division of the international Clean Clothes Campaign (CCC), a coalition of 20 predominately faith-based organisations. From the trade union side, IG Metall, ver.di and the DGB Bildungswerk (the educational arm of the DGB) are members, however IG BCE is not. The IG BCE does not usually work together with NGOs, and its social partnership character and co-management approach to union organising restricts the reach and efficiency of activities against the two German-based global sportswear companies mentioned above. This has relevance, not only because adidas is a leading sportswear company but because adidas is also a major and long-term sponsor of FIFA.

CCC members, CIR, Inkota and Vamos are constantly working on the sportswear issue and routinely target sportswear corporations. Their goal is to make these MNCs responsible for violations of workers' rights and bad working condition in the factories of their suppliers and they press them to make changes in their business practice. This is done mainly through protest cards and emails: the focus is on influencing consumers, reinforced through media reports. In the case of Vamos it also includes developing teaching materials for schools and

encouraging sports clubs and schools to engage in the fight for fair working conditions in sportswear production. CCC also attends shareholder meetings and tries to lobby for improvements through negotiations. In respect to mega sports events the CCC also tries to hold event organisers, like the FIFA, responsible as well. However, so far, the results in this respect are disappointing; as reports on the CIR and Inkota websites show ([www.inkota.de](http://www.inkota.de), [www.ci-romero.de](http://www.ci-romero.de), [www.vamos-muenster.de](http://www.vamos-muenster.de)).

The role of unions in the CCC coalition was mainly one of technical support, through supplying education and organisational infrastructure, and of awareness raising and educating their members about the situation in the global textile industry.

### **Struggles in the retail industry - Linking producers and distributors (Ver.di)**

Ver.di acted in the lead-up of the World Cup mainly as the union representing retail industry workers.

Within the activities of CCC, ver.di facilitated contacts between social justice groups, such as CI Romero and Inkota, and workers and works councils within the retail industry: including those from KarstadtQuelle, which was the exclusive distributor of merchandising articles for the World Cup. In 2006 ver.di held a big congress with the CCC on the topic of working conditions in the textile industry, which brought together actors along the supply chain (producer, retailer, union and consumer) (CIR: 2007, ver.di b 2008).

The concept of linking producers with distributors (which is also followed by CCC-member TIE Germany, the German section of the network Transnational Education Exchange) seems to have further potential as it leads to another topic in which Ver.di is strongly engaged: the linking of working conditions in the retail sector with those in the global textile industry.

The other topic, which was especially important in the lead-up to the World Cup, is the struggle against further deregulation of shop opening hours.

Shop opening hours had already been the target of deregulation in Germany for two decades; with step-by-step extension of opening hours and the introduction of legislative exceptions, which had weakened the law as a protection for shop assistants and their families. A first attack on the remaining restrictions of shop opening hours was made during the lead up to the FIFA-Confederations Cup in 2005, with state governments issuing directives to completely suspend the law during the Cup. The World Cup, held one year later, was used to take a further step towards the goal of abolishing the rest of the regulation, by transferring the legislation on shop-opening hours to the federal states. Despite all efforts by ver.di to prevent further deregulation, they had only limited success. Threats by employers of massive workplace reductions unless longer opening hours were allowed and, also, a degree of acceptance of the employer's arguments by workers, had their effect (ver.di a: 2008).

### **The Security Industry**

The World Cup created a high demand for security staff and ver.di was well placed to take action around this topic. By 2006, Department 13 (special services) of the ver.di district, Hamburg, had already started an organising campaign in the security industry; in collaboration with UNI (Union Network International - Property Services) and the U.S.-based Service Employees International Union (SEIU).

One of the major global players in the global security industry is Securitas, a Swedish based MNC. When the national contract to guard all World Cup facilities (including stadiums, hotels and public viewing areas) was obtained by Securitas, ver.di subsequently introduced the World Cup topic into negotiations with the employer association and the management of Securitas. The union also promoted the topic in all public campaign events and media

interviews (such as the ver.di press conference featuring security personal with faces covered by theatre masks, which achieved high publicity). The poor working conditions suffered by security workers in terms of long hours and low payment were highlighted and also the risk aspect of expecting over-worked personnel to guarantee security. The responsible ver.di officer assessed the World Cup topic as playing a major role in eventually achieving a new collective agreement in the security industry. (ver.di b.: 2008).

### **Construction – business as usual**

Construction is one of the main industries affected by a mega sports event. The huge dimensions of construction work, high financial investment and strict time limits put intense pressure on working conditions, wage levels and the use of migrant labour. After Germany won the bid to hold the World Cup in 2006, most of the football venues were rebuilt or upgraded to meet the standards required by FIFA.

However, according to the responsible officer (IG BAU: 2008) IG BAU undertook no special efforts to target the construction companies or to organise the World Cup construction sites in any strategic way. Nor did they initiate any contacts or negotiations with the LOC to have decent labour standards included in the contract process. IG BAU took action when specific problems occurred, predominantly when the workers of subcontractors were betrayed or exploited. In this case the union acted as usual: the general contractor was made accountable for the misuse of workers by its subcontractors and the union tried to get the workers paid or to stop the unjust working conditions. Thus, in his view, the union's actions during the World cup were a reaction to existing problems rather than the result of any strategic planning.

However, 2001/2 was a “chaotic” time for the IG BAU, due to a deep crisis in the construction industry and other major problems, and the union was not prepared for this kind of strategic action. It also lacked the organisational structure and manpower needed. The organisational structure of IG BAU at the time was geared towards traditional organisation of individual contractors and not focused on the use of a broad strategic approach which could exert pressure on the contractors of construction work (IG BAU: 2008).

### **Hospitality and food industry**

The main activity of the German food, beverage and catering union NGG was a major image and public awareness campaign, with the title “Wir arbeiten, damit die ganze Welt feiern kann”. This campaign, which started in April 2006, consisted of an extensive professional poster campaign, accompanied by a telephone hotline where workers could get legal advice about their rights as workers and regulations in collective agreements. It was designed to support the push for minimum wage legislation in Germany and put pressure on the employer association to negotiate a collective agreement (NGG 2007).

The recruitment potential of the World Cup was assessed as low and the NGG only attempted to reinforce the collective agreements where they were already unionised (NGG: 2007). No special organising activities were started and no attempt was made to put pressure on the LOC or FIFA to take responsibility for ensuring normal working conditions in the large hotel chains contracted for the World Cup, despite the potential for publicly ‘scandalising’ poor working conditions in companies that were World Cup suppliers. However, the NGG did achieve some important gains in negotiating collective agreements, especially with one of the FIFA-partners Coca Cola, but overlooked the chance to systematically target the other FIFA-partner, McDonalds.

### **The German Union Federation – the DGB**

The DGB saw itself as obliged to promote multiculturalism, and counter racist and nationalistic attitudes which might emerge during the World Cup. Proposals for activities were elaborated and discussed with the Ministry of Interior and some of them were taken up (DGB b.: 2008). However, its main focus was provision of information and advice for workers most affected by the World Cup (waiters, cleaners, security staff etc.).

Neither the DGB nor any affiliated unions formulated demands, to put to FIFA or the organising committee, about guaranteeing labour standards as a precondition for appointing contractors for World Cup related work. There was a general assessment that such demands could not be maintained or enforced due to the threat of being publicly denounced as whiners and spoilsports and being forced into an embarrassing retreat (DGB b.: 2008). Thus, unlike the Olympics in Australia, no demands regarding collective bargaining and trade union rights were addressed in the lead up to the World Cup. The unions saw no real opportunities to recruit members during the event or to successfully organise areas with low levels of union density (DGB b.: 2008).

### **FIFA World Cup 2010 South Africa**

Given the not very strategic approach used by German unions to influence labour standards at the FIFA World Cup in 2006, it is interesting to examine the actions of unions in the lead up to the South African World Cup 2010. While its too early at this stage to make a comprehensive assessment of union actions, nonetheless there are indications, that at least in some fields, there has been progress in tactical planning and use of the World Cup as a strategic lever for sustainable improvements. This applies in particular to COSATU, as the main trade union federation, and in the construction and security sectors.

### **The South African Union Context**

The history of South Africa's political economy has created deep inequalities in the distribution of wealth, which has, today, resulted in it having one of the most unequal societies in the world; deeply divided along ethnic, class, social, race, and linguistic lines. It has also created a dual labour market with varied rights and privileges (Webster and Von Holdt 2005) still mirrored today, despite the demise of apartheid. While in apartheid, the divisions in South Africa were between blacks and whites, today it is between the privileged workers in the core zone and those on the periphery, engaged in precarious employment. The legacy of apartheid has therefore continued to shape the industrial relations of South Africa.

Whilst the labour movement has been in decline globally over the last decade, in the South African context it is still relatively strong (Pillay 2008). Trade unions in South Africa represent about three million of the formally employed workforce, which constitutes 34 % of the formally employed and rises to 64% if the agricultural and domestic sectors are excluded. However, trade unions have a tremendous task ahead of them to organise the unorganised workers, who constitute the majority of workers in South Africa.

The labour movement in South Africa, as in many African countries, has been very active and instrumental in broad popular struggles for liberation, democracy and justice. This has involved extending their concerns and mandate beyond workplace issues and thus engaging in wider and more political alliances (Beckman, Buhlungu and Sachikonye 2010). This is often referred to as social movement unionism (or political unionism) and has become a traditional 'trade mark' of the labour movement in South Africa. This form of unionism is based on the belief that workers' struggles at the shop floor are intimately tied to broader community issues.

The alliance between trade unions and political parties in South Africa can be traced back to the early struggles against apartheid. In 1991, soon after the ban on the African National Congress (ANC) was lifted, the main labour federation, the Congress of South African Trade Unions (COSATU)<sup>iv</sup>, the ANC and the South African Communist Party (SACP) formally entered into an alliance. This alliance has profoundly shaped the political, social and economic landscape of South Africa in the past 16 years. It has, however, come under severe stress, partly due to the Mbeki led government's abandonment of the Reconstruction and Development Programme (RDP), a Keynesian model of economic development, in favour of neoliberal, market led strategies. This contradicted the expectations of workers as the RDP was viewed as one of the key achievements of the new government – pro workers and the poor.

However, rather than abandoning the alliance and forming an opposition party, COSATU responded by continuing to fight for control and domination within the alliance. The election of the COSATU-backed Jacob Zuma as the new ANC President and his subsequent election as President of South Africa marks a new phase in this struggle. There are high expectations that the new government will put into place policies which are pro-labour. However, the contestation for control within the ANC and the alliance has continued, and at the moment it is not clear as to which faction has the upper hand.

While COSATU, and the labour movement in general, have become very strong in the political arena in South Africa, the same cannot be said on the shop floor. Neoliberal globalisation has resulted in the proliferation of precarious forms of employment and COSATU and the labour movement in general has failed to implement strategies to organise these new workers, despite adoption of various resolutions to do so (Kenny and Webster 1999). This raises questions of whether COSATU is really still pursuing its tradition of social movement trade unionism. It appears as if South African unions, including COSATU, have withdrawn from the social movement tradition and shifted to an institutionalised/corporatism form of trade unionism. This however, has alienated workers in precarious employment, who now constitute the majority of the workforce.

### **Engagement of Trade Union Federations**

The linkages of the labour movement to the World Cup can be traced back to the early stages of the bidding process. Union federations, including COSATU, rallied behind South Africa's bid to host the World Cup. Unions generally shared the view that the World Cup 2010 was a milestone event which would 'showcase' South Africa and the African continent and act as a key driver of development, with flow on employment and social benefits.

At its 9<sup>th</sup> Congress in 2006, COSATU resolved to "campaign for the 2010 World Cup to have a developmental focus and act as a catalyst for achieving the broader goals of equity and development" (COSATU 2006), and to push for a framework agreement to be negotiated in NEDLAC ("2010 FIFA World Cup Framework Agreement"),<sup>v</sup> with specific provisions to be complied with in implementing the World Cup, including: local procurement; employment creation; sustainable infrastructure creation; explicit labour standards in all procurement and contracts, including freedom to join a union and bargain collectively and compliance with minimum standards; promotion of broad based Black Economic Empowerment (BEE); access to procurement contracts by small collectives; and availability of discounted tickets for workers, the poor and rural people. COSATU also saw the 2010 World Cup as an opportunity to raise the standards of football in South Africa and to promote the interests of the South African Football Player's Union (SAFPU) (COSATU 2006)

As part of its strategy to insure labour's influence in the procurement and decision making process, COSATU sought to be included on the LOC. It was initially excluded, but following threats to mobilise union members to "attend en masse all LOC meetings until they agreed

that labour was an important player” (www.News24.com 2006), the COSATU Secretary General was given a seat on the LOC Board. Theoretically, this provided unions in South Africa with better opportunities to formulate and advance demands regarding working conditions in World Cup contracts. However, in practice this does not seem to have been achieved. Unions have pushed for negotiation of a framework agreement between the social partners but unlike the example of the Sydney Olympics, labour has been unable, up until now, to achieve implementation of an overarching agreement governing labour relations in World Cup projects and venues.

### **The Construction Sector – the Main Game**

The construction boom resulting from World Cup projects and associated infrastructure development theoretically provided an opportunity for construction unions to strategically influence preparations for the games. Workers had high expectations that they would benefit from the construction of 2010 projects but unions lacked the necessary unity and organisational capacity to help them achieve this. The construction industry in South Africa is characterised by fragmented union coverage and low union density, which at 10.5 %, is one of the lowest in the country, only higher than agriculture and domestic sectors. This is due to the strong inner fragmentation of the workforce between a relatively small portion of skilled core workers with permanent contracts and the majority of mostly unskilled workers with non-permanent contracts (Roskam and Chinguno 2009: 12-14). Trade union membership is mostly confined to the core workers who tend to have secure jobs, superior conditions and are usually employed by the main construction contractors. In addition, trade union coverage is fragmented, with more than five trade unions, belonging to three different union federations. Three quarters of workers on construction sites are employed through labour brokers (Leiharbeitsagenturen) on short term contracts and a large and growing portion of these are migrant workers (Donnelly 2009).

That there has been wide spread mobilisation and strike action on 2010 sites can be attributed partly to the actions of non-unionised workers on the stadium sites, and to extensive support from the Building and Woodworkers International (BWI); the Global Union Federation (GUF) for construction. In 2007 the BWI, in collaboration with the local South African trade unions, and with support from various international allies, decided to use the 2010 construction projects as a platform to build union density in the sector and campaign for decent work across the construction industry (Cottle, 2007). The “Decent Work Towards and Beyond 2010” campaign brought together three of the major trade unions in the construction industry, all of which are affiliated to the BWI but which come from different union federations within South Africa, and with very different histories and cultures. The campaign primarily aimed to use ‘moral’ power, in order to mobilise football fans world-wide and thus, indirectly, put pressure on FIFA, government and construction companies to improve wages and working conditions on 2010 construction projects. BWI used strategic research to highlight the extensive exploitation of workers in the sector, for example, the disparity of pay for CEOs and the lowest ranked employees in the sector, and to gain public support for union action. Unions also campaigned against the extensive practice of using labour brokers (Leiharbeitsagenturen) in the construction industry and highlighted its negative impact on workers. This contributed to a review of labour broking and the current consideration for its abolition by the Minister of Labour.

In July 2009 the construction sector in South Africa recorded one of the biggest ever industrial actions, with strikes at all World Cup stadiums and construction projects. Most industrial activities were initiated by non-unionised workers on temporary contracts. However, unions were able to take up workers’ issues and use the threat to timely delivery of 2010 infrastructure as leverage for enterprise bargaining and to achieve wage improvements across the whole construction sector. The Minister of Labour and the LOC

executive were drawn in to ensure an expeditious resolution to the dispute. The strikes received widespread media coverage but as the trade unions' successfully managed to articulate their position through the "Decent Work Towards and Beyond 2010" campaign, the strike received unprecedented public sympathy and support. Other, more short term gains on individual sites, included coverage of transportation costs to construction sites and additional bonus payments (BWI 2009:21-23).

As part of the campaign unions also pressured FIFA to take responsibility for working conditions on World Cup sites. The BWI, Swiss unions, and South African construction unions, lobbied FIFA at the international level. At a meeting in Zurich, FIFA President Joseph Blatter committed FIFA to bringing the workers' issues before the government of South Africa and the LOC, and to include trade unions in official inspections of stadiums. However, despite COSATU having a seat in the LOC, the organising committee was apparently reluctant to take responsibility for workers' rights, arguing that it was only the 'event organiser' and not the actual employer of construction workers. In addition, FIFA had to be 'pressed', through media attention, into fulfilling its commitment to joint inspections of stadiums. FIFA will make 40,000 free tickets available to construction workers on 2010 projects but how these will be distributed is not clear. Given the high turn-over of workers and the precarious nature of many contracts, it is hard to see how 'all' workers will benefit. Nonetheless, unions see these commitments by FIFA as a significant achievement, as they have established a precedent that will be hard for FIFA to reverse in the future.<sup>vi</sup>

### **The Security Sector**

South Africa is considered to be one of the greatest security risk countries in the world. As a result the sector is one of the fastest growing industries in the country and security for the World Cup 2010 is very big business.

Trade unions in the security industry have acted strategically to ensure good labour conditions were a key consideration in the awarding of tenders for provision of security service for World Cup 2010. In 2006, the South African Transport and Allied Workers Union (SATAWU), which is the major union in the security industry, lobbied the South African Football Association (SAFA) against awarding security contracts for guarding World Cup facilities to the security multinational Group 4 Securicor (G4S), due to its poor labour relations record. SATAWU, along with UNI (the Global Union for Skills and Services) used strategic research to expose and scandalised the profit margin of G4S, highlighting the injustice and the poor conditions of work for the security guards it employed. In April 2007, a global fact finding team from different unions went to South Africa, Malawi and Mozambique to find out about the employment practices of G4S. The team interviewed G4S workers, their family, union leaders and government officials about the security company's practices – they found serious violations of labour laws and blatant racism (UNI Property Service 2007a). The meeting also sent a delegation to lobby the FIFA World Cup Organising Committee to consider only giving World Cup security contracts to responsible companies that respected human rights (UNI Property Services 2007b). The World Cup action was part of an extensive corporate campaign by UNI to achieve a global agreement with G4S. The agreement, which has since been achieved, commits G4S to paying a living wage, providing social protections, and recognizing workers freedom to form unions . However, its enforceability in the South African context is open to challenge because it contradicts national labour legislation.

### **Textiles and Sportswear Bekleidungsindustrie**

There seems to have been little union activity, as yet, in the area of textiles and sportswear production in South Africa. The Southern African Clothing and Textile Workers Union (SACTWU) have signed an agreement with the LOC, which guarantees that all producers of FIFA branded sportswear produced in South Africa must comply with the collective agreement for the industry, and that all producers must be members of the clothing industry bargaining council. However, the reality is, that most clothing for the World Cup will be produced outside South Africa, probably in Southeast Asian sweatshops. The global union federation for textile workers, the ITGLWF, has called on FIFA and the LOC to disclose where clothing for the 2010 World Cup would come from (Business Day 2009). As part of the “Proudly South African Campaign”, SACTWU has, over the past few years, pressured local retailers to enter into agreements to ‘buy local’ and to include labels on all garments, showing the country of origin of garments. It remains to be seen whether they take any action around these issues in the months leading up to the World Cup.

### **Linking with the Informal Sector**

Unions in South Africa have also started a process of engaging with social movements and NGOs working in the informal sector, through involvement in the World Class Cities for All (WCCA) campaign initiated by “StreetNet International” (<http://www.streetnet.org.za/>). This campaign seeks to address the impact which the World Cup has on informal traders and the poor, including forced removal and so-called ‘slum’ clearances. With the advent of mega sports events such as the World Cup many street traders are shut down and municipal clean-up campaigns take place to ensure that the host country and its cities present a ‘picture-perfect’ face to the world. Rather than benefiting from the World Cup 2010, street traders in South Africa are discovering that many of the FIFA by-laws governing the sale of merchandise, use of logos and trading zones, will actually place severe restrictions on their ability to make a living (Daya 2008 24-25). The campaign partners seek to engage with municipal governments of host cities, to challenge FIFA by-laws and restrictions on traders, and also to push the LOC to engage in implementation of the stalled NEDLAC ‘2010 FIFA World Cup Framework Agreement’, which contains social as well as labour provisions (StreetNet 2009).<sup>vii</sup>

### **Differences in union strategies - A step forward !?**

The most visible difference in South Africa is that the main union federation COSATU has attempted to engage strategically with FIFA. Unlike the DGB in Germany, COSATU demanded and obtained a seat on the Local Organising Committee, in order to have a stronger role in procurement and the decision making process. Theoretically, that gives labour a better opportunity to formulate demands regarding working conditions. However, having a seat in the LOC follows a tripartite policy arrangement of labour relations and could be seen as a co-determination approach. According to the international labour relations and union-renewal literature, such an approach is regarded as having limited effectiveness. In contrast, it is more likely that such integration into the decision-making procedure of the event will result in a tendency to smooth the conflicts without solving them and lead to partial demobilisation of workers’ activism. There are indications of this happening in South Africa. Negotiations for a framework agreement to cover working conditions and procurement processes have stalled and there has been some pressure to resolve strike action as expediently as possible.

Another difference in the South African context, and this difference is more significant in terms of a strategic union approach, is that, at least to some extent, FIFA itself has been made to take some responsibility for working conditions on World Cup construction sites. Unions see this as a significant achievement as it has established a precedent that will be

hard for FIFA to reverse in the future. In the security sector, unions also had some success in pressuring FIFA to only consider responsible companies that respected human rights for World Cup security contracts.

It should come as no surprise that most union activity in South Africa appeared in the construction industry, as it is one of the two industries most affected by mega sports events (the other being textiles). One thing that stands out in union actions in the construction industry in South Africa, in comparison with the German World Cup 2006, but also with the Athens Olympics, is the much higher degree of strategic planning involved.

Unlike Germany, construction unions in South Africa saw the 2010 World Cup as an opportunity to build unity and power. This was mainly due to intervention by the construction global union federation BWI. Most of the action by South African unions took place in the context of the BWI Campaign (“Decent Work Towards and Beyond 2010”) initiated in conjunction with its South African affiliates and international partners. Unions saw it as an opportunity to unify a fragmented construction sector, increase union density and highlight the need for decent work in an industry characterised by poor conditions and precarious working arrangements.

There are different views as to the extent of union achievements in the lead up to the 2010 World Cup. Construction unions see it as a success, in terms of building unity and organisational strength and increasing union power. Other more critical voices point out that most industrial action was in fact initiated by non-unionised workers on temporary contracts, and that unions were initially reluctant to take up the issues of these workers (Chinguno 2009). As the study by Chinguno revealed, instead of uniting the fragmented workforce in the 2010 construction projects, the unions tended to reproduce divisions amongst the workers, which worked inline with management strategies to divide and control the workforce. For example, the unions, only allowed those with core permanent jobs to become shop stewards and paid lip service to issues affecting those outside the core, which thus alienated the majority of workers from the union rather than promoting unionisation.

However, given the poor state of trade unionism in the construction industry prior to attempts to organise around 2010, there has clearly been advancement in terms of organisational strength and strategic skill. Unions have agreed on common demands, expanded attempts to organise non-core workers and called for prohibition of labour broking. They also utilised corporate research to underpin demands and neutralise backlash against union action by scandalising the gap between worker poverty and huge corporate profits. It remains to be seen whether these improvements can be translated into long-term gains in negotiating strength and union power.

In another promising development, there are plans to systematically pass on the lessons and strategies learned in the South African campaign to other countries preparing to host major sporting events. Following 2010, the BWI campaign will be ‘handed over’ to unions in Brazil, for the World Cup in 2014. This represents an important step in union learning. It should also be noted, that since the 2006 World Cup the IG BAU, and to some extent the NGG, are adopting new campaigning and organising strategies.

Union learning also played a role in the security sector in South Africa, with unions inviting a representative from the German security sector union ver.di, to share their experience of organising and campaigning during the World Cup 2006.

Unlike in Germany, there has not been much action in the sportswear and textile industry in South Africa. This was one of the most active areas in Germany, with some political action and significant coalition building between unions and NGOs. This has potential for future international campaigning and solidarity action related to sports events.

## **Conclusion**

Attempts by German unions to use the World Cup for long-term strategic gains were exceptional, rather than the general practice. With some notable exceptions in the security and sportswear industry, few unions saw any real opportunities to recruit members during the event or to successfully organise areas with low union density. Overall, most benefits, where they occurred, were of a 'wind-fall' nature, related more to the vulnerability of employers during the event, than the result of strategic planning. To some degree, this reflects the time-frame in which the World Cup was held, the social partnership orientation and organisational culture of German unions. Also, the international union renewal debate had not arrived Germany at that time.

Union actions in South Africa took place within a development discourse, which theoretically made it easier to frame demands in terms of demands for decent work and job creation. While there have been significant achievements in some sectors in South Africa, unions are still a long way from achieving a 'unionised' World Cup. Most action, where it occurred, was still too late in the process to be really effective. While COSATU has taken a more strategic approach there appears to be little evidence of wide-spread or coordinated mobilisation to ensure that all workers benefit from staging such a significant sporting event.

While mega sports events like the FIFA World cup present enormous opportunities for unions one should not underestimate the power of the interest groups involved or the level of strategic research, creative planning and resources needed to use them as an opportunity for union revitalisation. As seen in both the German and South African cases, the Global Unions are playing an increasingly important role in this area and also in coordinating activities and promoting union learning between countries. This is a significant development which also has the potential to revitalise the GUFs.

END.

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<sup>i</sup> This article draws on research conducted by the authors on mega sports events as providing opportunities for union revitalisation and new sources of union power (see Schwetz and McGuire 2008; and Chinguno 2009). For more on the discussion over union renewal see Hurd et al. (2003); Frege und Kelly (2004), Hälker und Vellay (2006), Bremme et al. (2007), Dörre et al. (2009).

<sup>ii</sup> Union membership in the DGB (the German Union Federation) affiliates declined from 7.8 million in 2000 to 6.37 million members in 2008. Workers covered with representation of works councils fell from 56.4% (2000) to 50.6% (2008) and covered by collective agreements dropped to 53% (2008) from 67% (2000) (WSI, 2004 and

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2009). In tandem with this loss of membership, density has also declined from 31.2% in 1990 to an estimated 20% in 2004 (Hoffmann, 2004).

<sup>iii</sup> Due to their roots in the manufacture of sports shoes both corporations were originally covered by the small leather union, Gewerkschaft Leder, which merged in 1997 with IG Bergbau und Energie (IG BE) and IG Chemie, Papier, Keramik (IG CPK) to become the new IG Bergbau, Chemie, Energie (IG BCE).

<sup>iv</sup> There are three main trade union federations in South Africa, the Congress of South African Trade Unions (COSATU), the Federation of Unions in South Africa (FEDUSA) and the National Council of Trade Unions (NACTU). The Confederation of South African Trade Unions (CONSAWU) is also of relevance in the construction industry

<sup>v</sup> NEDLAC: National Economic Development and Labour Council. A tripartite institution of organised Labour, organised Business and Government which negotiates common positions on social and economic issues – such as framework agreements on labour issues

<sup>vi</sup> Reported at the BWI Multi-Sectoral Conference on Decent Work in World Cup 2010, Johannesburg 26-27 August 2009 – attended by co-authors Donna McGuire and Crispin Chinguno.

<sup>vii</sup> See <http://www.nedlac.org.za/home/special-projects/2010-fifa-world-cup.aspx>