INTERNATIONAL MIGRATION AND NATIONAL TOURISM INDUSTRY DEVELOPMENT (THE CASE OF SOUTH AFRICA)

Unathi Sonwabile Henama

Tshwane University of Technology, Pretoria, South Africa

The tourism industry allows peaceful movement of people in the world, and is a very important economic force for any destination to acquire tourism. The industry requires peace as a pre-requisite for its development. Africa’s share of the tourism industry remains small whilst any change in tourist arrivals has an adverse impact on the tourism industry. Tourism is known for its economic benefits that include improving the balance of payments, attracting foreign exchange, and increasing state coffers through the taxation of non-residents.

Due to South Africa’s role and status in the continent, opening up a country borders opens up the country for new risks such as reducing visa restrictions that are seen as a barriers especially by less developing countries, and this can proliferate the entry of illegal migrants that comes to the country using travelling documents and ends up staying beyond their allocated time period.

Paper considers abilities and potential for international tourism development in South Africa with priorities of national interests related with maintaining of effective migration policy.

Keywords: African migration, regional tourism, economic development, black economic empowerment, rural tourism, leakage

Introduction

The tourism industry has established itself as one of the leading industries in the world economy, being promoted for its economic benefits across all countries. The economic benefits include improving the balance of payments, attracting foreign exchange, in addition to increasing state coffers through the taxation of non-residents. Tourism is an export industry, where the tourism product offering can be consumed at the destination area which means that the bulk of the value adding happens at the destination area. “Tourists usually consume a bundle of goods and services while travelling and the key elements of such a
consumption bundle may be identified in five broad commodity groups: accommodation, food, transportation, shopping and entertainment Divisekera (2010, p. 631).

When tourism planning at the destination area seeks to achieve pro-poor outcomes, much can be benefited economically by the destination area. Tourism gained widespread recognition as a major industry when it was integrated as one of the industries that could assist countries that were under the structural adjustment programmes initiated by the IMF and the World Bank. The tourism industry is appreciated by policy makers because it can create the opportunities for local employment, because it is a labour intensive industry in addition to creating opportunities for local entrepreneurship. The entry level positions that tourism creates cannot be matched by any other industry because the labour intensive nature of tourism means any growth in the tourism industry, is matched by employment growth. The linkages with others sectors of the economy, primarily agriculture, and construction are well documented.

Pillay & Rogerson (2013) noted that there are poor linkages between tourism and other sectors and much must be done by tourism planners to ensure that there is as little as possible leakage from the local community. According to Torres (2003, p. 547) “tourism development is also often associated with increased demand for imported food, resulting in foreign exchange leakage and competition with local production. Tourism typically fails to stimulate local agriculture and in some cases, it is associated with a relative decline in production.

The potential for tourism to promote local agricultural production, nevertheless, is widely recognized”. The integration of local agriculture must be a concerted step as part of the tourism development master plan for a destination, to ensure that tourism benefits and raises the standard of living of locals. Integrating the local economy with the tourism industry is important to improve the developmental ability of the tourism industry, especially for small scale farmers. When locals benefit from the tourism industry, they will become better hosts for tourists, due to the value domain. Competition between countries towards tourism for economic growth and development has increased, as more and more countries are getting on the tourism bandwagon. It is not surprising considering that it has become a major economic sector in many countries (Cheng, 2012) tourism is one of the four key industries in Hong Kong contributing 3% of gross domestic product.

The economic growth and wealth of the Middle East and countries such as India and China, has stimulated a demand for outbound tourism from those countries, which has increased the pool of available tourists. Market diversification is imperative especially for South Africa which is overly dependent on Europe (mainly United Kingdom) and the United States for the majority of international tourist arrivals. Gauteng Tourism Authority (2013) noted that 69.9% of arrivals in South Africa are from African land arrivals, comprising of shoppers and cross-border traders. South Africa continues to ignore this important source market, which could be address the challenges of seasonality to the South Africa tourism product owners.
Tourism has the ability to rejuvenate sections of a town or city through redevelopment and the attraction of tourists, as in the case of Cape Town and Durban. The Department of Environmental Affairs (2003) noted that the boom in international tourism to South Africa is the post-apartheid period has been accompanied by a growing influx of international visitors to the Western Cape. Even amongst domestic tourists, patterns of tourism growth have been associated with the growth of tourism numbers within the previously disadvantage groups that includes Africans, Coloureds and Indians. As Pillay & Rogerson (2013) noted that Durban experienced a shift in the early 1990s as it experienced a decline in the white middle class clientele. This change in tourism migration patterns has been compensated by an increase in popularity of Durban amongst the Black South Africans. The redevelopment brings about the displacement of poor locals, whilst at the same time bringing in highly sought after direct foreign investment. The top end of the tourism industry is dominated by large multinational companies that include principals such as major airlines, hotel groups and tour operating companies. Multinational companies, at the level of principals such as major hotel groups and airlines bring new expertise to a destination but this leads to the undesirable economic leakage and a decrease in the multiplier effects for the tourism industry. The leakage is greater is there is no local ownership, if they use foreign staff that remit salaries, and the use inputs in the production of the tourism experience from outside of the destination country.

Tourism growth can occur at the destination without tourism benefit for the destination, something that is undesirable. The efforts to make tourism inclusive in the South African context are associated with the efforts of government to integrate the previously disadvantaged black South Africans to play an increasing role in the tourism industry as owners and tourists. According to Tangri & Southall (2008) when the African National Congress (ANC) in 1994, it identified black economic empowerment (BEE) as one key instrument to break through the wall of whiteness around the South Africa’s economy. The benefits of BEE and other policies increased the economic cloud of Black South Africans, through equity stakes in companies and better prospects in being hired due to affirmative action policies. The tourism industry has benefited from the increase in Black South Africa tourists, in as much as little is known about the special needs of this market. The emergence of Black South African tourists presents many opportunities for the greater dispersal of tourism expenditure geographically, especially when you consider that the former homelands in South Africa are not major tourism nodes.

The earlier is a greater challenge as the tourism industry retains its pre-apartheid racial character of being predominantly white owned, and white controlled. Black Economic Empowerment has been promoted, but the change is at a slow pace. Interestingly, the one sector of the tourism industry that has the highest black ownership is the gambling and gaming sector, where government grants licenses for operations that have significant black shareholding. The end of apartheid has ushered many policies such as the Employment Equity Act that legislated affirmative action for people of colour in South Africa and this has
resulted in an increase in the number of black people in positions of power and authority and increased the black middle class. The tourism needs of the black middle class continue to escape academic gaze which is a missed opportunity. The same can be said of regional tourism from Lesotho, which constitute, by number of tourists, the biggest contributor of tourists to South Africa.

“The growth in tourism in South Africa during the past ten years resulted in the development of various types of tourism such as: eco-tourism, cultural tourism, adventure tourism, business tourism, sports tourism and event tourism” Strydomet al. (2006, p. 87). The desire by countries to attract more tourists has been shaped by the emergence of special interest tourism which has allowed for the attraction of tourists based on the strengths or jewels of a country.

A country such as Australia is an established educational tourism destination, whilst Dubai in addition to being the most important transit destination, is known for its shopping holidays, whilst Southern Africa, is known for the great wildlife. Medical tourism has also become a major differentiator for South Africa, from major hip operations to abortion, which is not allowed in many countries in Africa. The South African constitution which is one of the most progressive, has allowed for the same sex marriages to be recognized. This has stimulated the emergence and attraction of South Africa as a destination that attracts gay and lesbians.

Cape Town’s is basically Africa’s Gay Capital and gay tourism is one of the most urban of tourism market segments. The three cities of Cape Town, Durban and Johannesburg dominate the urban tourism market in South Africa, and this can also be reflected in the flight frequencies via Johannesburg, which is the regional hub for Southern Africa. The continued government bailout for the state airline, South African Airways has created an un-level playing ground in the airline industry. There airline industry was shaken by the introduction of low cost carriers, changed by the demise of low cost carriers and competition altered when legacy operators operated their own low cost carriers. South Africa has hosted a mega event namely the 2010 FIFA World Cup and the country had unrealistic expectations of the developments that the event will bring, against available literature that shows the negative impacts of hosting a mega event. Durban has already indicated its desire to bid to host the Olympic Games, after the failed attempt by the City of Cape Town in the early 2000s.

The tourism industry allows for the largest peaceful movement of people in the world, and is hence a very important economic force for any destination country that receives tourism. The tourism industry requires peace as a pre-requisite for its development. Because Africa’s share of the tourism industry remains small, any change in tourist arrivals has an adverse impact on the tourism industry. Acts of terror, post-election violence and acts of crime against tourists all deter tourists away from un-safe destination. The post election in Kenya after disputed elections in 2007 led to a dwindling in tourism numbers and (Modi & Shekhawat, 2008) led to citizens being internally displaced to safer areas within Kenya and in neighboring countries. South Africa has a violent past and the country is still grappling
with managing crime. Unlike other countries, it does not have a dedicated tourism police, which is imperative for safeguarding tourists.

Opening up a country borders opens up the country for new risks such as reducing visa restrictions that are seen as a barriers especially by less developing countries, and this can proliferate the entry of unwanted tourists that stay beyond their allocated time period. The growth of particularly urban tourism in Cape Town has displaced domestic tourists due to the high prices charged. The development of the domestic tourism market is challenged by the dominant unemployment, poverty and inequality that are affecting the South African economy. Tourism consumption requires the available of discretionary income, as a necessary condition to afford to procure and consume tourism offerings.

After a period of jobless growth experienced by the country, major industries such as agriculture and mining are increasing mechanisation and retrenching workers. The tourism industry has firm government support as an industry and it is the only industry that has the ability to create the jobs, and opportunities for entrepreneurs to earn a living and also afford to consume tourism product offerings. Ashley & Mitchell (2005) cautioned that tourism cannot be a panacea for all the challenges of a destination country. Much has been made of the positive benefits of tourism, which is usually well publicised, whilst the negative social, and environmental impacts are downplayed.

**Background: Tourism and Migration in Africa**

Tourism is one of the world’s leading industries in the world economy and is mostly promoted for its economic benefits across all countries. Tourism economy is not an independent autonomous entity but is intricately woven with the social and political fabric of society (Bailey & Richardson, 2010). It is the industry that cuts across other sectors, which make it difficult to estimate (Harrison, 1992, p 15). According to Visa (2013), the tourism industry is forecasted to grow at an average of four percent annually over the next 10 years. Although tourism is a piece token for all due to its nature of being a multiplier effect; regional unemployment continues to be a problem as a larger number of jobless people emigrate from distant places to the tourists’ centers, thus increasing the unemployed population in the cities. This merely concurs with the statement that ‘tourism in an export industry’ because of the product offerings that are consumed at the destination area. Therefore strengthening regional integration, collaboration and partnership through bilateral and multilateral engagement to facilitate movement of people from one place to another is prudent; be it for migration or tourism purposes.

Much academic gaze on the tourism destination area has increased because it is the site of production and consumption of the tourism experience. The operation of the tourism industry would attract inward migration that would compete with locals for jobs in the tourism industry. This point is also eluded by Shaw and Williams (1994, p. 184), that “international migration is important in tourism because it fills critical labor shortage in many developed countries”. Although the use of expatriates’ labor in the tourism industry is
problematic, it leads to leakage from the tourism destination, thus, limiting the benefit that the tourism industry has for the destination area. Apart from leakage, developing countries still struggle with socio-economic and operationalization issues. This makes it difficult for tourism to prosper in developing countries; for example some African countries hegemonic aspirations in the sense of seeking out a position of ‘structural power’ is evident through political and economic instability facing the continent. These hegemonic aspirations leads to migration of people from one country to another, or from rural to urban areas, thereby causing terrorism, crime, illegal immigrants, etc. However, this does not mean that there are no success stories in the continent concerning movement of people from one place to another place. African countries do realise benefits of the tourism industry, however, for tourism to prosper in Africa there is dire need for cooperation among the African countries and for the migration to go smoothly.

Africa has been punching above its weight in global affairs and has managed to reposition itself as a relevant and key player in the global political economy, as demonstrated by its role in agitating for the UN reform and for Africa’s important role in global governance institutions. The implementation of grand plans and initiatives like NEPAD and APRM are a good example of institutionalized migration. The response of African leaders, governments, AU and Regional Economic Communities (RECs) to the challenges today can have long term implications for Africa’s future. It is important to work together with non-governmental, international organizations and domestic platforms like (AU, UNECA) to strengthen Africa’s competitive advantage, control migration and to increase tourism opportunities. The development in the continent through the facilitation of visas may lead to economic growth, increased employment, FOREX, etc. A good example is that of the Southern African Development Community (SADC) region planning to introduce a Schengen type visa to control movement in the region. Such strategies will benefit less developed countries of sub-Saharan Africa, especially those afflicted by debilitating rural poverty; tourism is perceived as one of the few feasible options for development (Briedenhann & Wickens, 2004, p. 71).

Tourism remains crucial to diversify the economic activities of the rural areas, which would most probably be associated with mining and agriculture. A report prepared for the Department of Environmental Affairs (2003) highlights how tourism, specifically white shark tourists have changed the economic base of the town of Gansbaai from exclusively a fishing town. Moreover, the fascination about tourism by governments, policy makers and the private sector is motivated by the fact that tourism is a growth sector.

Tourism and Migration Challenges in South Africa

Several studies contextualize tourism and migration based on the geographic area or the events taking place. Work by Williams and Hall (2010) identify tourism and migration as two social phenomenons that overlap one another. They juxtapose the causal relationship of tourism and migration through definitions. Tourism and migration is intrinsically woven as
tourism may generate migration flow in the process. It is therefore essential to identify common characteristics of tourism and migration which involves movement of people from one place to the other and economic opportunities (Labor migration, Tourism job opportunities). Failure to identify illegal practices surrounding tourism and migration may negatively affect the beauty of tourism and migration. Following are some of the challenges.

**Structural state of affairs of South Africa**

Negative economic condition that has affected developed countries, such as ‘credit crunch’ has had an effect on South African government decision to cost cutting. This has led to the government not being able to create job opportunities. The high rate of unemployment in South Africa is more profound in rural areas. Rural areas have less expertise due to the out-migration of skills, and less economic opportunities to provide employment and give residents a good standard of living due to (Briedenhann & Wickens, 2004, p. 71) dwindling rural industrialization.

The tourism industry has been identified as an opportunity to bring in highly sought after investments and money from tourists. This could address the rural-urban migration of poverty by providing local jobs in tourism for locals. Diversification of the economic base of the rural areas is important, as the tourists provide temporary migration to the rural areas. Tourism when it is developed with pro-poor principles, can contribute to the diversification of the rural economy, especially for sectors such as agriculture. The adoption of tourism-led local economic development has seen tourism integrated into policy of the local governments.

However, institutional challenges such as corruption, maladministration, poor financial controls, poor governance and lack of understanding of tourism, also contribute to the challenges of the tourism industry. These challenges limit the ability of local government to provide a conducive environment for tourism to flourish. South Africa needs to increase its share of the global tourism industry and it can only do that by ensuring that the aviation industry is supported to flourish. The domestic and international aviation sector must be fully liberalized so that customers, and commerce alike, benefit from the increased competition, increased choice, lower prices, better connectivity, and increased frequency. Aviation is threatened by threats for the introduction of carbon taxation on a transport network that does not benefit from government subsidies (excluding in cases of national flag carriers). In addition, the reduction in the growth of aviation, would only have a detrimental impact on tourism, destroy jobs. Carbon taxation, instead of being a solution, would rob airlines of the financial means to buy newer generation aircraft that would produce less noise, fly faster, for longer and produce lower emissions.

**Safety and security**

Personal safety and security is one of the key challenges for the growth of the tourism industry in South Africa. Potential tourists when they undertake holiday planning will consider increasingly their personal safety and security as a determinant of the choice of
destination, they will choose relative to other competing destinations. According to Hughes (1996, p. 172). “South Africa has the highest per capita rate of murder with a firearm in the world, the second highest for manslaughter, the second highest for rape rate, the fourth highest murder rate, the second highest assault rate, the fourth highest burglary rate and the fourth highest robbery rate. Overall, South Africa is the fifth most crime ridden country in the world”.

This means that the South African public is crime ravaged, and therefore crime would limit, curtail and direct tourists to certain areas, both domestic and international tourism. Because tourism is associated with the temporary migration of people from their normal areas of stay and work for the purposes of engaging in tourism, and leisure activities. The threat of burglary would limit the length of stay of domestic tourists away from home; this clearly limits the developmental ability of the tourism industry because of crime. The fact is that Gauteng which houses the metropoles of Johannesburg and Pretoria is the economic heartland of South Africa and the most populated province.

The province is highly urbanized and the temporary migration by Gauteng tourists to visit other provinces, peri-rural surrounding areas and outer lying areas would become targets. The failure of the state to manage crime has led to the emergence of vigilantism in most formerly Black only townships. Crime has a detrimental impact on the tourism industry, firstly for product owners and tourists. The product owners have to invest significant amounts of money on securing their premises and assets due to the high rate of crime. In addition, concerns for personal safety and security may constraint tourist movement, and therefore geographically restrict the movement of tourists (also restricting geographically the tourism multiplier effect).

Perception is an important function in customer decision making and crime is one such factor. Township tourism suffers from a negative image from a product offering perspective and about personal safety and security. Much needs to be done to change this image, and any failure to do so, will limit the developmental ability of tourism in townships, the place where the developmental impacts of tourism are mostly required.

“Undocumented” or “illegal” or “unauthorized” migration

Another contributing factor to the challenges of tourism in South Africa is the issue of illegal or undocumented immigrants. According to Hoogendoorn & Marais (2008, p. 81) the high rates of crime in South African cities has created “fear based” spatial distribution. This in turn would have an important impact on the tourism industry, negatively.

The fear based spatial distributed noted by Hoogendoorn & Marais (2008) meant that Whites and means of production became feared for their personal safety and security, shying away from the central business districts (CBD) of major South African towns. Moreover, overcrowding due to illegal and undocumented migrants in major cities of South Africa calls for a concern; for example informal boarder trade and xenophobia attack due to high levels of unemployment in the country affected the tourism industry in 2008. South Africa has a
developed mass tourism culture, which exists with a growing special interest tourism niche market.

It is crucial to highlight that Shaw and Williams (1994: 183) stated that in-migration happen when the labor demands of the tourism industry exceed those of the local supply. South Africa’s economic success compared to other African countries has led to a steady migration both documented and undocumented for job-seeking within South Africa.

Conclusions

According to Wood (2005) tourism has been a central dimension of globalization, as the desire for travel and to be a tourist is practically universal. Migration has become a new “normal” life (O’Reilly, 2007). The aviation industry has been important in providing ease of fast paced transportation. The global skills shortage has led to the transportation of skilled human resources from any corner of the world to the site where the skills are required, which could be temporary and/or permanent. Greater global mobility for leisure or business has opened up new areas to a global population that is more connected by means of communication and travel. High amenity areas are attractive for residential tourism. Other factors that have legitimized residential tourism include cost of living (O’Reilly, 2007), and climate (O’Reilly, 2007).

According to Prinsloo (2000: 4) “savings by the household sector or personal savings, is usually divided into two categories, namely contractual and discretionary savings. Contractual savings involves individuals committing themselves to a series of payments such as premiums on insurance policies, contribution to pension funds...Discretionary savings, by contrast, refers to types of savings where households are not bound by any fixed commitments”. Households in South Africa are affected by high debt a level, which limits tourism consumption domestically, thus limiting the ability of the tourism industry to create more jobs, and opportunities for small, medium and micro enterprises. Government remains a major employer in South Africa, and according to the Public Service Commission (2007) the total debt owed to micro-lenders by public servants amounted to R13.3 million (South African Rand) during the 2006/2007 financial year. A Visa (2011) study amongst several countries reflected that South African Millennials is lower than average and South Africans are less likely to have a savings account.

The sustainability of the tourism industry in South Africa depends on a robustness of the domestic tourism market. Tourism consumption is a function of disposable income and disposable time. Disposable income is imperative for tourism consumption is linked to the savings behavior of tourists in the destination area (and inbound tourists from foreign countries). Discretionary income that is used for tourism consumption is regarded as the domain of individuals that are members of households. Financial literacy in addition to measures linked to increasing banking and savings access for South Africa is important to instill a culture of savings.
South Africa is a constitutional democracy with good institutions of governance. The post-apartheid era has corruption as one of the key challenges that impact on state capacity to function properly, and to govern. Corruption leads to institutional and governance decline, and the Department of Home Affairs which administers the borders of the country, has an entrenched culture of corruption. Acts of maladministration, corruption and poor governance impact on all levels of the bureaucracy and its ability to operate efficiently and effectively. This is especially imperative for the tourism industry, as tourism is frequently justified on the basis of its potential contribution to economic development. Locations need to develop strategies for local development to remain attractive to companies and residents.

Rodick (2006b) noted that the deeper cause of unemployment in South Africa is linked to the inability of the South African economy to generate growth momentum outside of the non-mineral sector. The high rate of unemployment is challenged by a low growing economy, and a skills mismatch between the needs of the economy and the skills levels of the majority of South Africans. The tourism industry has been a growth industry for South Africa, attractive because it is an attracted of foreign exchange par excellent. Tourism attracts tourists from other countries that bring hard currencies because tourism is an export product consumed at the destination. The growth of the tourism industry should be through an increase in domestic tourism expenditure (and the growth of Black South African tourists) and the growth of inbound international tourism. The growth of domestic tourism is a function of economic growth of the country, and the tourism industry can increase its contribution to gross domestic product (GDP), and therefore drive the economy. In order for this to happen, South Africa needs to remove the barriers that limit the ability of the tourism industry, specially visa access and aviation constraints. Research conducted by Cheng (2012) in Hong Kong indicates that when China relaxed visa requirements, mainland China became the major outbound tourism market for Hong Kong.

References


INTERNATIONAL MIGRATION AND NATIONAL


Paper submitted 19 February 2017
Paper accepted for publishing 21 March 2017
Paper published on-line 24 March 2017