

**THE ROLE PLAYED BY FOREIGNERS FROM
MOZAMBIQUE IN THE LOCAL ECONOMIC
DEVELOPMENT (LED) OF KWA-NGWANASE IN
UMHLABUYALINGANA**

By

**NONTOKOZO GWALA
200305934**

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SUPERVISOR

DR. ELIAS CEBEKHULU

DURBAN

July 2012

DECLARATION

As required by University regulations, I hereby state unambiguously that this work has not been presented at any other University or any other institution of higher learning other than the University of KwaZulu-Natal, (Howard College Campus) and that unless specifically indicated to the contrary within the text it is my original work.



NONTOKOZO GWALA

July 2012

As candidate supervisor I hereby approve this dissertation for submission

DR. ELIAS CEBEKHULU

11 July 2012

CERTIFICATION

We the undersigned declare that we have abided by the policy on language editing adopted by the College of Humanities, University of KwaZulu-Natal. We also declare that earlier forms of the dissertation have been retained should they be required.



GARY STUART DAVID LEONARD

10 June 2012



NONTOKOZO GWALA

8 July 2012

ABSTRACT

The movement of people is not a new phenomenon; it has always been associated with economic growth as foreign nationalities play a significant role in the local economic development of the area of destination. The increase in foreign migration from Mozambique is a true reflection of the important role that foreigners play in the local economic development of Kwa-Ngwanase District Municipality, UMhabuyalingana.

This study seeks to assess the role played by foreigners from Mozambique towards the local economic development of UMhabuyalingana, which is situated in the north-eastern corner of the Province of KwaZulu-Natal, South Africa. In particular, the study investigates the attitude of the local people towards foreign nationals from Mozambique. The main hypothesis advanced in this study is the positive relationship extant between the influx of foreign nationals from Mozambique to Kwa-Ngwanase and the local economic development of the area.

The empirical data for this study was generated through the use of questionnaires. The findings of this study reveal that the local people of UMhabuyalingana believe that the South African government can rely on foreign nationals for economic growth and skills transfer in the LED projects. It was evident from the fieldwork conducted that the majority of the foreign nationals are not employed in the LED projects, but are instead are involved in trading/business ventures for themselves. The study further established that the foreigners spend their financial returns locally rather than at home/area of origin.

Finally, the recommendations advanced by the study highlight that the local municipality should strive towards ensuring that foreign nationals are included in the local economic development of the Kwa-Ngwanase District Municipality.

Key Themes: *Labour migration; Local economic development; Economic growth; Foreign business permits; Foreign businesses; Globalization; Illegal migrants; Immigration policy; Informal economy; Lubombo Spatial Development; Migration trends; Mozambique; Post-apartheid migration; Skills transfer; Traditional economic development; UMhlabuyalingana; Xenophobia.*

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ANC	African National Congress
DFID	Department for International Development
IBM	International Business Machines
KZN	KwaZulu-Natal
LED	Local Economic Development
MIDC	Manguzi Information and Development Centre
RSA	Republic of South Africa
SARS	South African Revenue Service
SPSS	Statistical Package for Social Science
USA	United States of America

DEFINITION OF TERMS

Local people South Africans residing in Kwa-Ngwanase (place of study)

[illegible]

MAP OF SOUTH AFRICA WITH UMHLABUYALINGANA

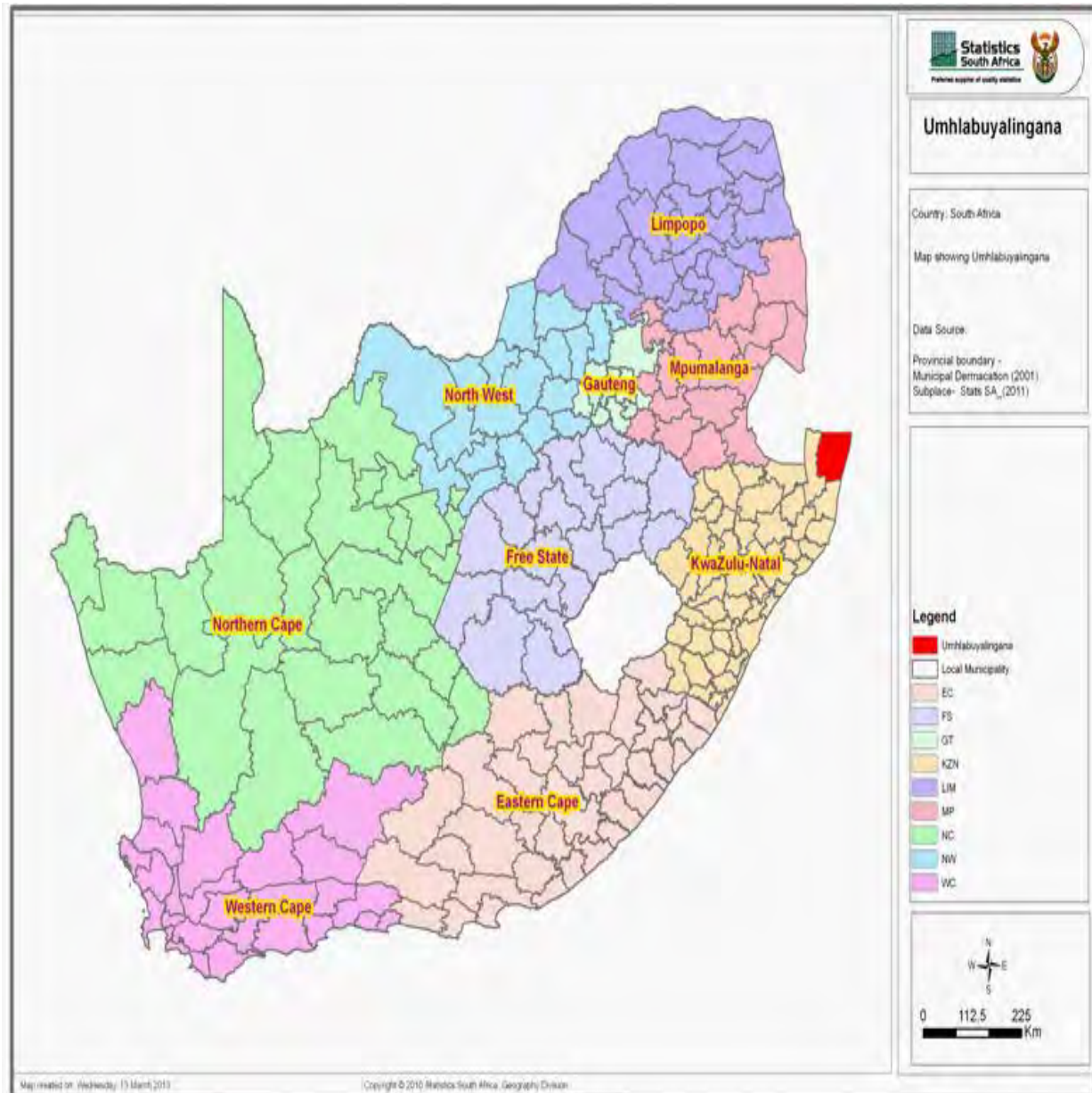


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**CHAPTER ONE
INTRODUCING THE STUDY**

1.1 Introduction

Regardless of their legal status, migrants, like all persons, possess inherent human dignity that should be respected. Often they are subject to punitive laws and harsh treatment from enforcement officers from both receiving and transit countries. Government policies that respect the basic human rights of the undocumented are necessary (United States Catholic Bishops 2003).

Migration has been studied extensively across all disciplines. There are three important decades in the documented history of South Africa as far as labour migration is concerned. In the 1970s and 1980s, the focus was upon migratory labour systems, their nature and implications. In the 1990s, the focus changed to immigration (Posel, 2003:1). For this reason, the question still stands whether migration patterns have changed from what it was before and now (Posel, 2003:1).

For decades, South Africa has remained a destination for labour migrants from Africa, it being reported that more males than females entered South Africa. Hence, between 1997 and 2000, the proportion of females among temporary migrants increased from 15% to 25%, where their destination was the province of Gauteng, long regarded as the industrial heartland of South Africa (Crush et al. 2006:5). Posel (2003) has argued that migration has been male all the time, whereby men retain their ties with their country of origin and transfer their income to their wives who remain behind at home to take care of their families.

South Africa received between three and eight million labour migrants from Swaziland, Mozambique, and Lesotho, who were the main suppliers (Sibanda 2008:1). However, there were restrictions placed around the movement of people, whether outside or within the country to work or to settle permanently. As a result, labourers were not allowed to bring their wives or children to their area of work (Posel 2003:2). The study by Sisenglath (2009) has maintained that while labour migrants can

add value for local economic growth, they remain open to exploitation, human trafficking and other forms of harassment, if they are not in possession of formal documentation such as work permits.

Understanding the link between labour migration and the impact it has on the local economy has been a challenging task preoccupying many migration theorists. In an era of rapid globalization, various movements of people can be observed through tourism, education, job hunting, refugees, human trafficking, etc. The reason for migration varies according to individuals. Cebekhulu and Muzumbukilwa (2007) maintain that while migration is bound to grow, it promises to offer development opportunities for both countries of origin and destination as well as for individual migrant workers. At the same time, migration theorists such as Papadimitriou (1991) are of the opinion that migration is a decision that lies within individual households in order to overcome poverty, overspending and other constraints placed on family production or consumption.

1.2 Background and Outline of the Research Problem

The area of Kwa-Ngwanase where my study was conducted is part of the UMhlabuyalingana local municipality, formerly known as Emanguzi. The UMhlabuyalingana municipality is part of the UMkhanyakude District Municipality known as the 'Big Five'. The municipality was named the 'Big Five' because there are five other municipalities under the jurisdiction of the UMkhanyakude District Municipality, namely Hlabisa, Mtubatuba, UMhlabuyalingana, Jozini and False Bay. According to the 2001 National Census, UMhlabuyalingana has 19, 611 households inhabited by a total population of 140, 958 people. The community survey of 2007 indicated a significant increase between the years 2001 to 2007. The population increased to 163, 694 (UMkhanyakude District Municipality 2010:30). Such an increase is assumed to be attributed to the influx of thousands of foreigners migrating from Mozambique in search of employment opportunities, such as the Lubombo Spatial Development initiative.

The Lubombo Spatial Development programme was launched in May 1998 as part of a local economic development strategy aimed at creating 15, 000 jobs. In May 1998, the then State President Nelson Mandela delivered a speech in Durban applauding the Lubombo Spatial Economic Development as a good example of a joint economic partnership and initiative in southern Africa that would provide good growth prospects for both tourism and agriculture (Mandela 1998). The main aim of the Lubombo Spatial Development programme was to grow the local economy through inward investment. The target sectors were agriculture and tourism. Prior to the Lubombo Spatial Development, the influx of thousands of foreigners to Kwa-Ngwanase was associated with refugees fleeing decades of civil war in Mozambique between Frelimo and Renamo in the 1980s. This war was regarded as the longest in Mozambican history and was responsible for displacing some three million people.¹

According to the 2001 National Census, Kwa-Ngwanase was home to approximately 5, 330 foreigners from Mozambique. The household survey conducted by Klopper in 2005 pinpointed that 59% of migrants settled at Kwa-Ngwanase due to the war in the 1980s. Statistics from the Department of Health at eJozini, in the northern part of KwaZulu-Natal reveal that by 2005, the population had increased by 3, 455 from a mere 302 back in 1986 (Klopper, 2005b:76).

The end of the conflict in Mozambique coincided with globalization and the deepening of democracy in South Africa following the African National Congress (ANC) led government coming to power in 1994 following liberation. Immediately afterwards, South Africans became alarmed by the influx of foreigners who were blamed for all manner of crimes and unemployment. During this time, the country rejoined multilateral organizations (Klotz, 1997). Castells (2010) refers to this movement of people as global labour. Increasingly, Castells argues, there was a process of globalization of speciality labour, a type of labour that while in high demand, was not that skilled. This kind of labour does not follow migration laws. He further

¹ See, The Civil War in Mozambique as a Case Study in the Jus ad Bellum Convention of Just War Theory. Brothers (Up) in Arms: Was the Civil War in Mozambique Justified? undated. Draft PhD. Proposal, <<http://ebookbrowse.com/swansea-phd-carlossantos-doc-d96128692/>> [Accessed 05 January 2012]

argues that anyone with a potential of adding value stands a chance of shopping around the globe and being shopped around the globe as well. Castells estimates that by the end of the twentieth-century, 130-150 million people would be found living outside their country of origin (Castells, 2000:130).

The massive migration of Mozambicans to Kwa-Ngwanase is similar to the new Chinese migrant entrepreneur as noted by Tjon Sie Fat in his (2009) book, *Chinese New Migrants in Suriname: The Inevitability of Ethnic Performing*. Chinese migrants aggressively progressed from the informal to formal economy through the use of construction companies, fisheries, barber shops, beauty parlours, retail trade and urban agriculture (Tjon Sie Fat 2009:122). This was what former State President Thabo Mbeki (2004) alluded to when he addressed the joint sitting of the third democratic parliament in Cape Town, South Africa. He said the struggle against poverty and underdevelopment rest in the three pillars. Those pillars are: To develop the first economy to increase a possibility to create jobs. To implement programmes to deal with problems faced by the second economy. To build a social security net to meet the objective of poverty alleviation (Mbeki, 2004)

Mozambicans and South Africans are mostly found in the second/informal economy in Kwa-Ngwanase. There are about three boarder markets in Kwa-Ngwanase, Puza, Muzi, and Mbangweni (Kloppers, 2005b:154). These boarder markets bring shops to the people of borderland on both sides of spatial divide since there are no shops in the vicinity (Kloppers, 2005b:156). A survey conducted by Klooper (2005) established that both sides of the International border show that 87 of 100 interviewees in KwaMshudu regularly attend the market as do all the 100 interviewees on the Mozambican side. The informal economy is defined by Peberdy (1997) as the activity of small entrepreneurs who are involved in buying and selling across national borders. Peberdy (1997) further argues that the definition includes:

- i. A trader who travels one to four days a week to purchase goods and then resells them in their country of origin;
- ii. A trader who travels for a week to two months carrying stock to sell in the informal market of another country;
- iii. A trader who travels to more than one country buying and selling goods.

The Department of Health (Manguzi Hospital) describes the demographics of Kwa-Ngwanase as consisting of 46% of illiterate people and the overall UMkhanyakude Municipality as having an illiterate population of 35.40% (UMkhanyakude Municipality 2003). The majority of the population is largely dependent on subsistence farming which contributes 10% of the municipality GDP and tourism of the area. In terms of budget allocation this amounts to R180, 000 (UMhlabuyalingana Municipality Integrated Development Programme, 2008-2009).

In the absence of adequate job opportunities in the area, there is fierce competition between the local population and foreigners from Mozambique in the manual labour intensive and domestic sectors. Migrant labourers from Mozambique compete for the few jobs with the South African population since in their country of origin there are scarce job opportunities and a lack of sustainable financial facilities to support rural development (Castel-Branco, 2002:7). In order to make a living, foreigners from Mozambique are also heavily involved in the secondhand clothing and car maintenance business sectors in the area. Among the foreign traders at Kwa-Mshudu, illegal trading is alleged to have taken place, including the illegal selling of secondhand clothes in markets which have been named “Edgars” by the local population (Kloppers, 2005b:146). With regard to the car maintenance businesses in the area operated by foreigners, it has further been alleged that many of the vehicles being worked on and sold have previously been stolen.

To date, Mozambique not only supplies labour, but the Mozambican authorities, through the Peace Park Foundations (PPF), have extended the Maputo Special Reserve to link it to the Tembe Elephant Park and the Futi Corridor which is part and parcel of the economy of Kwa-Ngwanase (Peace Park Foundation undated). It is anticipated that the strong bond between South Africa, Kwa-Ngwanase and Mozambique will create further job opportunities between the two countries. Mr. Anton Rupert, the founder and the chairman of the PPF, also shares the same view that such initiatives can add value to communities when they are used to create sustainable growth based on ecotourism (Jones, 2003:6). Conservation also creates employment for more South Africans.

The movement of people from African countries is not a new phenomenon. People

have for millennia moved from one place to another in search of a sustained livelihood. This movement is associated with globalization and today there are more than 250 million people on the move globally. In Asia alone more than 80 million are on the move. Countries such as Indonesia, Sri Lanka and the Philippines are experiencing a move where more than 70% of the total number of overseas contract workers is comprised of women.

During the apartheid era, migration followed a different pattern and foreigners had a huge role to play in the economy of South Africa as they do in the post-apartheid era. In 1970, South Africa became the employer of Mozambique wage labour in the gold mining sector. About 11, 000 Mozambicans were employed in total, which was 25% of the industrial employment. South Africa was perceived as offering better wages than that of commercial farms in Mozambique (Castel-Branco 2002:93). Of all the African countries, the Employment Bureau of Africa (TEBA) remained a central recruitment agency. As the years continued, it became clear that Mozambique was becoming a larger supplier of labour than that of Lesotho in the 1980s (Harington et al. 2004:66).

Over the years, statistics on the contribution of foreigners in the local economy of Kwa-Ngwanase reveal that Mozambicans have contributed immensely towards the local economic development of the Province of KwaZulu-Natal. A quick snapshot of the local economic indicators, i.e. employment, agriculture, construction, retail trade, etc, (National Scarce Skills 2007) confirms the significant role that foreigners have played in the local economic development of the area thus far. The province of KwaZulu-Natal reported positive statistics in manufacturing (+7.7%), construction (+4.1) and in retail trade, and negative in hotels and restaurant (-7.4%) during the recession (Mkhize, 2010).

Skills indicators pinpoint that foreign nationals have brought with them scarce skills required in building the economy of the area.² For example in the agriculture sector, Crush (et al. undated) argues that the agricultural sector has a great need for farm workers; hence there is a common assumption that they hire illegal migrants as workers

² The Department of Labour through the National Master Scarce Skills List for South Africa is addressing the issue of scarce skills which has been identified as causing a constraint in economic development and commensurate labour market demands.

because South Africans do not want to work on the farms. The National Scarce Skills list provided by the former Labour minister Membathisi Mdladlana, states that the firms, sectors and even the national economy are unable to implement planned growth strategies because productivity service delivery and equitable problems are directly attributed to the lack of skilled people (Department of Labour, 2007:2). The National Scarce Skills list catalogues the magnitude of the skill scarcity. The top three are as follows:

- i. Crop Farmers with a magnitude scarcity of 180 000;
- ii. Welfare Support workers with a magnitude scarcity of 19,995 and,
- iii. Structural steel and welding traders workers (including boilermakers and welders) (Department of Labour, 2007:6).

Scholars such as Froy et al. (2009:49) argue that this might not be a case of scarce skills but that migrant labourers are willing to work for any rate, more especially those from Mozambique. Despite their contribution, the lack of proper trading and business permits seems to be a major obstacle to aspiring foreign entrepreneurs. A study conducted in the United States of America (USA) by the Centre for an Urban Future (New York, NY), reveals that immigrant entrepreneurs have been an overlooked and little understood factor in a city's economy. The research shows that more businesses have been developed by foreign-born entrepreneurs as compared to native-born entrepreneurs in major cities in the United States (US), driving robust economic growth in sectors from food manufacturing to healthcare (Miller, 2007).

Blakely and Bradshaw (2002) link local economic development (LED) to globalization's accelerated pace, knowledge base and networks. In a case study of the construction industry in Botswana, Mselle and Kgaube (2000) view LED as being dependent on foreign labour. As a result, LED strategies in Botswana would not be achievable without the help of foreign workers. The Botswana construction industry case study shows that there was a particular lack of skills which resulted in the relaxation of the immigration laws and employment of foreigners to sustain the Botswana construction sector. The study, conducted by Mselle and Kgaube (2000), indicates that the use of foreign labour results in more positive than negative results. The impact of migrant workers can be highlighted by the economic, social and

political structures of the country. Companies that use both local and foreign labourers note an improvement in terms of skills transfer, in which locals appreciate the knowledge shared between them (Mselle and Kgaube 2000). In the flow of capital, such migration policy has identified the flow of scarce skills as an advantage to the receiving country as well as to the sending country (Theron and Graaff, 1987:4).

The example of Singapore is an important case in point. During the 1960s, Singapore embarked on an economic development programme that resulted in domestic labour shortages and caused the relaxation of the immigration policy to accommodate the temporary workers. At the peak of its economic growth, the immigrant labour force was reported as being one in eight workers. Using foreign labour during times of labour shortage, which would have slowed down economic growth, also increased flexibility in the sense that when there was an economic recession they could easily be retrenched. This resulted in increased profits and lower labour costs for employers. The disadvantage of using foreign workers is that it discourages national governments from investing in education and training for its own citizen workers, whereas the transfer of foreign workers' wages to their home nation imposes a cost on the host nation (Fong and Lim, 1982).

The role of foreign nationals in LED was triggered by the rebirth of South Africa in the 1990s following the demise of apartheid and the establishment of a new democratic state. Nel (2001) argues that the developmental strategy of LED has been widely practised in the countries of the global north for several decades; hence it is not a new phenomenon. In the global south, it appears to be a fairly recent phenomenon, which still needs to be evaluated as to whether it can overcome the challenges of poverty and unemployment as well as encourage economic growth. According to Blakely and Bradshaw (2002), local economic development is part of the urban renewal activity of local government programmes, the drive being to plan for growth in the local economy in a systematic way. Such activities take into cognisance the new patterns of human settlement related to the inclusion of foreign workers in the local economy.

1.2.1 Hypothesis

The increase in foreign migration from Mozambique is a true reflection of the important role that foreigners play in the local economic development of KwaNgwanase. The hypothesis advanced in this dissertation is that:

There is a positive relationship between the influx of foreigners from Mozambique to Kwa-Ngwanase and the local economic development of the area.

1.3 Objectives of the Study and Key Research Questions

The overall objective of this study is to determine the degree and level of influence that foreign workers from Mozambique have on the local economy of Kwa-Ngwanase.

1.3.1 Key Objectives

To answer this question, this present study will intend to:

- i. Determine the type of trading that migrants from Mozambique are involved in;
- ii. Assess whether the businesses owned by Mozambicans employ local people;
- iii. Assess the skills transfer from the Mozambicans to the local people of Kwa-Ngwanase;
- iv. Determine the challenges experienced by Mozambicans in Kwa-Ngwanase;
- v. Evaluate whether the livelihood of the Mozambicans has changed since being in Kwa-Ngwanase;
- vi. Assess whether there are support mechanisms afforded by the local municipality and the local inhabitants of the area to Mozambicans in settling in the area.

1.3.2 Key Research Questions

The key research questions which this present study will attempt to answer are as follows:

- i. What are the types of jobs that foreigners from Mozambique perform in Kwa-Ngwanase?
- ii. Are the foreigners creating jobs for local people in their businesses?
 - iii. Are the Mozambicans transferring any skills to local residents of Kwa- Ngwanase?
- iii. What is the hospitality of local people like towards foreigners from

Mozambique?

- iv Has there been any improvement in the livelihood of foreigners from Mozambique since being in Kwa-Ngwanase?
- v. How is the relationship between the Mozambicans and the local municipality?

1.4 Principal Theories Informing Economic Migration in South Africa

This study utilizes the traditional economic development theory which is premised on the assumption that people (foreign nationals) move from low-paying jobs and low-technology-based activities from their places of origin to high-technology based activities and better-paying jobs in South Africa.³ Greater employment of foreign workers takes place in non-agricultural sectors and increases the chances of job creation. As a result, the main argument advanced in this study is that the influx of foreigners from Mozambique has resulted in the local economic development of Kwa-Ngwanase. The limitation of the traditional theory is its failure when applied to local economic development because of its focus on abstract macro issues instead of specific concrete issues and its failure to recognize that each location is unique and there are no clear blueprints which can be applied to guarantee success (Rowe, 2009:4).

In adopting this theory, the present investigator is cautious that local economic development cannot expand through the means of a 'one size fits all' type of economic strategy, because rural economies are traditionally very small and comprise of a small skilled labour force. Within agglomeration economies, the savings that accumulate from spatial concentration of economies activity are generally absent. This is central to metropolitan economies, which calls for a traditional development theory and implies different theoretical outcomes for rural urban areas. A rural livelihood is mostly generated from farming, agricultural businesses, tourism,

³ For an introduction to traditional economic development theory, see Local Economic Development in Post-crisis Situations: Operational Guide <http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_115919.pdf> [Accessed 14 February 2012].

resource (e.g. mineral) extraction, manufacturing, government employment and government transfer. In other words, economic development cannot take place in a uniform way. To avoid economic development strategies being created in a vacuum, there is a need for proper planning to involve all relevant local economic development actors rather than decisions taken alone by planners and developers (Casanova, 2004:31). Boland in his (2007) book, *Local Development, Productive Networks and Training: Alternative Approaches to Training and Work for Young People* argues that this tendency to copy generic solution has resulted in:

...cities adopting the same economic development tool kit at a time of theoretical emphasis on the role of innovation in (local) economic development. What actually emerges as local economic development policy therefore lacks any real innovative or original thinking because the policy priority contained in the strategy documents are effectively identical (2007:1032 cited in Rowe, 2009:5).

Rowe (2009) also argues that local economic developments which lack a dedicated logical body of theory become an ever-evolving discipline to which practitioners pay less attention. Casanova (2004:28) also concurs with Rowe that evolution cannot hide the fact that local economic development lacks a clearly defined theoretical model. In contradiction, Bingham and Mier (1993) maintain that local economic development theories are a collection of many theories derived from different disciplines. According to Rowe (2009:3), disciplines such as economics, geography, resources management, regional science, and planning, provide an insight to local economic development theories. Other scholars argue that economic development is an emerging academic discipline which would further develop by advancing their own theoretical frameworks. Scholars such as Knudsen (1997:210 cited in Rowe, 2009:4), further argue that the ignorance of the theory by practitioners and of economic development practice by theorists has resulted in piecemeal practice and unrealistic economic development theory, whereby they have no appreciation of the need for a definitive theory of economic development.

The theoretical framework also has its limitations and critics; hence the aim of the present study is to make sure that the role played by foreigners from Mozambique in the economic development of Kwa-Ngwanase and the sectors of the economy that the

foreigners are involved in is carefully investigated. The main findings of the study anticipate the encouragement of proper municipal economic development planning which includes the use of foreign nationals and other relevant stakeholders in uplifting the local economy. This study therefore intends to investigate a study sample in one specific area, bearing in mind the area is rural and economic development is growing in a different form as compared to cities. Rural economic development takes place on a small scale using less skilled labour compared to urban areas.

1.5 Research Methodology and Methods

1.5.1 Population

UMhlabuyalingana is a rural area in KwaZulu-Natal under the district municipality called UMhlabuyalingana. According to the 2001 National Census, Kwa-Ngwanase has an estimated 19, 611 households, which amounts to 133, 895 people. The population of UMhlabuyalingana has been growing rapidly due to an influx of foreign nationals. As a result, UMhlabuyalingana is now home to about 5, 330 foreigners from Mozambique due to the migration of people searching for a better livelihood.

1.5.2 Sampling

The main purpose of this study was to interview the local residents of Kwa-Ngwanase as well as foreign nationals. The study utilizes the qualitative method where non-probability sampling techniques, called purposive sampling was used to select 25 foreigners and 17 local participants as part of the study sample. The purposive technique is mostly used when a researcher selects a sample on the basis of knowledge of the population, its elements, and the nature of the research aims (Mouton, 2001:166). The sampling encompassed two approaches:

- i. The selected sample of foreign nations was asked questions relating to their economic contribution to the area;
- ii. The selected sample of local workers were interviewed to gauge the responses generated from the interviews with the foreign nationals.

During interviews the respondents identified other people as potential informants, and the researcher employed the snowballing technique. The snowball sampling technique assisted in extracting additional information that was useful to the study. The snowball sampling technique was important when sampling a member

of a special population which is difficult to locate, e.g., migrant workers, homeless individuals, undocumented immigrants, etc (Mouton 2001:167).

1.5.3 Research Instruments for Data Collection

The instrument for data collection was the questionnaires. The first section of the questionnaire consists of the demographical information of the respondents and the second section comprised of open-ended and close-ended questions which are focused on local economic development. Two sets of questionnaires were administered, one to foreigners and one to local residents. The questionnaires were administered in households of local people and foreigners. In the case of referrals, the questionnaires were administered where the respondent is located. Prior to the administration of the questionnaires, the respondents were briefed about the objectives of the study which is part of ethical clearance to avoid respondents thinking that the information will disadvantage them somehow. In addition, two separate focus groups were conducted. In order to obtain reliable information the present investigator translated the questionnaire and focus group questions into isiZulu as 46% of people in Kwa-Ngwanase are functionally illiterate.

1.5.4 Data Analysis

The SPSS is a piece of software that takes raw data and combines them into statistics that can be used as predictors. SPSS stands for Statistical Package for Social Science (Sarma 2010:256). The SPSS is an old statistical package for data analysis. Griffith (2010) states that in 2009, the SPSS was forty years old and was developed by Stanford University in the late 1960s by Norman H. Nie, C. Handlai (“Tex”) Hull, and Dale H. Bent when they needed to analyse a large volume (Griffith 2010:10). The advantage of the SPSS is that it makes calculations while the raw data on which calculations are performed depends upon the researcher (Griffith, 2010:9).

Because the SPSS allows for the definition of variables, it became easy to create a number of cases. Each variable is defined as containing a certain kind of number, e.g., a question about gender will have variable 1 and 2. 1 is equal to female and 2 is equal to male, and after all variables have been defined, analyses can be performed (Griffith, 2010:13).

One of the advantages of using the SPSS is that it can manage huge volumes of data. The SPSS output is very conveniently arranged in the form of tables and is easily copied on Microsoft Excel[®] and Microsoft Word[®]. Another advantage is that the SPSS has features such as multivariate analysis, special graphs, etc (Sarma, 2010:256).

1.6 Structure of the Dissertation

There are five chapters that constitute this present dissertation, structured for functionality and not purpose:

- i. **Chapter One:** This chapter highlights the importance of the study, its aims and objectives. It also present an introduction to the dissertation, as well as give clarity to the role played by the foreign nationals from Mozambique in the LED of Kwa-Ngwanase, UMhlabuyalingana;
- ii. **Chapter Two:** This chapter consists of a detailed review and analysis of relevant literature and theoretical framework pertaining to the topic;
- iii. **Chapter Three:** This chapter focuses on the research methodology used to conduct the research study;
- iv. **Chapter Four:** This chapter presents the interpretation of data followed by a discussion of the research main findings;
- v. **Chapter Five:** This chapter provides the conclusions emanating from the study as well as to offer some pertinent recommendations. The limitations of the study are acknowledged and discussed in this chapter.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter will present a literature review with reference to the previous work done on the impact made by foreign workers in the Local Economic Development (LED) in the pre-apartheid and post-apartheid era. In particular, this chapter will engage with the scholarly work done on LED, including its historical background, the problems that hinder economic development, the limitations of previous studies conducted on associated social issues, policy limitation, the role played by foreign nationals in Africa as well as in South Africa, and finally, the role of the remittances to the place of origin and the challenges faced by foreign nationals in South Africa.

Labour migration has been always related to LED, having been strongly debated politically as to how a country can obtain quality statistics to inform policy formulation (South Africa Multidisciplinary Advisory Team Harare, Zimbabwe 1998:3). Bernstein and Dagut (2008) argue that the absence of quality statistics on labour migration is one of the key challenges that South Africa faces. Obtaining quality statistics is vital if the country is to communicate effective migration information. The information required on the role of foreign nationals includes data on students, skilled immigrants and refugees, asylum seekers, retirees, cross border trade and entrepreneurs and their respective impact on the economy of South Africa.

The effective management of migration information and the continuous monitoring of the local growth in the country can only be achieved by obtaining this kind of information. Solomon (1996) also argues the provision of accurate immigration information is the responsibility of the Department of Home affairs and the South African Police Service (SAPS). The estimates by the Department of Home Affairs are incorrect since they only capture those foreign nationals who are in the country legally, while neglecting those who are in the county illegally, as well as those who are supposed to return home after their permits have expired.

This raises another important question as to how many foreign nationals with temporary permits return home. Indeed, it is hoped that Census 2011 will have accurate

information of the number of foreign nationals resident in South Africa. Data gathering has been improved by Statistics South Africa by including a question that requires enumerated members of a household to state their respective nationality. In reference to this, Section B of Census 2011 Dress Rehearsal Questionnaire investigated the migration patterns of the family.⁴ Trevor Oosterwyk, the communication manager of Statistics South Africa is therefore hopeful that people will admit their place of origin for this to work effectively (Smook, 2010:4).

2.2 Local Economic Development

Local Economic Development (LED) has been defined by many writers and agreed upon by international governments and different writers. The Department of Local Economic Development defines LED as an approach which supports local people to work together to attain sustainable economic growth and development that bring benefit to the quality of life of all residents in a local municipal area (RSA, 2008:5). Bartik (2003) defines LED as a local economy's capacity to generate affluence for local residents. Improvements occur if local resources, such as labour and land, are used more productively (Bartik, 2003:1). It is obvious that the community, as well as private and public organizations are the main stakeholders for driving the LED that benefits everyone using the available resources. Goetz et al. (2011) define local economic growth as the race to the top versus the fall to the bottom of economic development. Whether this approach works or not is debatable. Inevitably, the chosen path affects the delivery of State and local government services and potentially the size and distribution of income (Goetz et al. 2010:5).

2.2.1 An Overview of Local Economic Development

Blakely and Bradshaw (2002) argue that this new economy had been there since the 1990s but, the rural areas have never been part of this economy. The disadvantage to this economy lies with globalization where jobs are more mobile than people (Blakely and Bradshaw 2002:7) due to the emerging international companies that are not tied

⁴ Within the Census 2011, Dress Rehearsal Research Questionnaire there is a section which addresses the migration patterns of families in South Africa. See <<http://www.statssa.gov.za/census2011/index.asp>> [Accessed 31 March 2012].

by national or local forces (2002:4). The integration of foreign economies to that of local economies resulted in one globalized economy (2002:1) a consequence of which was the negative impact globalization has had on local economies during times of world economic recession (2002:2). Local growth is very important and is part of the United Nation's Millennium Development goals. There is however a ladder that prevents the growth of poor populations in rural areas. Included in this ladder are such features as foreign investment which tends to be scarce and hard to attract. Most of the urban population operates in the informal economy. Employment is heavily informal, in services and small workshops, and in domestic food processing. Exports tend to be mostly primary commodities, and subject to price volatility and long-term declines in prices (Canzanelli and Del Bufalo 2005:3).⁵

Crush et al. (2005:1) agree that the movement of people is not a new phenomenon. The phenomenon has introduced a sense of belonging among foreign nationals. Most immigrants move because they have a grandparent that is working in the city or foreign country. Solomon (1996) confirms that migration is caused by various pull and push factors from the country of origin. These pull and push factors can be socio-cultural, communication and technology, geographical proximity, precedent, demographics, population growth, environmental, local or global economic matters, and political issues.

2.3 The Movement of People during the Pre-Apartheid Era

Migration patterns during the pre-apartheid era were different from the post-apartheid era, where rapid growth in migration was due to the discovery in 1886 of gold and diamonds in the Witwatersrand (Crush et al. 2005:2).⁶ The new pattern of migration, complex as it is, possesses an inherent data problematic since the number of undocumented migrants is uncontrollable. Because there are no records of informal labour from employers or government agencies results in there being no reliable numbers of those employed in the informal economy. Only Census data is available

⁵ An important contribution to this debate, based as it is on the territorial economic development approach is experienced by the United Nations Development Programme (UNDP).

⁶ A paper prepared for the Policy Analysis and Research Programme of the Global Commission on International Migration.

but this in itself poses limitations again on distinguishing legal and undocumented migrants (Crush et al. 2005:5). During the century 1896-1996, Mozambique, Lesotho-Qwaqwa and the former Cape Province remained the main supplier of labour to Southern Africa's mining industry and commercial farming (Harington et al.2004:66), because the local people refused to work in those sectors (Crush et al.2005:4). As a result, labour migrants played a very important role in the development of the mining industry and commercial farming. It is important to note that without them the economy could not have been where it is now (Crush et al. 2005:2). As the Home Affairs Spokesperson Patrick Matou has stated:

Once migrants are in the country, they find jobs easily because they accept whatever wages are offered to them; hence they are prey to unscrupulous employers who were willing to hire them as cheap labour.

Maharaj (2004:13) does not deny the fact that foreign labour adds value to the economic growth of a country and the world in general. According to Maharaj (2004) South Africa sees the foreign labour market as a threat because they take jobs from the locals, transport disease, and commit crime. Maharaj also records in his paper, "Immigration to Post-Apartheid South Africa, Global Migration Perspectives", that that is not the case, but because they are so desperate for work, they take any job that comes their way. A survey conducted in Durban indicated that about 81% of respondents did not even have contracts with their employees (Maharaj 2004:13).

The recruitment of foreign labour could never have been achieved without the Temporal Employment Bureau of Africa (TEBA). The TEBA was tasked to recruit labour from Africa. As the years went by, it slowly became clear that Mozambique was becoming a larger supplier of labour than that of Lesotho in the 1980s. In 1970, there were about 260, 000 male labour migrant recruited by TEBA. By 1985, the labour migrants recruited had risen to about 317, 010.⁷

⁷ The source of this information is the Temporal Employment Bureau of Africa (TEBA) since the colonial Census never provided the labour data (Crush et al. 2005:3).

2.4 Migration Trends and Local Economic Development in the Age of Globalization

The International Labour Organization (ILO) presents the age of globalization as being encompassed by changed employment patterns with more networking and contractual agreement between workers and employees. In his study of the labour standards and migrant labour in India, Salve (n.d.) argues that more people are being employed on contract and through the use of a 'middle man' to avoid the keeping the staff for a long time as such might be costly. Most immigrants are employed on this basis and this serves a first course type of job. The question concerns the level of skills transfer between the local employers and the foreign employees who are employed on contract, yet skills shortage is hindering LED growth. According to the University of Botswana study by Mselle and Kgaube conducted in 2000 on the impact of migrant labour in the development of Botswana, the local people in the construction industry appreciated the skills training and expertise they received from their foreign counterparts.

There are many problems that hinder the growth of LED. The World Bank has identified the issues of infrastructure, finance, crime, violence, lack of access to transport, lack of training to basic accounting and the absence of business management skills to manage LED projects. There is also poor productivity due to regulations and transport issues and thin profit on investment capital. Households engaged in informal activities often have difficulties in retaining working capital against urgent household demands for cash resulting in negative developmental interventions (The World Bank n.d). To resolve the challenges faced by LED requires municipalities to work with the local poor and ensure that they supply these communities with municipal services. It also requires them to stop relying on external funding and to use creative local solutions for local problems. In this regard, a comprehensive audit of the resources at hand should be the starting point because one of the resources readily available within rural communities is the abundance of unskilled manual labour. Parker (2004:31) also recommends land to be used for agricultural and non-agricultural purposes as well as eco-tourist.

Mr. Sicelo Shiceka, the Traditional Affairs Minister, has delivered a report on the

failure of local municipalities to meet economic growth targets in South Africa. In his report, he talks about issues of corruption, fraud, governance, financial mismanagement and nepotism. Again, there is a vague allocation of roles and responsibilities of municipal managers, mayors and the chief whip. He maintains that LED should be everyone's business to avoid setbacks (South Africa Cities Network 2009).

A current restraint to LED has been the global economic drop. Sectors such as construction, hotels, and restaurants are suffering a great deal in terms of sustaining economic growth. (Award, 2009:5). The suffering economic sectors that foreign nationals are mostly employed in include hotels, restaurants, manufacturing, construction, healthcare, education, domestic work as well as agriculture (Award, 2009:5). In total, about 2.6 million foreign nationals have made a positive contribution in the achievement of the United Nation's Millennium Development Goals (Economic Commission for Africa Sustainable Development Division. 2006). The Minister of Education, Blade Nzimande calls for teaching of African languages and the effective teaching of English because English serves as a barrier for people to access the so-called first economy (Kaschula, 2011).

It is of equal importance to ascertain where the foreign nationals are mostly found to be working and the types of businesses that migrant workers from Mozambique are involved in. The involvement of woman in entrepreneurship is not a new phenomenon and the research that has been done affirms that trading done by woman adds value to LED (Ojong, 2006). In the main, foreign women are trading in skin and hair-care products and African fabrics. Their trading strategies of introducing new products using new marketing methods and applying new client servicing keeps their businesses on top. An example is the popularity of the hairstyles brought by the woman from Ghana which has attracted the South African hairdressers wishing to remain employed in their Salons. There is more skills transfer in those salons owned by foreign nationals by means of apprenticeships (2006:143) and the experience the foreign woman obtained in running their businesses in their countries of origin (2006:144). This goes to show that migration is not only male. Other migration observers such as Zlotnik (2003) argue that much scholarly writing on migration seems to assume that most migrants were male up to the late 1970s. This assumption

was common when attention was on economic growth because it was believed that female participation on the economic growth was very small. As a result, Zlotnik (2003) confirms the “feminization of labour migration where in the 1960s female migrants were nearly 47 out of every 100 migrants outside their place of origin”.

UMhlabuyalingana has seen the establishment of the Manguzi Information and Development Centre (MIDC) and the Council for Scientific Industrial Research to conduct a continuous interaction evaluating different economic development opportunities in Maputo and the impact this has had on LED. This includes the Incema and Ishikhoko indigenous grasses that are manually produced and utilized in the furniture manufacturing initiative. Over a period of three years, the intervention cost of about US\$ 100,000 with 200 sustainable jobs is expected in the region. This initiative shows the potential of further interventions that encourage rural entrepreneurship (Raj n.d.:1). Unfortunately, there is no extant literature in terms of the involvement of foreign workers in these LED projects like Incema and Isikhoko to name but a few. It is therefore of great importance to produce data that will give a hint as to the extent they are involved in order to guide future research.

Foreign nationals also contribute to the economic growth in the construction sector. For example, the study conducted by Meselle and Kgaue in Botswana in 2000 stresses the fact that foreign nationals do boost the economy of the hosting country. This study is visibly strengthened through the use of respondents who play a key role in LED and the community for their views. The interpretation of the work observed in the research site bears evidence that the local people appreciated the skills training and expertise received from their foreign counterparts. Problems are bound to happen since they hold different views from their origins. The feeling that foreign nationals are taking local jobs arises in the bigger picture when looking at the unemployment rate but it also implies that the skills required by the construction industry in Botswana are in abundance.

The observation research method serves the purpose of understanding the working relationship between the foreign nationals and the local people. The construction manager's responded by saying that they did not treat the foreign workers any

differently than the local workers, as long as the procedures are followed when asked about the treatment of local people and foreign nationals (Meselle and Kgaube 2000). This is contrary to South Africa. Blieden (2008) argues that not only xenophobia resulted in the death of many foreign nationals but also labour exploitation where they did not receive paid leave and were not registered with the Unemployment Insurance Fund (UIF). On the contrary, the local workers are viewed in this survey as having a negative attitude towards work and as being lazy and having their own preferences in terms of jobs. The foreign workers are viewed as hard workers and self-reliant, entrepreneurial and productive residents. Of course, it might not necessarily be the truth that foreign nationals are taking the jobs of the local people (Bernstein and Dagut 2008). Indeed, the study plainly brings into relief the fact that skills transfer took place in the site.

While it is important to highlight the South African Government's responsibility to encourage LED through national policy, it is important to also note that there is a limitation in the policy in meeting the twin needs of economic sectoral adjustment and regional or local employment requirements. Most of the national policy on economic growth has been designed to facilitate economic growth leaving behind the population groups needs. Saying that means that there are few economic national policies in place that concentrate on jobs formulation and improving the ability of firms to build employment opportunities (Blakely and Bradshaw, 2002:39).

The local residents may benefit from economic development if it enables local residents who are already working to move up to better paying jobs. Providing jobs to one local area may not solve the problem of unemployment because the immigrants gain from eight (8) upwards out of every ten (10) jobs created (Bartik, 2003:10). There is benefit of having jobs nearby because employment benefits accumulate to local residents throughout a local labour market area. However as Bartik has shown (2003:11), taking the remittances back home often does not boost the LED of the hosting country (Addleton, 1984:578). There are different views regarding the contribution of foreign nationals to tax and the impact they impose on the hosting country. Skilled foreign labour contributes more money in tax than the financial benefits they take home. This evidence is presented by the US-based National Academy

of Science (NAS) which concluded that immigrants and their descendents will pay an estimated US\$ 80, 000 more in taxes during their time spent in the hosting country. Another discovery made by the NAS was that an average immigrant with fewer skills imposes a net lifetime fiscal cost on the State and Government of US\$ 25, 000 through the use of schools, roads, hospitals, emergency rooms and other services. The conclusion is that they pay more than what they receive (Anrig and Wang, 2004).

Ahmed (2000) argues that the positive impact of the remittances in the hosting country still needs to be vigorously debated. Most studies depict the negative impact of the remittances as the cause of the income inequality in the labour sending countries which fails to contribute to the development of the sending countries (Ahmed 2000). Information available in South Africa reveals that revenue contributed by foreign visitors is greater than that contributed by the foreign labour force. Hence, statistics from 2005 reveals that visitors from Africa and the Middle East spend more in South Africa than their counterparts from the US. About 30% of international revenue comes from visitors from African countries of which in 2007 amounted to R9, 000, 000. As a result, South African tourism has employed 1.2 million local employees (Bliden 2002). Even though there are visitor spending statistics available in the tourism sector, there are limited statistics on the impact that foreign workers have upon LED (South Africa Multidisciplinary Advisory Team Harare, Zimbabwe 1998:3). While this translates into a weak and unstable policy, regional trade and direct investment made by foreigners has made an impact in the economy of South Africa (South Africa Multidisciplinary Advisory Team Harare, Zimbabwe 1998:4). The important question that one must therefore ask is: Does such revenue create sustainable employment for local people?

The emphasis of the Department of Environment and Tourism (DEAT) on open tourism is based on putting people first by encouraging the participation of previously disadvantaged individuals. The core objectives of the strategy are manifold. They include: growing tourism to meaningfully contribute to the Gross Domestic product (GDP), to provide people development accompanied by decent jobs, and finally, to encourage a culture of travel among South Africans (Pocket Guide for South Africa 2010-2011:226). The desired estimates of tourism growth are that by 2009 this sector should have grown by 9.9% to 13.5% in 2015 (Pocket Guide for South Africa 2010-

2011:22).

As much as there is emphasize on open tourism to support the black community, the questions that must be asked are twofold:

- i. What is the percentage of foreign nationals involved in tourism compared to that of the local population?
- ii. What percentage of the local people are benefiting from it?

When speaking at the South African Development Indaba on Road and Transport, Skhumuzo Macozoma stated that everyone should be part of tourism. To encourage tourism he called for the free movement of foreign visitors from Africa. International tourism is not for South Africa alone but for the entire continent of Africa. A partnership aimed at creating a good continental tourism profile is therefore essential (Swanepoel, 2009).

The policy makers in Pakistan saw the migration of its workforce to the Middle East as a positive development. First, their salaries and wages strengthen the Pakistani economy; and second, they become an important supplier of labour in the Middle East (Addleton 1984: 578). The policy maker's referred to movements of their own people as a temporary issue. Once Pakistanis earn large amounts of money they will come back home to Pakistan and settle their debts. Although the population doubled, the low-paid workers sent the larger portion of their income home regardless of the work permits and laws that hinder them staying abroad longer; either way they will go home (Addleton 1984: 578).

Other observers of policy limitation argue that the policy limitation in Singapore is on unskilled labour. They are regarded as disruptive to the society although there are jobs that require unskilled labour such as in the construction industry. The immigration policy of 1970 made sure that the low skilled and unskilled workers remained temporary workers during the economy downturns. To make them temporary such workers are managed through a system of work permits, dependency ceilings, and foreign worker levies (Yeoh, 2007). In 1986, the development of Taiwan foreign labour policy sidelined the foreign workers and denied any lack in the local labour force. The economic development that emerged in Taiwan required labour and the

country started by allowing about 5, 000 skilled labourers to participate in their labour market (Kang and Jen Su n.d.: 4). Later in 1992, the government advanced their policy on foreign workers as the need arose (Kang and Jen Su n.d.: 5)

Bartik (2003) looks at the LED as a fiscal benefit comprising of economic growth indicators. For Bartik, new jobs will create profit, wages, sales, and higher property values which in turn will boost the tax revenues of the host country (Bartik, 2003:8). The limitation would be that Singapore does not offer low skilled workers permanent employment, they are only needed when the economy is hitting rock bottom. Even though the chances of being permanent is present, it became hard for foreign woman entrepreneurs to have a minimum of R 1, 500.000 to invest as stipulated in the Immigration Act of 2000 (Ojong, 2006:2006). The Government of South Africa agrees with the Singapore entrepreneur permit procedures. The Immigration Act of 2002, Section 15, states that foreign business people should be issued a permit when they have an intention to invest in the country and follow the registration procedures laid down by South African Revenue Service (SARS).

The maintenance of local businesses has been affected in LED. As Timothy argues, it makes sense that Government policy focuses upon them. First, the decisions of existing local businesses about expansion, contraction, or closing can have huge effects on a local economy's export base (Bartik, 2003:19) as well as on employment when the emphasis of development strategy is upon small business. The types of small businesses that contribute positively are those which trade locally and supplement the country's imports. In addition, businesses can hire employees which are hard to employ. To be globally competitive means these businesses should embark on high technology development (Bartik, 2003:30). Land should be given towards business development, land which would otherwise remain vacant (Bartik, 2003:33).

The observation that economic development policy is to work for people is that the organizations should make an effort to gather their own funding to employ expensive and complicated development programmes to inform the national debate on what works in LED. This feedback will help both the State and the financial backers as what needs to be done on the programmes to uplift the economy (Bartik, 2003:41). The World Bank maintains that the community needs to decide on high priority

projects, their risks, and capacity of the community to achieve the vision, goals and objectives of LED. Their strategy should also attract foreign investors to secure their own funding.

South African policy has made an emphasis on the recruitment of foreign skilled workers to add positive value to the economy. During the period 1973-1974, the Middle Eastern oil crisis caused economic planners in the region to envisage that this would require a larger labour force. About three million foreign nationals migrated from Pakistan to the oil-exporting region of the Middle East (Addleton, 1984:574). The Arab Governments have been unenthusiastic to reveal how dependent they were on foreign workers although the statistics suggest that foreign workers helped them in achieving economic growth. The total employment was 56.8% in Arab Labour importing countries being present in all spheres of work (Addleton, 1984:575).

The construction sector grew rapidly and many new positions were filled by foreign workers. About half of the population was considered unskilled when looking at the percentage of foreign workers employed in the area (Addleton, 1984:576). The government searched for new ways to attract foreign workers through their policy making as well as discouraging illegal immigrants into the Middle East. Taiwan's experienced was positive. The country experienced a 511.54% economic growth using about 100, 765 foreign workers. In 1997, there were about 248, 396 foreign workers with a growth of 5.01% which is less than other years (Kang and Jen Su n.d.:5); the smaller growth being blamed on the economic downturn since 1995 (Kang and Jen Su n.d.: 8).

Some observers of LED hold a different view. They argue that foreign nationals do not add any value to the LED of a particular country. The increase in the population is unnecessary. The numbers have been increasing since 2006 where foreigners were about 6, 200 (born in South Africa, Witbank), which is about 3% of the town's population. Johannesburg has always been a magnet for workers and as such has revealed an uneven pattern of migrant settlement with 550, 000 children born of migrant workers in 2006 which is about 13%-14% of the city's population (Bernstein and Dagut 2008).

In Botswana, the presence of foreign nationals contributed to problems where employment of Botswana has been harmfully affected by the competition between the local people and foreign workers for some time; although some companies take advantage of the fact that they can maximize profits using low paid labour (Meselle and Kgaube 2000). The negative impact of unemployment cannot be compared to the positive impact seen in the skills transfer. The study conducted in Durban by Maharaj (2004) maintains that there is a high possibility of skills transfer when foreign and local people work together. This is because migrants have a good educational background which is beneficial to the economy of the country. About 45% of foreign nationals who are in South Africa have a secondary education, whereas 29% have tertiary education, and 16% have a primary education. Only 10% have no formal education (Maharaj, 2004:5). On the other hand, the high level of immigration contributes to a public policy failure. The low skilled local worker income gets reduced. The suggestion in the US was that the government should relieve the State and localities of the financial burdens associated with immigration (Anrig and Wang, 2004).

2.5 The Management of Mass Immigration into South Africa

The management of illegal immigrants is not a new phenomenon in South Africa. Algotsson and van Garderen maintain (n.d.:2) that the Aliens Control Amendment Act 3 of 1993, was deeply rooted in the political history of the apartheid era and the ill-treatment of Africans through the use of electrified fences and mass deportation. While the Aliens Control Act 96 of 1991 controlled the entry of Africans into South Africa, it assisted Europeans in terms of settling.

In post-apartheid South Africa, the management of immigrants has changed. The South African Government now encourages the immigration of all skilled people into the country to add value to its economic development. The objective of the Immigration Act 13 of 2002 is to simplify the issues of permanent and temporary residences to those who are entitled to them and discourages illegal immigrants. The act stipulates the prevention of xenophobia in government and at the community level. The process of admission and departure in the country is enshrined in law in Section 9. All people should be in possession of a passport, unless they are under the age of 16 years and

accompanied by their parents.

The temporary strategy developed was that an immigrant who had stayed more than five years and had obtained employment and was married to a South African should be granted permanent status. Yet, this strategy is falling on its face, as can be judged by the words of the former deputy minister of Home Affairs Mr. Penuel Maduna who was quoted as saying:

History has revealed to us time and time again that hunger and fear are driving forces which are much stronger than even the most sophisticated aliens' control measures. South Africa has become the country of survival for many (Maduna cited in Solomon 2000).

Poverty and the lack of economic opportunities are the main causes behind the uncontrollable illegal immigration of foreign nationals into South Africa. The issues of foreign nationals getting married to South Africans to acquire citizenship has been widely debated by various observers. In the study undertaken by Maharaj (2004:5), about 23% of foreign nationals were married, 49% were living with their partners, and 24% were still single. Some left their spouses at home, some came with them. Most of the time, spouses were South African nationals.

There has been a shift in immigration management towards a responsible framework of the arrest, detention and repatriation of illegal foreigners which is in line with the culture of human rights. Algotsson and van Garderen (n.d.:3) maintain that as much as the Immigration Act 13 of 2002 is different from the Aliens Control Act 96 of 1991, illegal immigrants are identified by the colour of their skin, physical appearance and a failure to speak any other Africa languages. In addition, there is a limitation in Governmental legislative policy, whereby a person who is lighter in complexion is less likely to be arrested (Algotsson and van Garderen n.d.:4). Another limitation is that a person may be detained without a warrant for thirty days, but the legislation is unspecific about the description of the holding facilities and does not set out a standard for detention. The detention facility is characterised by poor conditions in Lindelani (Algotsson and van Garderen n.d.:5).

The maintenance of detention facilities for illegal immigrants costs the government a lot of tax payers' money. The Department of Home Affairs confirms that this is a fatal excise since almost all of the illegal immigrants deported back to their respective countries return to South Africa before the train or buses have returned to Johannesburg (Algotsson and van Garderen n.d.:6). Immigration control operations have turned out to be the day-to-day job of the SAPS, thereby detracting from their primary purpose of crime prevention and criminal investigation.

2.5.1 The Adverse Impact of Illegal Immigration into South Africa

There are differing views held about the positive value that foreign nationals add to South Africa's economic growth. The Immigration Act 13 of 2002 speaks about the deportation of illegal immigrants and the monitoring of the country's borders. The question that arises concerns how South Africa's borders are effectively monitored when the country is riddled with so many undocumented immigrants? In 1994, South Africa was spending about R1, 985 per alien to host. There can be no doubt that this figure has increased enormously in the intervening years. This figure excludes the cost of deportation which was R 200, 000, 000 for 173, 000 foreigners to their country of origin in 1994 (Solomon 2000).

Section 10 of the Immigration Act 13 of 2002 speaks about temporary residence permits. Temporary permits are issued so that immigrants do not become undesirable in the society. Yet there are so many illegal immigrants in the local communities who are involved in crime, drugs, the spreading of diseases and in human trafficking. Johansen (2006:35) also write about the negative impact of migration from the US experience. Johansen (2006) is of the view that those illegal immigrants are the offenders in many of these undesirable acts. She makes mention of September 11, 2001 where there was a hostile attack on the citizens of New York City. The current US immigration policy is rigid towards people who are potential health risks and who possess criminal records in the host country. The person applying for permanent immigration status will have to undergo health screening including testing for HIV. If the applicant is found to have an infectious disease s/he will not be granted a permanent status unless the applicant has been granted a HIV waiver. The waiver says that not only will all the medical expenses be the responsibility of the applicant when admitted into hospital, but that the applicant will not in any way endanger the

wellbeing of the community by spreading the disease (Johansen 2006:35).

Solomon (2000) has noted the crime statistics committed by aliens in South Africa. In 1993, about 4, 969 illegal aliens were arrested in connection with committing serious crimes such a rape, murder, theft, burglary, drugs, trafficking. In 1994, the number grew to 12, 403 illegal aliens being arrested on suspicion of having committed serious crimes. Overall, about 14% of the criminal activity which takes place in South Africa is committed by illegal aliens.

Many trafficking victims are lured into illegal immigration with promises of legitimate work opportunities. Most of these are deceived that there is a job awaiting them on the other side (Rieger, 2007:223). Rieger estimates the numbers of international trafficking as sitting at 700, 000 where 80% are female and some 70% are actively engaged in commercial sex work. This is the third largest criminal act after firearms and drugs with a turnover of about US\$ 7-10 billion (Rieger 2007:231). Human trafficking involves not the victims being lured into commercial sex work, but also in the spread of sexually transmitted infections (STIs) (Johansen, 2006:36).

Kloppers (2005b) maintains that the Swaziland and Mozambique borders have been the transit routes for illicit firearms entering South Africa. The South African Defence Force (SANDF) concurs with Kloppers that these two borders were the major entry points for smuggling firearms. About 333 of the firearms confiscated were found at the borders by members of the SANDF in 2002 (Kloppers 2005b:142). There is also the trading of goods and services that are forbidden under the law. These include drugs, sex work, stolen vehicles, illegal firearms, craftwork, bush meat, cigarettes, alcohol and rare wildlife. In addition, illegal immigrants avoid the payment of tax as is required in terms of Section 15 of the Immigration Acts 13 of 2002 (Kloppers 2005b:139). It is estimated that the illegal importation of goods bypassing the payment of import duties costs South Africa R17 billion per year (Kruys, 2001:164 cited in (Kloppers, 2005b:140).

There were about 874 stolen vehicles found at the border posts of Swaziland and Mozambique between 1993 and 2002. What was interesting was the fact that the

crime syndicates responsible for many of the vehicle thefts comprised of South African and Mozambican nationals. This fact clearly revealed that organized crime is often a joint activity between the local people and that of foreign nationals (Kloppers, 2005:144). Criminal activities provide for the consumption of illicit goods or services which could not otherwise be consumed. Andreson (1999) argues that the total annual cost of criminal activity in the US accounts for 11.9% (Anderson 1999 cited in Detotto and Ontranto, 2010:330).

In a study conducted by Solomon in 2000 the impact of illegal immigration on the Republic of South Africa was critically assessed. In his analysis, Solomon analysed whether the illegal immigrant is good or bad in terms of educational level, race, language, political support, and whether they are welcome or not. The results were negative and probably accounts for the reason why xenophobia has a huge impact on foreigners.

Educational Levels	Good	Bad	Neither	Uncertain
Percentage				
Higher than Grade 12	8	81	9	2
Grade 12	12	72	12	4
Grade 8-11	18	64	12	6
Grade 7 and lower	18	58	18	6

Table 1 Whether the Influx of Illegal Immigrants is a Good or Bad Thing

Analysed by Level of Education

(Source: Solomon 2000)

Language	Uncertain	Neither	Bad	Good
Percentage				
Afrikaans	5	6	85	4
English	2	11	80	7
Both	2	11	81	6
Northern Sotho	7	11	50	33
Other African Languages	9	16	49	26
Zulu	10	18	50	22

Table 2 Whether the Influx of Illegal Immigrants is a Good or Bad Thing

Analysed by Language

2.6 Theoretical Framework

Theoretical framework is central to research. It is conceptual model of how one theorizes and makes logical sense of relationships amongst several factors that have been identified as important to the problem. A theoretical framework tells the big picture of the study that can be tested; it identifies literature review categories, and directs research (Radehakrishna et al. 2007:692). A common problem that most researchers are faced with is where to find a suitable research site. In this respect, LED is faced with such a dilemma. If a student faces such challenges they should at least be able to choose from the level of theory. According to Blaikie (2000:130), there are five levels of theory:

- i. Ad hoc classificatory systems;
- ii. Categorical systems;
- iii. Conceptual frameworks;
- iv. Theoretical systems and,
- v. Empirical theoretical systems.

Rowe (2009) argues that often the LED lacks a dedicated logical body of theory. Indeed, this is still an evolving discipline which practitioners pay less attention to it. Casanova (2004:28) also concurs with the opinion of Rowe that evolution cannot hide the fact that LED lacks a clearly defined theoretical model.

In this, Bingham and Mier (1993) disagree. Instead, they maintain that LED theories are a collection of many theories derived from different disciplines. Disciplines such as economics, geography, resource management, regional science, and planning provide insight to LED theories (Rowe, 2009:3). Scholars argue that economic development is an emerging academic discipline needs further development by scholars advancing their own theoretical frameworks. Scholars such as Knudsen maintain that ignorance of the theory and practices of LED have resulted in an unrealistic economic development theory being practiced because the practitioner has no appreciation of the need for an exact theory over that of a generic economic development theory (Knudsen cited in Rowe, 2009:4).

Most text books provide an overview of practical LED with almost no original theory

(e.g., Blakely and Bradshaw 2002). This study utilises the traditional economic development theory which is premised on the assumption that people (foreign nationals) move from low-paying jobs and low technology-based activities in their respective country's of origin to high-technology based activities and high-paying jobs in South Africa.⁸ More employment of foreign nationals takes place in non-agricultural sectors and thereby increases the chances of job creation. Hence, the main argument advanced in this study is that foreign national involvement in the LED of KwaNgwanase has resulted in job creation. The twofold limitation of the traditional theory is its failure when applied to LED because of its focus on abstract macro issues and not on specific issues, as well as its failure to recognize that each location is unique and there are no clear blueprints that can be applied to guarantee success (Rowe, 2009:4).

In adopting this theory, the present investigator is cautious that LED cannot expand through the means of a one-size-fits-all economic stratagem because rural economies are very small and comprise of small skilled labour forces. The agglomeration economies and the savings that accumulate from the spatial concentration of economies activity are generally absent. This is central to metropolitan economies, which calls for a traditional development theory and implies different theoretical outcomes for rural and urban areas. The rural livelihood is mostly generated from farming, agricultural businesses, tourism, resource extraction, manufacturing, government employment and government transfer. In other words, development cannot take place in a uniform way.

There is a great need for a proper planning session which involves all the relevant LED actors to avoid economic development strategies being created in a vacuum or decisions being taken solely by planners and developers (Casanova, 2004:31). Although the difference between the cities is clear, there is a perceived tendency for cities to adopt the same economic development tool-kit while maintaining a theoretical emphasis

⁸ Foran introduction to traditional economic development theory, see: <http://www.ilo.org/public/english/dialogue/ifpdial/downloads/wpnr/india.pdf> [Accessed 02 September 2011].

on the role of innovation in LED. What actually emerges as LED policy lacks any real innovative, original thinking because the policy priorities contained in the strategy documents are effectively identical (Rowe, 2009:5).

2.7 Chapter Summary

Although often faced with enormous challenges, foreign workers add economic value to their host country. These challenges include recent xenophobic attacks which are contrary to the South African Rights Commission (SAHRC) (2000)⁹ when it talks about the promotion of universal respect for and the observance of human rights and fundamental freedoms. These give aliens the right to political rights, participation in political or public life, ownership of property, employment, as well as the right to remain in the country. Foreign nationals have been labelled as “amakwerekwere” by the local people (Maharaj, 2004:7). This has been a depressing label to them which reveals their negative reception in South Africa.

The accusations were that foreign nationals were occupying jobs that could have been held by local South African workers. On the other hand, the South African Government perceives the foreign workers as job creators themselves. This conclusion is borne out by Bernstein and Dagut (2008) that foreigners born in South Africa are less likely to be out of job than local people. Their study conducted in Johannesburg illustrates that the unemployment rate of immigrants is 20% which is less than that of 2006 where the figure was 25.5%. A number of immigrants were involved in entrepreneurial activities, whereby the family members were the ones to continue their businesses (Bernstein and Dagut, 2008). Award also revisits the issue of violence against foreign nationals. His point is that as much the violence is bad, the society in general is trying to promote social stability within the country. These incidences should help in terms of formulating policy that will guide the country to stabilize the socio-economic side of life (Award, 2009:37).

Not only did foreign workers suffer physical violence, but the global financial and economic crisis affected them in such a way that they were unable to send their

⁹ A paper presented by the South African Rights Commission to the South African Department of Home Affairs, 19 May 2000.

remittances back home. In such a negative economic climate, lots of people were losing their jobs as indicated by Award (2009). Indeed, the global employment trend posits an increase in the unemployment rate by a range of 18-30 million to 50 million if the situation continues (Award, 2009:1).

Migrant foreign workers are also affected by the global recession because the companies that are hiring them know that they will still get an increase in profits since their wages are low. In times of economic recession they are expected to be the first ones to lose the jobs since they are not from that local area. As Award (2009:32) confirms, little is known about the impact of the global economic drop in their earnings. This is an unfair situation because they are exploited again and again and retrenched at the will of their employers. According to Award (2009), when foreign nationals lose their jobs they stay in the country of destination and become a burden to that particular government and society where they have to be given handouts in order to survive.

In the case of the Bantustan of Bophuthatswana under apartheid prior to 1994, immigrants and non-Tswana had difficulty in obtaining official documents. Not having these documents meant being denied pension grants since they spent most of their livelihood (Reitzes and Bam, 2000:84). They were issued with temporary voter's cards and were actively encouraged to vote and elect the standing Government. After the election of 1994, the immigrants were promised official South African Identification Documents and the attitude towards them changed where the political activist were awarded by the police to identify them. This raised the issue of outsiders and insider in the community of Wintevelded Bophuthatswana and discouraged them from participating in any political party since they assisted in South Africa gaining its independence (Reitzes and Bam, 2000:88).

The literature agrees that foreign labour adds value to the LED of South Africa. It is also crucial to note that development does not take place in a uniform way. What is good for one can never be good for another. It is important to re-evaluate the one-size-fits-all thinking¹⁰ in terms of LED practice and acknowledge that there is a need for

¹⁰ This is a final report submitted to Minister Sicelo Shiceka, commissioned by the Department of Provincial and Local Government (DPLG) and AHI, and supported by the Strengthening Local Governance Programme of the GTZ.

a more geographically differentiated approach towards LED which might acknowledge that not all municipalities are in a position to undertake LED. This can only be achieved by greater interaction and sharing of ideas between LED officials such as to encourage smaller municipalities to approach and prioritize LED in a more effective manner (Rogerson 2009:5).

There is a difference between traditional and local economic development. Both approaches are set apart by their way of attracting economic activity (Rogerson, 2009). There is a great need to encourage a bottom-up development approach in relation to LED because it encourages the involvement of local people in decision making. Indeed, where there is vertical and horizontal coordination of development and LED it uses a territorial approach as a means of achieving economic development. The diagnosis of the economic, social, and institutional conditions of every territory and the identification of the local economic potential are the foundations upon which a local development strategy is constructed (Rodriguez-Pose: 2001 cited in Rogerson, 2009:12).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This Chapter will discuss the research methodology used to conduct the research study. The study was conducted in Kwa-Ngwanase/ UMhlabuyalingana. The results will be presented in chapter four by graphs, table and percentages. This chapter will discuss the sampling approach followed by the data collection method, a description of the geographic area of the research study, the research instrument, data analysis and a summary of the chapter.

3.2 The Research Study

The research study was conducted in Kwa-Ngwanase, UMhlabuyalingana, and comprised of a sampled respondents of 42 participants. Within the sample of 42 participants, 17 were foreign nationals from Mozambique and 25 were local people from Kwa-Ngwanase, UMhlabuyalingana. An additional set of data was collected through the use of focus groups with ten respondents composed of local people and ten respondents who were foreign nationals from Mozambique. These results were delineated by the use of graphs, tables and in terms of percentages. The demographic profiles formulated in the first section of the findings were followed by the rest of the data results.

3.2.1 The Study Sample

UMhlabuyalingana is a rural area in KwaZulu-Natal under the district municipality of UMhlabuyalingana. According to the National Census of 2001, Kwa-Ngwanase has an estimated 19, 611 households, inhabited by a total population of 104, 678 people. The population of UMhlabuyalingana has grown immensely since 2003 due to the influx of foreign nationals to a population numbering 106, 251 comprised of 23,163 households. UMhlabuyalingana is now home to about 3, 552 foreign national households from Mozambique including the new households of local people (Department of Health, KwaZulu-Natal Province: n.d).

The study utilized a qualitative approach and the sampling technique adopted is the

non-probability sampling technique called purposive sampling. This technique was used to select 25 foreign nationals and 17 local people as part of the sample. The purposive technique is mostly used when a researcher selects a sample as the basis of the knowledge of the population, its element, and the nature of the research aims (*cf.* Mouton, 2001:166).

3.2.2 The Sampling Approach

The sampling encompassed two approaches: First, the selected sample of foreign nationals was asked questions relating to their economic contribution to the area. Second, the selected local population sample was interviewed to gauge the responses generated from the interviews with the foreign nationals. During this process, the respondents identified other people as potential informants; to accommodate this, the snowballing method was undertaken. The snowball sampling technique assisted in extracting additional information that was useful for the study. The snowball sampling technique is important when sampling members of a special population which would otherwise be difficult to locate, such as migrant workers, homeless peoples, undocumented immigrants, etc (Mouton, 2001:167).

3.2.3 The Data Collection Method

The chosen data collection instrument was in the form of a questionnaire. The first section of the questionnaire comprised of questions which sought particular demographical information of the respondents, whereas the second section of the questionnaire comprised of open-ended and close-ended questions which focused on the Local Economic Development (LED) of the area under study. Two sets of Questionnaires were administered: one to foreign nationals¹¹ and the other to the local residents.¹² The questionnaire was administered in the households of the local people and the foreign nationals alike. In the case of the referrals, the questionnaire was administered where the respondent was located. Prior the administration of the questionnaire the respondents were briefed about the objectives of the study. This was

¹¹ See Appendix I: Questionnaire Administered to South African Nationals.

¹² See Appendix II: Questionnaire Administered to Mozambican Nationals.

part of the ethical clearance required by the University of KwaZulu-Natal to avoid respondents thinking that the information might disadvantage them in some way. In addition, two separate focus groups were conducted. In order to obtain reliable information, the investigator translated the questionnaires and focus group questions into isiZulu since 46% of the people of Kwa-Ngwanase are estimated to be functionally illiterate. All interviews were voluntary and all respondents signed the required consent forms.¹³ Questionnaires were made available in both English and isiZulu (the local language).

3.2.4 The Chosen Geographic Area

The area of Kwa-Ngwanase is part of the UMhlabuyalingana local municipality, formerly known as Emanguzi. Its geographical boundaries are Mozambique to the north, the Indian Ocean to the east, the Pongola River to the west, and the Manzengwenya plantation to the south (Gounden 2009). The UMhlabuyalingana municipality is part of the Mkhanyakude municipality known as the “Big Five”. The municipality was named the “Big Five” because there are five other municipalities under the jurisdiction of Mkhanyakude District Municipality, namely Hlabisa, Mtubatuba, UMhlabuyalingana, Jozini and False Bay.

According to the National Census of 2001, UMhlabuyalingana has 19, 611 households inhabited by a total population of 104, 678 people, comprising of 52% females and 48% males (Department of Health, KwaZulu-Natal Province: n.d). The population of Kwa-Ngwanase has increased from 140 962 in Census 2001 to 16 3694 in 2001 in the Community Survey of 2007 due to the influx of foreign nationals from Mozambique (UMhlabuyalingana Municipality 2009-2010:5). With the holding of the 2011 National Census in October 2011, a further increase is expected due to the continued influx of foreign nationals from Mozambique and other countries.

Kwa-Ngwanase has two official languages, namely isiZulu and isiThonga, the latter having emerged due to border influence from the local language of Mozambique called isiShangane. The religious affiliations of the people in the area range from

¹³ See Appendix VI: IsiZulu Consent Form for Research Participants.

Western Missionary-initiated Christian churches, the Zion Christian Church, the Nazareth Baptist Church/iBandla lamaNazaretha (Shembe) and Islam. The racial distribution is 99% Black /African and 1% other.

Statistics gleaned from the Department of Health in KwaZulu-Natal reveal in terms of age that 2.8% of the population are less than one year of age; 13% are less than five years, and 41.8% consist of the population are less than 15 years of age; 25% of the population are between 15-44 years of age, and 13.3% are 45 years and over. The majority of the population in Kwa-Ngwanase is between the ages of 15-44 years of age (Department of Health, KwaZulu-Natal Province. n.d).

3.2.5 Research Design

Data was collected from two samples (N). The first sample of local people was =25 and the second sample of foreign nationals from Mozambique was =17. Interviews were conducted using the qualitative method. The non-probability sampling technique called purposive sampling as well as snowball sampling was applied to the sample of foreign nationals and local people of UMhlabuyalingana. Furthermore, two focus groups were conducted with ten participants each. The first focus group consisted of ten participants from Mozambique and the second focus group consisted of ten participants from the local people of Kwa-Ngwanase. The purpose of the focus groups was to verify and deal with the gaps in the questionnaire data interpretation.

3.3 The Research Instrument

3.3.1 Questionnaire Design

Two separate questionnaires were developed, one for local people⁴ and another for foreign nationals.⁵ The questionnaire for local people was translated into isiZulu so as to avoid confusion between the respondent and the researcher. In addition, a questionnaire for focus groups was also developed.¹⁴

3.4 Data Analysis

Data was collected from Kwa-Ngwanase through the use of questionnaires and focus

¹⁴ See Appendix III: Focus Group Research Questions.

groups. Data was coded and later analysed by using the Statistical Package for Social Science SPSS dedicated software program.

3.5 Chapter Summary

This chapter presented the background information of UMhlabuyalingana together with a map. In particular, this chapter presented the research methodology used as well as the validation of the questionnaire. The methodology described in this chapter sought to explain how the data results to be presented in the following chapter were obtained. This chapter also elaborated on how data was analysed. In order to obtain good statistical data this included the following steps:

- i. The construction of two sets of questionnaires, one for local sampled respondents and one for foreign sampled respondents;
- ii. The revision of the questions within the questionnaires;
- iii. The analysis of coded data through the use of the Statistical Package for Social Science (SPSS);
- iv. To validate the data collected through questionnaire, two separate focus groups had to be conducted;
- v. The snowball sampling methodology eliminated the challenges of finding special respondents such as foreign nationals.

CHAPTER FOUR

MAIN FINDINGS AND INTERPRETATION OF DATA

4.1 Introduction

This chapter will present the interpretation of data from this study followed by a discussion of the research main findings. These findings confirm the research hypothesis that there is a positive relationship between the influx of foreign nationals from Mozambique to Kwa-Ngwanase and the LED of the area and that Mozambican nationals do add value to the LED of UMhlabuyalingana. These findings also address questions that guided the research study as well as the construction of a proper research conclusion. Finally, among its recommendations, the study calls for more effort on the part of the South African Government to assist in the skills transfer between Mozambican nationals and the local South African population.

This chapter will include in brief a demographic profile of the workers from Mozambique as compared to that of local people of UMhlabuyalingana, sampled by sex and place of origin, the employment in terms of sex and place of origin, a definition of LED according to local people's perspective, LED projects in the area and the percentage of local and foreign nationals who are employed in the projects, the types of businesses the foreign nationals are involved in, as well as the place they spend their returns, the skills transfer between the local people and foreign nationals, as well as other socio-economic factors around foreign workers. This chapter represents these LED features and facets in terms of the overall research study.

4.2 Research Findings

4.2.1 Demographic Profile of Both Groups of Respondent

In what follows, three important, yet related questions will sought to be answered:

- i. Do local people benefit from LED?
- ii. Do foreign nationals add value to LED?
- iii. If foreign nationals do add value to LED, what are the characteristics of those who add value as compared to those members of the local South African population of Kwa-Ngwanase?

Table 3 (below) represents a demographic profile for both samples of respondents. The characteristics that made up the profile were as follows: Sex, age, marital status, level of education and population (race) group. This demographic profile is important so that the study can determine who comes from South Africa / Kwa-Ngwanase, their age and the reasons for coming to UMhlabuyalingana.

In table 3 (below) N = the number of respondent. Sample 1, N=25 and Sample N=17.¹⁵

Background Characteristics	Sample #1 Local People		Sample #2 Foreign People	
	N	%	N	%
Sex				
Female	1	52	4	23.5
Male	1	48	1	76.5
Age				
18-34	1	64	1	94.1
35-54	6	24	1	5.
55-+	3	12	0	0
Marital Status				
Single	2	80	9	52.9
Married	4	16	8	47.1
Divorced	1	4	0	0
Window			0	0
Highest Level of Education				
Primary Education			3	17.6
Secondary Education			7	41.2
Tertiary			7	41.2
Population Group				
Black/African	2	88		
White	3	12		
Other	0			
Total	2	10	1	100

Table 3 Demographic Information of Respondents

¹⁵ It is important to note that in the above table represent the demographic information for both local people and foreign nationals from Mozambique. The researcher assumed that the foreign nationals from Mozambique would all be black hence the question about population group was never asked. The question on level of education for local people was never asked for local people.

4.2.2 Population by Sex and Area of Origin

Figure 1 (below) represents the percentage of the population by sex and area of origin. More females were sampled than males in sample one of local people and more males were sampled in the sample two of foreign nationals from Mozambique. This raises the question as to why more men are migrating in Africa than women. According to Dodson (1998:6), the answer is most probably found in the fact that women have to stay at home in their country of origin in order to take care of their children and to maintain social and economic stability in the home.

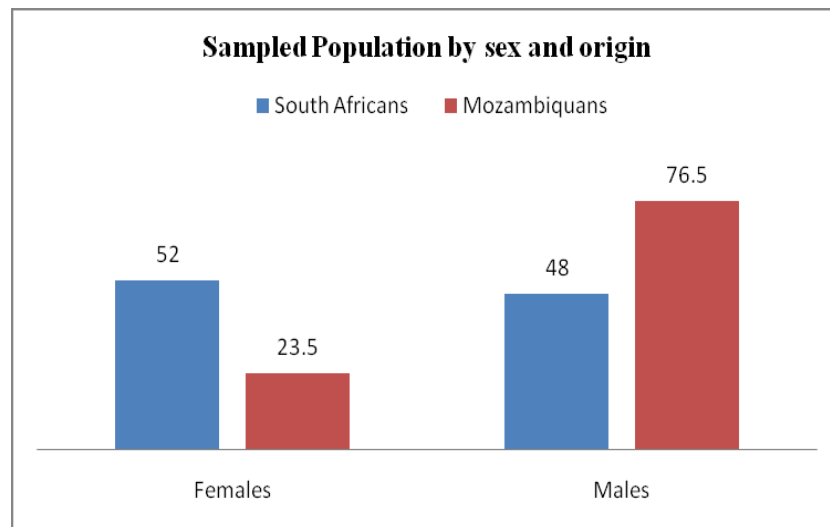


Figure 1: Sample Population by Sex and Origin

4.2.3 Population by Area of Origin

Figure 2 (below) shows the employment rate of the foreign nationals from Mozambique and that of the local population. More foreign nationals have jobs than the local people, even though the unemployment rate is still high for both sampled populations. About 29% of the foreign sampled respondents were employed compared to 16% of the local people.

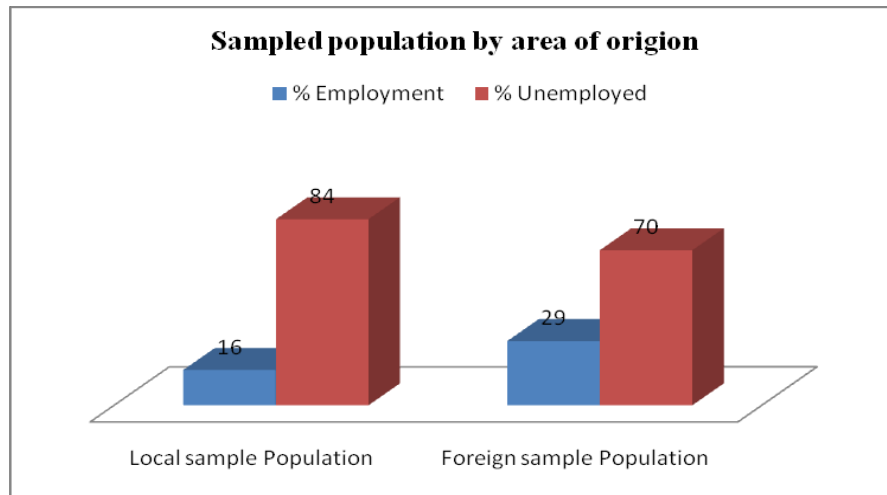


Figure 2: Sampled Population by Area of Origin

4.2.4 Employment Profile by Age, Gender and Population Group of Local People

Employment Percentage by Age, Gender and Population Group			
	Employed	Unemploye	Total
Sex			
Female	7.7	92.3%	100.0%
Male	25%	75%	100.0%
Age			
18-34	12.5%	87.5%	100.0%
35-54	33.3%	66.7%	100.0%
55-+	0	0	0
Population			
African/Black	13.6%	86.	100.0%
White	33.3%	66.	100.0%

Table 4 Employment Percentage by Age, Gender and Population Group of the Local Respondents

Table 4 (above) illustrates that there are more males employed than females. 25% of males and 7.7% of females were employed. The working age of UMhlabuyalingana was between 35-54 years of age. 33.3% of those in the 35-54 years of age group were employed, compared with 12.5% of those between 18-34 years of age. About 33.3% of the sampled local population were White and had an employment rate of 66.7%.

When conducting focus groups with the local people it was establish that about 80% were not employed and 20% were employed. This information maintains that there is low employment rate in the area since the area has less factories and industries. More

young people are unemployed in the area, the study showing that only 12.5% of the youth of Kwa-Ngwanase are employed.

4.2.5 Understanding of the Local People toward Local Economic Development

The main approach to Local and regional economic development (LRED) coincides with the global trend of decentralizing power from national to local government. Such decentralization functions better in democratization of processes and desire to allow a broader participation of citizens in the design and control of political process that determine their livelihood. The main reason why LRED was promoted was to eradicate poverty hence LRED debates gain momentum. This development has brought pressure on local economies to compete internationally and adapt to global economic forces and at the same time it opens new opportunities for investors Rucker & Trah (2007). Such development has been implemented in three phases. The first phase of the LRED focused on marketing of location to external investors which was linked to incentives to reduce cost of public services such as water and electricity and infrastructure development.

The second phase focused to economic potential, motivated to support existing firms and entrepreneurs as well as business start-ups. This was often done through entrepreneurship development, training programmers, business support and business linkages mechanisms, providing access to finance, skills development, rural development and sectoral business approach (Rucker & Trah, 2007: 12). The third phase of local economic development enhanced the individual business support and sectoral development approaches of the second development phase by making the entire business and community environment more conducive for economic development. (Rucker & Trah, 2007: 13). After such an affirming definition provided by Rucker & Trah (2007) it became imperative for the study to assess the knowledge of the local community as far as local economic development is concerned.

Table 5 (below) illustrates the understanding of the local people toward Local Economic Development (LED). It is vital to ascertain the level of understanding of the local people as to LED so that analysis can be undertaken on how foreign nationals fit into the LED of UMhlabuyalingana.

		Frequency	Percentage
Valid	Town	1	4
	Jobs Opportunities	7	28
	Service Delivery / Community Development	1 1	44
	Youth Empowerment	1	4
	Don't Know	5	20
	Total	2	100

Table 5 The Local People's Views on what is LED?

A majority (44%) of the local people of UMhlabuyalingana believe that LED is about service delivery and community development. About 28% of the respondents believe that LED is about jobs opportunities in the area. Only 4% of the respondents believe that LED is about town development and youth empowerment.

Focus groups results illustrate that 60% of respondents believe that LED is about jobs opportunities rather than other respondents who mentioned RDP houses, student bursaries, the supply of potable water and electricity as well as community and service delivery. Local people are interested in community development and jobs opportunities in the area so that they could say that they have experienced LED.

The research also addressed the question about those within the sampled population who had ever worked in a LED project during the past five years. As illustrated in Figure 4 (below), about 24% of the sampled population reported that they had worked in LED projects against 72% who reported that they had never worked in these projects. This shows clearly that there were limited opportunities to work in LED projects, or that there were limited LED projects in the area.

4.2.6 Types of Local Economic Development Projects

Figure 3 (below) also demonstrates that more respondents had been working in the building of RDP houses. About 67% of the respondents were involved in building projects, 17% working at the Masifundisane project, and 16% at the Tholulwazi project.

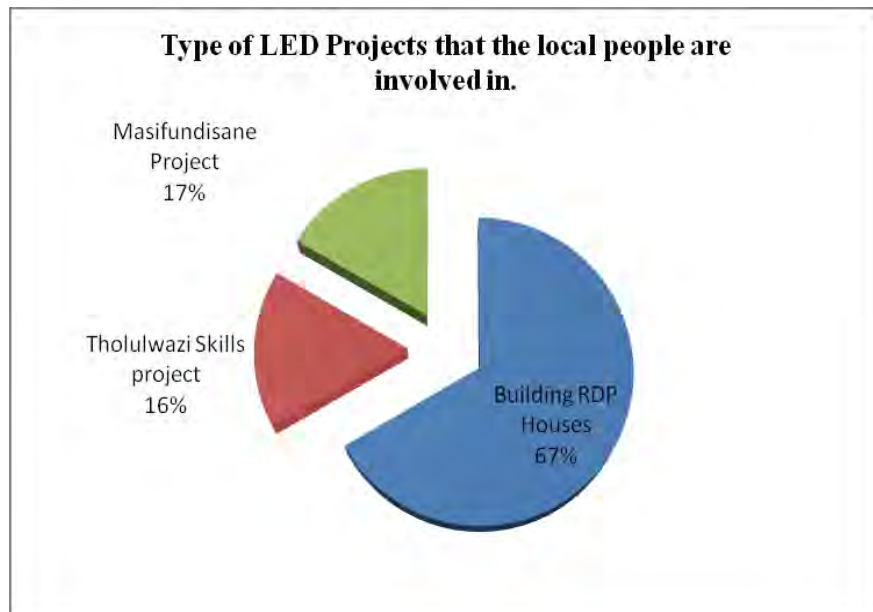


Figure 3: Type of LED Projects that the Local People are Involved In

4.2.7 Employment in a Local Economic Development Project by Area of Origin

Figure 4 (below) illustrates the percentage of respondents by their country of origin who had ever worked in LED projects. It was clear from the results of the study that more local people were employed in LED projects than foreign nationals from Mozambique. This means that although there were limited opportunities for the local people to work in LED projects, it became even more difficult for foreign nationals to obtain similar work opportunities. About 24% of the local people had worked in LED projects compared to that of foreign nationals in the previous five-year period. Nevertheless, the level of unemployment in LED projects was still relatively high.

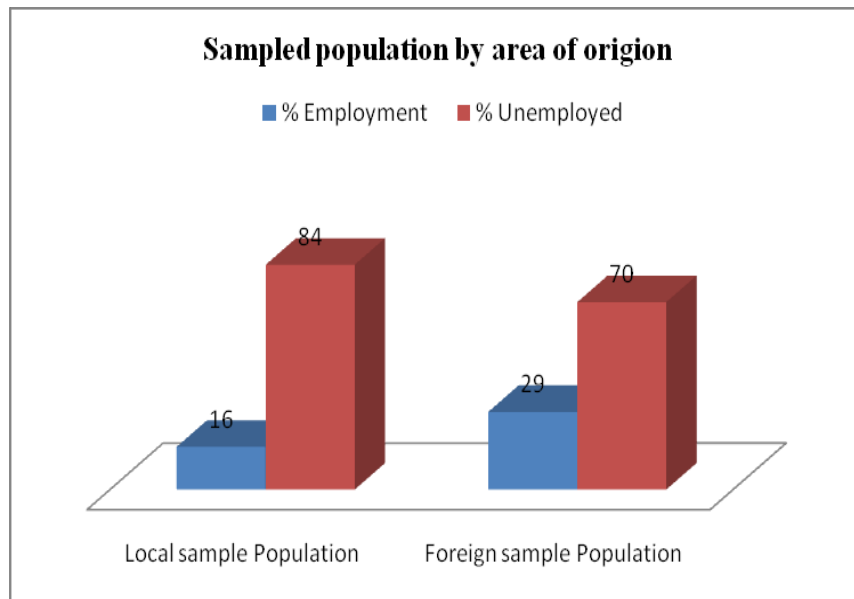


Figure 4: Respondents who are employed in the LED Project by the Area of Origin

4.2.8 Perceived Impact of Local Economic Development

Table 6 (below) illustrates that only 52% of the local sample population had been impacted positively by LED. And about 48% of the sampled respondents did not benefit from LED projects. From the focus groups, one respondent stated that he had bought himself a car through working for a LED project and was now self-employed.

		Frequency	Percentage
Valid	Yes	12	48
	No	13	52
	Total	25	100

Table 6 Perceptions of the Local People whether there is a Role Played by Foreign Nationals from Mozambique in LED

4.2.9 The Perceived Role of Foreign Nationals in Local Economic Development

Table 7 (below) answers the hypothesis as per the perceptions of the local people. About 48% of the local people strongly believed that foreign nationals played a significant role in the LED of the area.

In the focus groups conducted, about 50% of the respondents said that foreign nationals were to be blamed for the negative impact towards economic growth where as 30% said they played a positive role. Finally, 20% of the respondents said there was no impact at all in the economic growth of the area UMhlabuyalingana.

		Frequency	Percentage
Valid	Positive	13	52
	Negative	12	48
	Total	25	100

Table 7 Percentage of the Respondents who had a Positive Experience from LED

4.2.10 The Role Played by Foreign Nationals from Mozambique in Local Economic Development

Overall, local people reported that foreign nationals from Mozambique do not play a role in the LED of UMhlabuyalingana. Some 48% of the local respondents stated that the reason what they believe that the foreign people play a role in the LED is because of their presence in the local economy as illustrated in Figure 5 (below).



Figure 5: The Role Played by Foreign Nationalities from Mozambique in UMhlabuyalingana LED

Foreign Nationalities from Mozambique add value more in the construction of houses than in any other sector of the economy. About 40% of the local sampled respondents said that the foreign nationals from Mozambique add more value in the construction of houses and 20% for all other sectors.

Although an overall percentage of the local people believe that foreign nationals from Mozambique do not add value to the LED, there is clear support from my study that local people have received value from the foreign population.

4.2.11 Support Received by the Local People from Foreign Nationals from Mozambique

Figure 6 (below) indicates the kind of support that the local people have received from the foreign nationals from Mozambique including the outcome of business engagements that have taken place between the local population and foreign nationals.

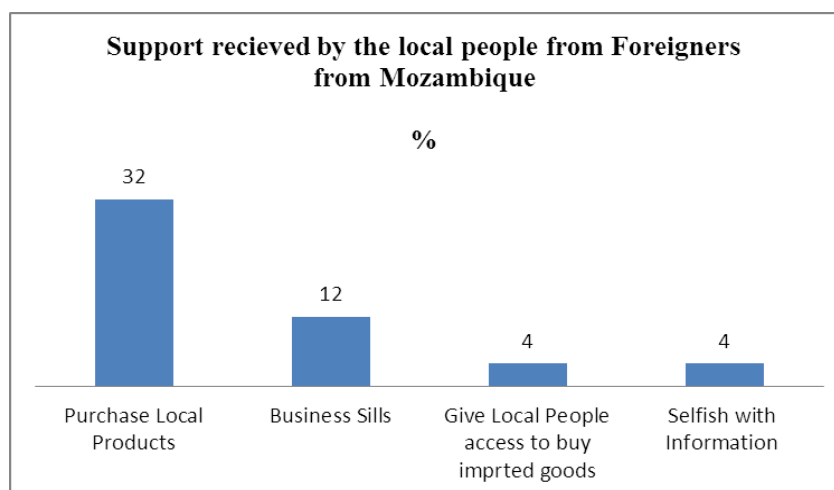


Figure 6: Support Received by the Local People from Foreign Nationals from Mozambique

4.2.12 Business Dealings between the Local People in the Area and Foreign Nationals

In Figure 7 (below) about 32% of local people received monetary support from foreign nationals when they purchased their local produce and products. About 4% of the sampled population said that they also purchased imported secondhand clothing from the foreign nationals for selling on in the area.

The percentage of business skills transferred to the local population was about 12%. Another 4% of the sampled respondents stated that the foreign nationals from Mozambique were selfish with information. They reported that the foreign nationals do not share information that can assist the local people to advance in the same way that foreign nationals are advancing in business opportunities in the area and other work.



Figure 7: Business Dealings between the Local People and Foreign Nationals from Mozambique in the Past Five- Year Period

4.2.13 Competition in Business between the Local People and Foreign Nationals

A majority of the local people had no dealings with the foreign nationals from Mozambique. About 24% reported that they had dealings with foreign nationals and the outcome was house construction at 16% and business expertise at 8%.

Competition	Reasons for the Competition			
	Do Same Business as the Local People	Sell Illegal Products	No Response	Total
Yes	72.2%	16%	11.1%	100%
No	16.7%	16%	66.7%	100%
Total	56%	16%	28%	100%

Table 8 Competition and Reasons for Competition between the Local People and Foreign Nationals from Mozambique

About 72% of the respondents said that there was a large amount of competition between the local people and foreign nationals from Mozambique. Both the local population and the foreign nationals reported that they embark on the same type of businesses so it is difficult to make a profit. About 16% of the respondents said that the economic growth was crippled by the selling of illegal goods that were not taxed by the South African Government.¹⁶

¹⁶ Future research that includes questions such as the earnings made by the foreign nationals from

4.2.14 Skills Transfer between Foreign National and the Local People in the Area

The focus group conducted with the local people placed an emphasis on the construction skills received from foreign nationals from Mozambique. About 40% had received construction skills, 30% of the participants have learned how to plait hair and 30% have received vehicle mechanical repair skills.

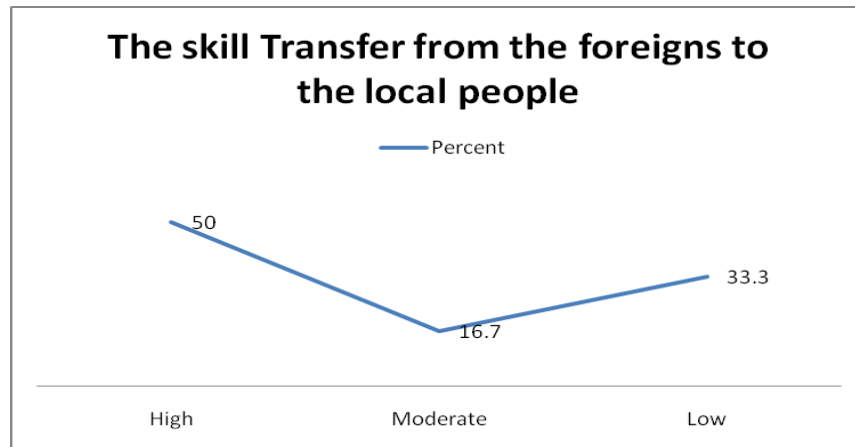


Figure 8: Skills Transfer from Foreign Nationals from Mozambique to the Local People

Figure 8 (above) illustrates that there was a high skill transfer from the foreign nationals to the local people. About 50% of the sampled participants said that skill transfer was high, whereas some 33.3% of participants said it low, while 16.7% said the skill transfer was moderate. Table 9 (below) concurs with the data collected from the focus groups. Focus groups held that about 44.4% of the sample population said that they had learned how to build houses from the foreign nationals from Mozambique. This was the highest skill transfer reported in the study. Table 9 (below) further illustrates that the highest skill transferred between foreign nationals from Mozambique and the local people was 16% compared to car mechanics (4%), business skills (12%) and handwork (4%). Building skills still remained high in all the research instruments used in the study.

Mozambique that were spent at home (in their country of origin) or locally, or how many foreign nationals who owned their own businesses were registered for tax purposes with the South African Revenue Service (SARS) will help to identify whether the economic growth is really affected and at what percentage.

		Frequency	Percentage
Valid	Building	4	16
	Car Mechanics	1	4
	Business Skills	3	12
	Hand work	1	4
	Total	9	36
	Missing System	16	64
Total		25	100

Table 9 Types of Skills that are transferred by Foreign Nationals to Local People

4.2.15 Local Economic Development, Skills Transfer and Government Policy towards Foreign Nationals

Figure 9 (below) illustrates the views held by the local people on whether the South Africa government can rely on foreign nationals for economic growth and skills transfer. Local people in the study reported that the government can rely on the foreign nationals for skills transfer and economic growth. The South African government can achieve this by attracting more skilled foreign nationals into the country. About 65.2% of the respondents thought that the government can rely on foreign nationals for skills transfer as long as there are more jobs opportunities shared equally and hire skilled foreign nationals that will transfer their skills to the local population.

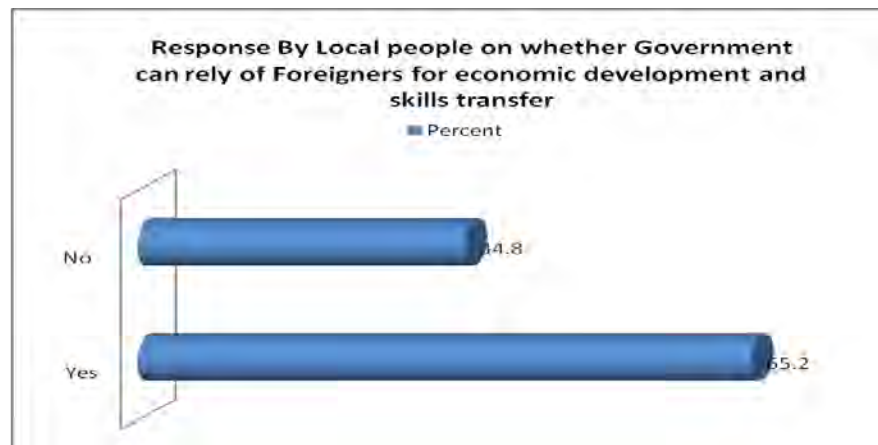


Figure 9: Response by Local People on whether Government can rely on Foreign Nationals for Economic Development and Skills Transfer

About 20% of the respondents said more jobs opportunities should be shared equally between local and foreign workers. Some 20% of the respondents said that the hiring of more skilled foreign nationals would result in the transfer of their skills to the local people. About 4% of the respondents said that there should be flexible tender processes in place that would allow foreign people to apply, for by so-doing, skills transfer will result.

There are so many reasons why the foreign nationals from Mozambique have moved to South Africa/UMhlabuyalingana. About 47% of the respondents said they had moved to Kwa-Ngwanase because of business prospects, while 35% of the respondents said they had moved because of employment. The smallest percentage was that of students, job seekers and political conflicts which made up 5.9% each.

Concerning permits, about 17% of the respondents said they possessed a permit to stay in South Africa, while the majority (82%) said that they did not possess a permit to stay in the country.

4.2.16 Previous Access to Education by Foreign Nationals in the Area

Figure 10 (below) illustrates that about 94% of the foreign nationals from Mozambique aged between 18-34 years have some form of education and 6% of the foreign nationals between the ages of 35-54 have some form of education as well. More Mozambican youth have attended institutions of education compared to that of adults.

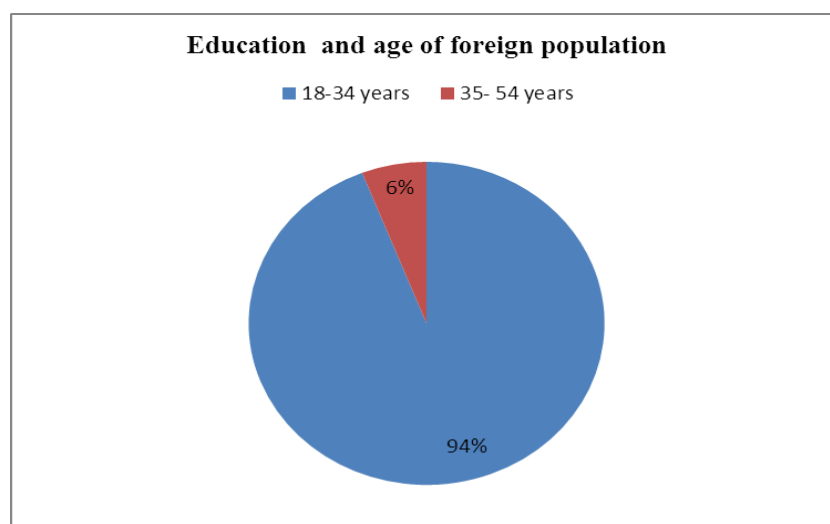


Figure 10: Education and Age of Foreign Nationals from Mozambique

4.2.17 Level of Education and Age of Foreign National Population in the Area

Figure 11 (below) illustrates the level of education as per designated age group of the foreign nationals from Mozambique.

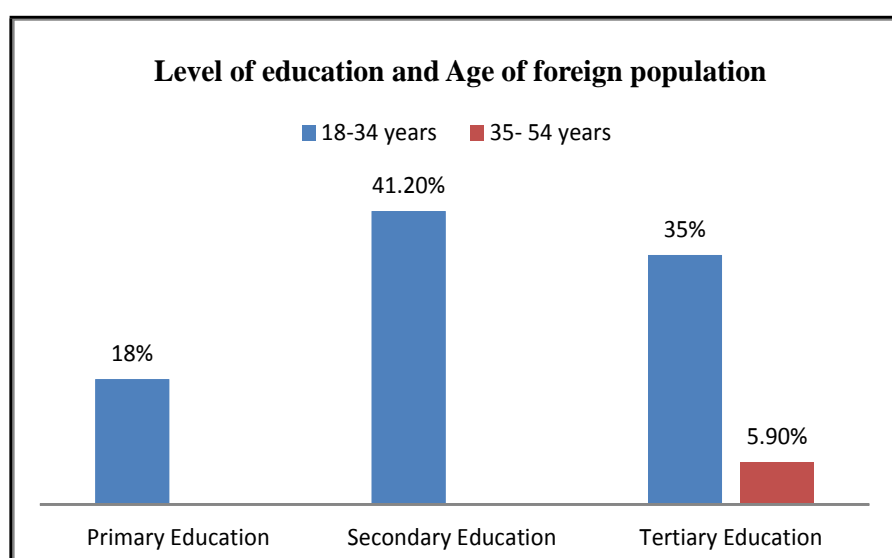


Figure 11: Level of Education and Age of Foreign National Population

4.2.18 Business Dealings between the Local People and Foreign Nationals from Mozambique

Table 10 (below) illustrates the employment conditions of the foreign nationals from

Mozambique. Concerning employment conditions, the majority of the foreign national sampled population were employed by private business (80%), rather than in the public (State) sector (20%).

		Frequency	Percentage
Valid	Permanent	2	11.8
	Contract	1	5.9
	Seasonal	2	11.8
	Total	5	29.4
	Missing System	12	70.6
Total		17	100

Table 10 Employment Condition of Foreigner Nationals from Mozambique

4.2.19 Period of Time Spent by Foreign Nationals in South Africa / UMhlabuyalingana

Figure 12 (below) illustrates that more of the respondents interviewed had been in the country from between a month to that of a year (43.8%). This was a group of people who had just recently migrated for Mozambique. About 31.3% had been in South Africa/UMhlabuyalingana between one and five years. About 25% of the respondents had been in the country for six and ten years. A majority of those interviewed who had been in the area for a long period of time owned their own homes and resided in them with their own family members.

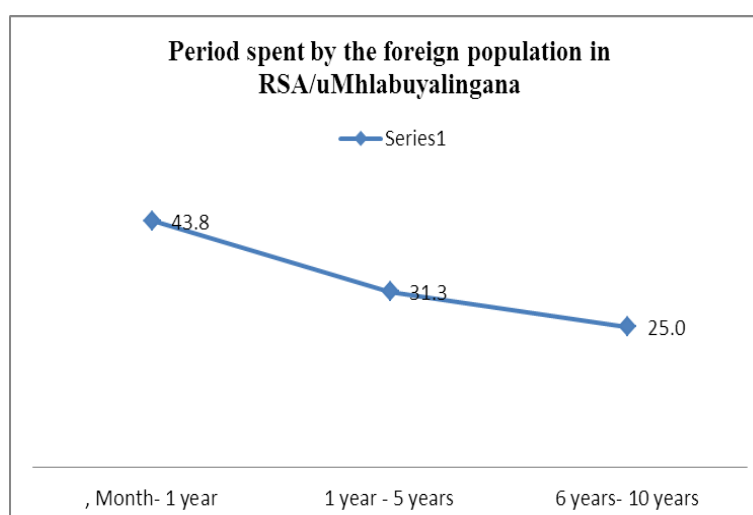


Figure 1: Period Spent by Foreign Nationals in South Africa/UMhlabuyalingana

Focus groups revealed that about 70% of the respondents visit their home country yearly, while 30% of the respondents have never been back to their home country since their arrival in South Africa/UMhlabuyalingana.

4.2.20 Income Generated by Foreign Nationals

Figure 13 (below) illustrates that about 68.8% of the foreign respondents did not receive income, 25.0% received an income of R1-R1 600 and 6.3% receive an income of between R1601 and R12800. About 58.8% of the foreign sampled population said they had business partners and 42.2% said they were sole proprietors. The businesses that the foreign population were mostly found doing was trading, hairdressing, repairing and dealing in vehicles. From the sampled population, about 70% were in trading businesses, 10% had hairdressing businesses, 10% were involved in the repairing business and 10% were involved with vehicle sales and repairs.

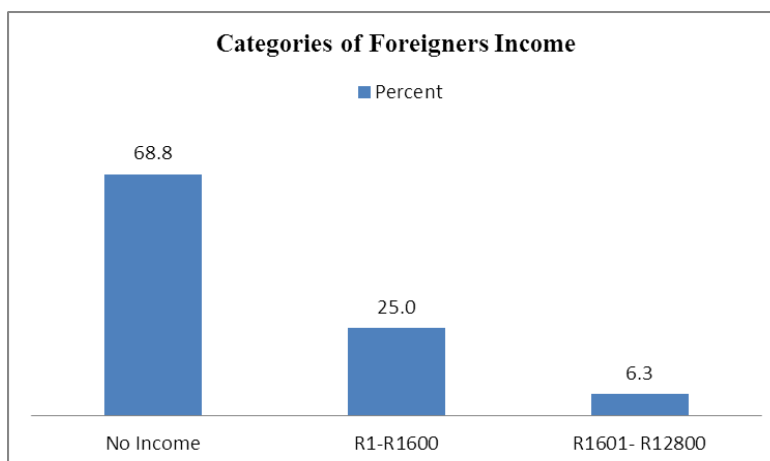


Figure 13: Categories of Foreign Nationals Income

The data collected from the focus groups illustrated that about 20% were in the business of selling clothes, 20% owned or worked in hair salons, while another 20% were caretakers. These three categories remain the top categories where foreign nationals work or own businesses. About 10% were in vehicle repairs, 10% sold fruit and vegetables, while about 10% of the respondents were in the bakery business, and the 10% were in transport. The overall businesses that foreign respondents were involved in were, trading businesses, hairdressing and vehicle sales and repairs.

The study has established that the majority of the foreign nationals from Mozambique do not do community work in the area. About 94.1% of the foreign sampled respondents were not involved in community work, whereas only 5.9% were working for the community, mainly raising funds for the poor.

4.2.21 Foreign Nationals in the Area and their Contribution to the South African Fiscal

Answers to the question as to whether foreign nationals from Mozambique add to the local economic growth of the area UMhlabuyalingana. Figure 14 (below) resulted in the finding that about 70% of the foreign businesses were paying State taxes as compared to some 30% that were not paying State taxes. This reality obviously illustrates growth in the economy because about 57.1% foreign sampled respondents are strictly in business. This means that about 70% of the business people from Mozambique are trading and contributing to the South African fiscal.

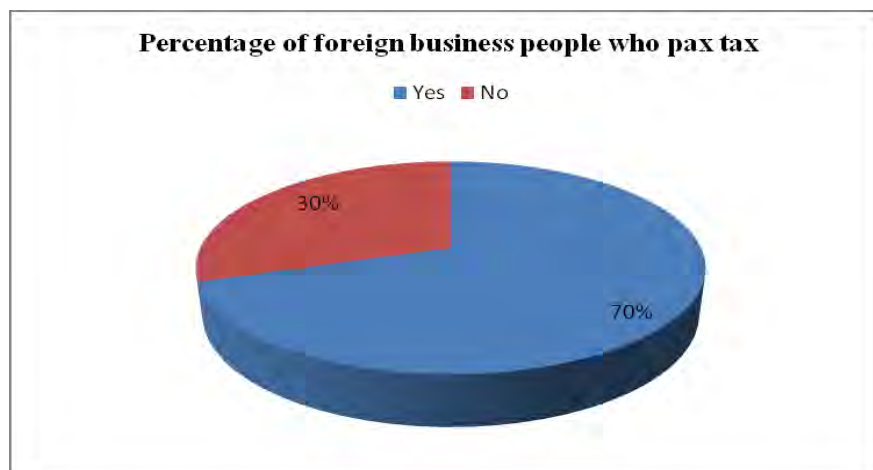


Figure 14: Percentage of Foreign Business People who Pay Tax

4.2.22 Foreign National Employment in Local Economic Development Projects

Figure 15 (below) illustrates that there are few foreign nationals from Mozambique had been employed in LED projects. About 6.7% of the research sampled respondents were employed in LED projects, whereas 93.3% were not. It is one of the recommendations of this study that local municipalities should look at incorporating the skilled foreign national workforce in LED projects so as to boost the local economy and impart much needed skills to the local South African population.

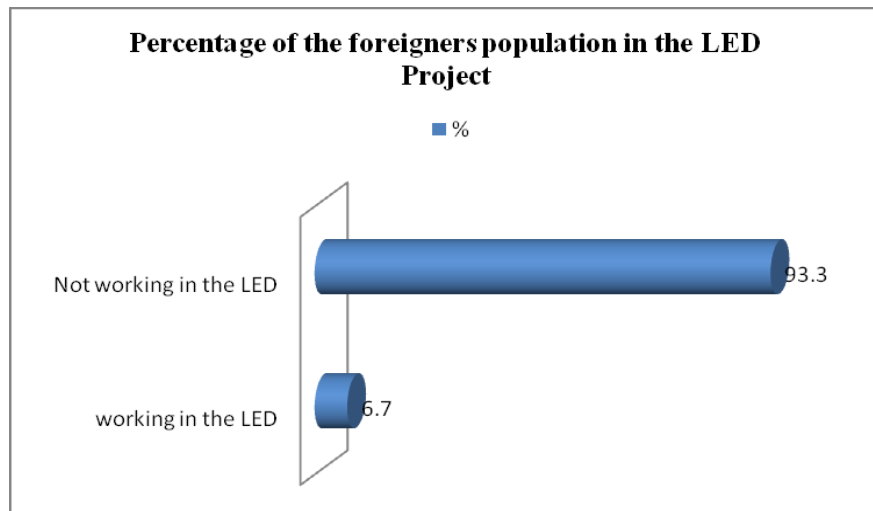


Figure 15: Percentage of the Foreigner sampled respondents in the LED Project

4.2.23 Goods with which Foreign Nationals Trade

A majority (57.1%) of the foreign sampled respondents are strictly involved in business ventures. Figure 16 (below) illustrates that a majority of the foreign nationals from Mozambique were selling clothes. About 42.9% of the foreign nationals were selling clothes and the least (14.3%) owned and operated vehicle repair and sales businesses; a further 14.3% ran cosmetics businesses.¹⁷

¹⁷ See Appendix III: Focus Group Research Questions: The Role Played by Mozambican Nationals in the Local Economic Development of Kwa-Ngwanase in UMhlabuyalingana.

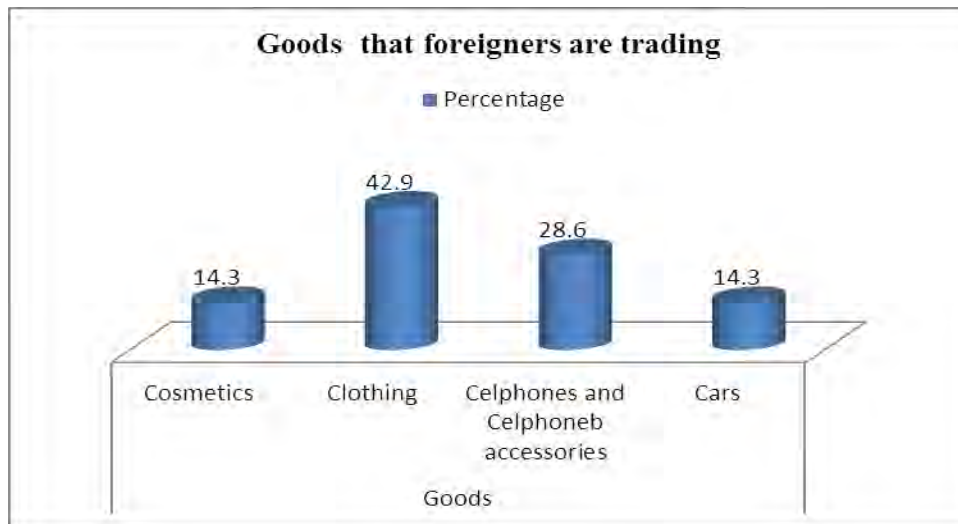


Figure 16: Goods Traded by Foreign Nationals from Mozambique

4.2.24 How Foreign Nationals Dispose of their Income

Figure 17 (below) illustrates that more foreign nationals from Mozambique were spending their earned income in the local area. About 5.8% of the foreign nationals were spending their earned income in the local area/UMhlabuyalingana and about 29.4% of the respondents sent their money home, while only 11.8% spent money in both locations.



Figure 2: Place where Foreign Nationals from Mozambique Spend their Returns

The focus groups revealed that about 80% of the respondents from Mozambique stated that they sent their money home yearly and about 10% of the respondents forwarded money home on a six-monthly basis. About 10% of the respondents reported that they never sent money home. Adepoju (2011) concurs with these results. Whereby many migrant workers harbour the ambition to return to their country of origin and invest in trading, refurbished or new buildings and real estate which are high yielding. These returns are then feed back into their business upon their return to South Africa. That said, during times of economic meltdown the recipient's budgets are affected heavily (Adepoju 2011:312).

4.2.25 The Experience of the Socio-economic Environment between the Local People and Foreign Nationals

Table 11 (below) illustrates that the majority of the local people have a good relationship with the foreign nationals residing and working in the area of study. About 15% of the local people have a good relationship, 7% said the relationship was bad and 2% stated that the relationship was either good or bad.

This is the perception of the local people as far as social relations were concerned. The focus groups conducted shows a positive relationship between the local people and foreign nationals. About 50% of the respondent said the relationship was good and 30% of the respondents said it was bad, while some 20% of the respondents

indicated that it was either good or bad.

		Frequency	Percentage
Valid	Good	15	60
	Bad	7	28
	Neither bad nor Good	2	8
	No response	1	4
	Total	25	100

Table 11: Relationship between Foreign Nationals from Mozambique and the Local People of Kwa-Ngwanase

When further probing was conducted with the last 20%, they said that it was because they were minding their own business and the foreign nationals were doing the same. This means that there were fewer interactions between the local people and the foreign Mozambique nationals.

4.2.26 Socio-Economic Factors and Foreign Nationals

Figure 18 (below) illustrates that foreign nationals from Mozambique were enjoying a good time in the area. Some 90% of the foreign sampled respondents said that they were happy living in South Africa / UMhlabuyalingana. About 80% of the respondents said that they had been treated very well in the area. Some 65% of the respondents said that they spent more money in the local area than in their home country, while another 65% of the respondents said that there were happy with their income. About 69% of the respondents said that there satisfied with their security in the area. The study also established that the respondents said that they had never personally experienced any form of xenophobia in the local area.

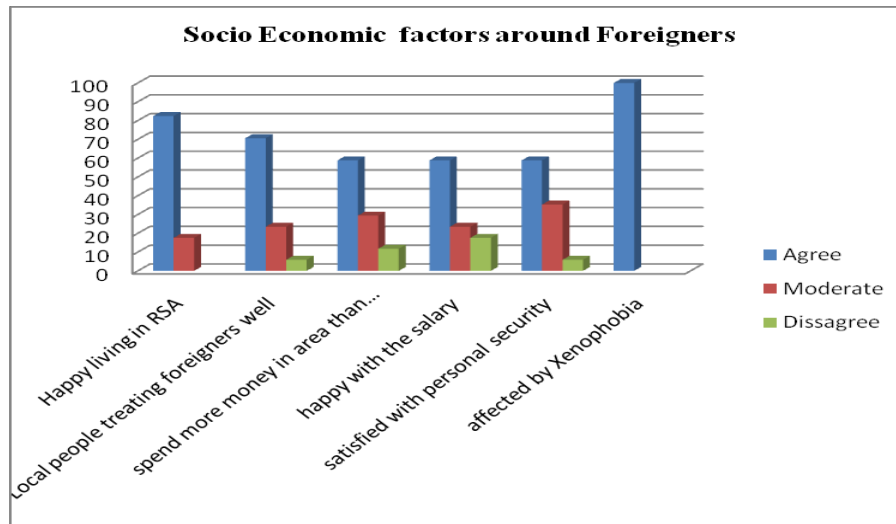


Figure 3: Socio-economic Factors around Foreign Nationals

Figure 18 (above) also confirms the data collected through the focus group discussions. About 50% of the foreign nationals from Mozambique indicated that they were lodging with South African families as their tenants. About 20% said that they were staying with their families and 20% were staying alone in rented accommodation.

The focus groups revealed that for about 80% of the foreign nationals, their lives had shown improvement through the income/returns they had received from UMhlabuyalingana, while 20% stated that their lives had not improved. Overall, about 60% of the foreign national sample respondents in the focus group discussion experienced UMhlabuyalingana as a happy place to live in, 20% said it was a bad place, while 20% said it was moderate place to live in.

4.3 Chapter Summary

In this chapter, my research results and findings have been represented and found to correlate with other studies, such those of Dodson (1998) and Mselle and Kgaube (2000). In the opinion of the present researcher, the research study findings presented a clear idea why foreign nationals from Mozambique stay at UMhlabuyalingana. Not only did they feel safe, but they could also be self-employed without prejudice and not fear being affected by xenophobia in the area. On the other hand, local people also benefited from their presence in the area because they bought local products and shared business ideas with their foreign national counterparts.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The research aim of this present study was to establish the role played by foreign nationals from Mozambique in the Local Economic Development (LED) of UMhlabuyalingana / Kwa-Ngwanase. The research established that foreign nationals from Mozambique did add value to the LED of UMhlabuyalingana, more especially in the area of skills transfer.

5.2 Contributions towards Establishing New Knowledge

The Municipality of Kwa-Ngwanase should make it a point to incorporate foreign skilled foreign nationals in LED strategies for the purpose of contributing to the overall LED of UMhlabuyalingana and at the same time transfer skills to the local people. Such an amalgamation would not only assist the statistical analysis by Statistics South Africa to establish the number and diversity of foreign nationals resident in the area, but also estimate the value they add to the LED of UMhlabuyalingana and South Africa as a whole.

Central to the research question was to establish how many foreign nationals from Mozambique were involved in the LED of UMhlabuyalingana. In this regard, the study established that most of the foreign national respondents had at some point in their stay at Kwa-Ngwanase worked in LED projects such as the construction of RDP houses. Important here is the work of Adepoju (2011) who argues that immigrant workers are normally poorly paid and are expected to do dirty and dangerous jobs, hence no one cares to accurately document information about them (2011:304). Adepoju (2011:305) also argues that without migrant workers doing these unglamorous jobs, some service industries in rich countries simply would not function.

Labour migration policies and legislation that incorporate appropriate labour standards also benefit labour migrants, members of their families, and can even have a positive impact on society generally. Labour migration is a current and historical reality in Africa impacting directly the economies and societies of African countries in important ways. The establishment of transparent and comprehensive labour migration

policies, legislation and structures at National and Regional level can benefit the country of destination and country of origin. The benefits to the country of origin would be technology transfers, skills and remittances; and for the country of destination, labour migration may satisfy important labour market needs (African Union 2006:4).

In September 2001, the Fédération Internationale de Football Association (FIFA)¹⁸ established a transfer regulation for soccer players to go overseas to obtain academic and sport training (Sports and Recreation Development 2009:6). FIFA argued that sports and tourism could create a long-lasting and sustainable local economic opportunity (2009:8) and thereby increase the chances of employment for young people. The soccer players can learn hard and soft skills including co-operation, leadership and more (2009:10). In addition, on a broader scale, it is important to acquire knowledge from other foreign nationals or countries so as to boost local economic activity in the country.

The present study established that only 17.6% of the sampled respondents of foreign nationals residing in UMhlabuyalingana possessed official permits to live and work in South Africa. The Department of Home Affairs has to make sure that all foreign nationals residing at UMhlabuyalingana have the necessary work or business permits so that there will be an ongoing record that will assist the gathering and interpretation of statistical information as to their contribution in the local economy of the area. This will also make it possible to assess the skills transfer between the foreign nationals and local people. In addition, for all LED projects there should be a monitoring tool used to measure skills transfer between the local people and foreign nationals in order to keep track of sustainable development for the generations to come.

It is also important to note that both legal and illegal foreign nationals from Mozambique should be identified since illegal migrants constitute one of the biggest problems in terms of logistics for the Department of Home Affairs. Harris (2001)

¹⁸ The Fédération Internationale de Football Association (English: International Federation of Association Football) and commonly known by the acronym FIFA, is the international governing body of association football (soccer)

argues that one of the challenges of undocumented migrant workers in South Africa is the high level of corruption and exploitation by State officials. Some of the challenges faced by respondents from the study by Harris were that the South African Government refused to give them any form of documentation, even if migrant women had given birth to a child in South Africa. Instead, staff from the Department of Home Affairs expected bribes from them when they sought to renew their residency permits every three months. The official rates for obtaining such permits are proportionately high. For example, Ethiopians initially pay R250 for their permits and when renewed they are charged R80.00. In addition, R100 is charged to reapply in the event of receiving a rejection letter. The rates differ according to nationality. If a migrant does not have money there are no services made available to obtain permits; whereas, if a migrant has money, the process becomes much faster. This is where corruption comes in, particularly in the documentation processes that are in place within the Department of Home Affairs (Harris, 2001). This can be the reason why 82% of the foreign nationals in UMhlabuyalingana do not possess the necessary permits because they perceive the registration process to be a corrupt and expensive exercise.

The South African Government should take it upon itself to put in place formal structures and co-operative arrangements where local and foreign nationals can work together to share skills and knowledge, while at the same time generate an income. This study has established that about 73.9% of the local people do not have a working relationship with foreign nationals from Mozambique. Instead, they work as individuals and do not share any knowledge that would enable the community to go forward. This lack of a tangible working relationship can lead to xenophobic attacks by the local people on the businesses and homes of foreign nationals. Indeed, a study conducted by the University of Witwatersrand established that the young people of South Africa felt that xenophobic attacks were justifiable because when foreigners are gone they would get an opportunity of opening a business. Foreign nationals even said that they would have appreciated the discussion about the pricing of the goods if that was the cause of the xenophobic-inspired violence. As a result, the police felt that it was a criminal act (University of the Witwatersrand 2007:7). Situations like these can be prevented by building avenues of co-operation between local people and foreign nationals.

5.3 Identifying the Gaps and Suggestions for Future Research

Due to restrictions of time and space, as well as the limitations in the terms of reference of this present study, constraints were placed on the scope of data collected and analysed. In the course of the research therefore, important gaps were identified in the questions contained in the research questionnaires that could have been further investigated, as well as interrogating further the understanding of the terms by the respondents and the scope of the study in general. As a result, it is the observation of the present researcher that further study could be conducted to carefully consider the following gaps in present knowledge:

- i. For the purpose of further research, additional questions should be developed in order to interrogate the full extent of foreign nationals from Mozambique paying tax on their business activities in South Africa. From the present research, it was established that about 41.2% of the respondents admitted that they were paying tax. When further probing was done as to whether they were registered with the South African Revenue Services (SARS), the research established that the respondents had no knowledge of SARS. About 41.2% did not respond to the question, while 17.6% said that they were paying tax. For future research, the question about SARS should be included to verify the first question as to whether the foreign nationals in business paid tax or not.
- ii. While this study specifically targeted foreign nationals from Mozambique, it would be particularly advantageous to conduct a follow-up research study that included all foreign nationals living in the area. Even though foreign nationals from Mozambique are the dominant group, UMhlabuyalingana is home to many other foreign nationals, including those from Nigeria, Ethiopia, Malawi, Burundi and Somalia. The referral methodology made a great difference in finding the foreign nationals from Mozambique. Targeting the foreign nationals from Mozambique however became a limitation in obtaining more information about the role played by other foreign nationals in the LED of Kwa-Ngwanase.
- iii. Another limitation of the present study was the investigation of the highest level of education of the local people. The researcher did not ask the question,

yet in retrospect it would be imperative to assess whether local people have the skills and necessary training to strengthen the LED of UMhlabuyalingana.

- iv. The study should have investigated more about the race profiles of the foreign nationals from Mozambique; in other words, whether they were white, black, or other. The lack of detailed questioning in terms of the race or population group of the respondents in the present study placed severe restrictions on the analysis because it was deemed unsafe to assume that all foreign nationals from Mozambique were of the same race or population group.

5.4 Final Conclusions and Recommendations

This study aimed to establish the role played by foreign nationals from Mozambique on the LED of UMhlabuyalingana. The results of the study clearly established the important role that foreign nationals from Mozambique have on the LED, especially in the area of skills transfer. It is therefore an important conclusion of this study that the South African Government has a lot to do to accommodate foreign nationals in the LED projects so that they can further enhance the transfer their skills to the local people.

The present research established that about 20% of the foreign nationals from Mozambique in the study contributed to the local economy as traders where they acquired local goods and took them back to their country of origin. Another 20% contributed to the construction of houses, and 20% of the respondents had other business activities and investments. Some 40% of the respondents were employed in private household tasks such as domestic work. Close analysis of the present research illustrates that about 60% of the respondents had a direct impact on the local economy of UMhlabuyalingana. The study also proves the hypothesis to be true that foreign nationals do make a meaningful contribution to the LED of UMhlabuyalingana, and in this the objectives of the study have been met. In addition, recommendations for further research have been clearly defined to deal with the limitations and gaps of the present study.

As Chikezie (2006) has shown, while migration is not a new phenomenon, it is nevertheless an important, complex, urgent and sensitive subject. Therefore, migration

matters should not be handled bilaterally. Instead, there should be a regional or even global approach that seeks to harmonize migration policies (Adepoju 2011:314). As Ratha and Plaza (2011:48) have shown, an estimated two-third of migrants from sub-Saharan Africa live outside their country of origin and African leaders are devising strategies to attract their citizens back to contribute to national development (Adepoju 2011:311).

It is also important not to disregard the impact xenophobia has on the migration population of South Africa. There is a myth that migrants take jobs from the local citizens when the destination country wants to tighten their immigration policies.¹⁹ Adepoju (2011) argues that sometimes the tightening of migration policy does not solve the problem, but instead leads to the illegal movement of migrant peoples. That said, it is important to admit that migrant workers often possess skills that can benefit the economy of the destination country to the extent that it can enable its citizenry to cope during times of economic downturn (Adepoju 2011:305). Xenophobia can also be prevented by training the local unskilled population and absorbing woman into the labour market (2011:305).

In conclusion, it evidently those foreign nationals are adding value in the construction of houses. About 67% of them are found in the construction of houses. The local sampled respondents confirmed by 40% that more foreign nationalities from Mozambique are in construction of houses. It is evidently that foreigners from Mozambique do share their skills with local people hence the local sample of respondents believe that government can rely on them for skills transferee as long as jobs are share equally amongst them. Again the analysis detected that about 70% of the foreign businesses were paying State taxes as compared to some 30% that were not paying State taxes. This means growth in the South African fiscal. Though this has been an investigative study, it is hoped that the findings and recommendations will guide the future policy making as LED is concerned.

¹⁹ For more details about myths concerning immigration, see <<http://www.beacon.org/>> [Accessed 29 March 2012].

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APPENDICES

APPENDIX I

QUESTIONNAIRE ADMINISTERED TO SOUTH AFRICAN NATIONALS



SECTION A

DEMOGRAPHIC INFORMATION

1. Sex

☐ Female

☐ Male

2. Age

☐ 18-24

☐ 25-34

☐ 35-44

☐ 45-54

☐ 55-65

3. Marital Status

☐ Single

☐ Married

☐ Divorced

☐ Widow /Widower

4. What population group do you belong to?

☐ African/ Black

☐ White

☐ Other

5. Are you employed?

☐ Yes

☐ No

SECTION B

LOCAL ECONOMIC DEVELOPMENT

6. What is your understanding of the concept of local economic development?

.....

.....

.....

.....

7. In the past 5 years, have you worked in any local economic development project in the area?

☐ Yes

☐ No

7.1 If yes, specify and state your role.

.....

.....

8. Has the local economic development improved your life?

☐ Yes

☐ No

8.1 If yes, in what way?

.....
.....
.....

9. Do foreigners from Mozambique play a significant role in local economic development?

☐ Yes

☐ No

9.1 If yes, what role do they play and if no, why?

.....
.....
.....
.....

10. In the last 5 years, have you ever had any dealings as an individual or business with foreigners from Mozambique?

☐ Yes

☐ No

10.1 If yes what were the outcome of such engagement?

.....
.....
.....
.....

11. As an individual or business, what kind of support and help do you receive from foreigners from Mozambique in the Business?

.....
.....
.....
.....

.....

12. Is there any competition between foreigners from Mozambique and local people for business?

☐ Yes

☐ No

12.1 If yes or no, give reasons for your answer.

.....

.....

.....

13. What kind of relationship do foreigners from Mozambique and Local people have?

.....

.....

.....

SECTION C SKILLS TRANSFER

14. How is the skill transfer by foreigners to local people?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

15. Are there any skills that you have been taught by the foreigners from Mozambique that you did not have before?

☐ Yes

☐ No

If no, Skip question 17 and 18

15.1 What kind of skills are those?

.....

.....

.....

.....

16. What type of skills have you transferred back to Mozambicans, if any?

.....
.....
.....

7. If yes, Will you be able to use those skills for your benefit in the future?

☐ Yes

☐ No

17.1 If not, why?

.....
.....
.....

18. Do you think the Government can rely on the foreigners for skills transfer for economic growth?

☐ Yes

☐ No

18.1 If no, what else do you think the government needs to do to make local people attractive in the local labour market?

.....
.....
.....
.....

THANK YOU VERY MUCH

APPENDIX II

QUESTIONNAIRE ADMINISTERED TO MOZAMBICAN NATIONALS



SECTION A DEMOGRAPHIC INFORMATION

1. Sex

☐ Female

☐ Male

2.
Age

☐ 18-24

☐ 25-34

☐ 35-44

☐ 45-54

☐ 55-65

3. Marital Status

☐ Single

☐ Married

☐ Divorced

☐ Widow/ Widower

4. What is the highest level of education?

- ☐ No schooling
- ☐ Grade 0
- ☐ Grade 1-Grade 7
- ☐ Grade 8- Grade 12
- ☐ Certificate
- ☐ Diploma
- ☐ High diploma
- ☐ Degree-and beyond

SECTION B

MIGRATION

5. Do you have a South African permit?

- ☐ Yes
- ☐ No

6. Reasons for coming to South Africa?

- ☐ Student
- ☐ Full time
- ☐ Part time
- ☐ Self employed
- ☐ Domestic workers

- ☐ Employed
- ☐ Full time
- ☐ Part time

Job seekers

☐

Business Person

☐

Refuge from war/ Political Conflicts

7. Do you reside with any of your relatives?

☐

Yes

☐

No

If not, who do you reside with?

.....

.....

.....

8. How often do you go home (area of origin)?

☐

Daily

☐

Monthly

☐

Weekly

☐

Yearly

☐

Other, Specify.....

SECTION C

LOCAL ECONOMIC DEVELOPMENT

9. Are you employed?

☐

Yes

☐

No

If no, skip 10 and 11

10. Employment conditions

☐

Permanent

☐ Contract

☐ Seasonal

11. What kind of organization are you employed in?

☐ Government

☐ Private sector

12. How long you have been employed in South Africa?)

.....

13. Did you run any business for yourself with partners, even if it was for only one hour in the area?

☐ Yes

☐ No

14. If yes specify? And If no ,Skip 15 and 16

☐ Commercial farming,

☐ Trading,

☐ Construction,

☐ Repairing things,

☐ Guarding cars,

☐ Brewing beer,

☐ Collecting wood or water for sale,

☐ Hairdressing,

☐ Crèche businesses,

☐ Taxi /other transport business,

☐ Having a legal or medical practice,

☐ Performing in public,

☐ Having a public phone shop,

☐ Clothing, furniture,

☐ Clay pots

☐ Other

.....

15. Is your business paying tax to the government?

☐ Yes

☐ No

16. How long has your business been operating in your current premises?

☐ <1 year

☐ 1 to 3 years

☐ 4 to 5 years

☐ 6 to 7 years

☐ 8 to 10 years

☐ > And more

17. Which category of Income do you fall in with your business/ employment?

Monthly

☐ No income

☐ R1 - R400

☐ R401 - R800

☐ R801 - R1 600

☐ R1 601 - R3 200

☐ R3 201 - R6 400

☐ R6 401 - R12 800

☐ R12 801 - R25 600

☐ R25 601 - R51 200

☐ R51 201 - R10 2400

☐ R10 2401 - R20 4800

☐ R20 4801 or more

SECTION D

COMMUNITY WORK

18. Do you work without a pay in the non-government organization?

☐ Yes

☐ No

19. What is your non-government organization doing?

.....

20. Are you working for any local economic development project in the area?

☐ Yes

☐ No

Elaborate further as what are you going:

.....

.....

SECTION E BUSINESS STATUS

21. Are you involved in any business/ trading in the area for yourself?

☐ Yes

☐ No

22. IF Yes, What kind of good are you dealing?

.....

23. Are you spending most of your business returns at the place of origin?

☐ Yes

☐ No

24. Are you happy Living in South
Africa?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

25. Are local people of Kwa-Ngwanase/ Mhlabyalingana been treating you well?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

26. Do you make a contribution of your earnings in the local area?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

27. Are you happy about your salary?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

28. Is your personal security satisfying you in this area?

Very High 1	High 2	Moderate 3	Low 4	Very Low 5

29. Were you affected by Xenophobia in Kwa-Ngwanase

☐ Yes

☐ No

31. If affected, how?

.....

THANK YOU VERY MUCH

APPENDIX III

FOCUS GROUP RESEARCH QUESTIONS

THE ROLE PLAYED BY MOZAMBIKAN NATIONALS IN THE LOCAL ECONOMIC DEVELOPMENT OF KWA-NGWANASE IN UMHLABUYALINGANA

Mozambican Nationals

1. What were the reasons for you coming to South Africa?
2. What kind of businesses are you involved in?
3. With whom do you reside?
4. How often do you visit Mozambique?
5. Has your income improved since you have been in Kwa-Ngwanase, uMhlabuyalingana?
6. How often do you send money back home?
7. How has South Africa been for you?

South African Nationals

1. Are you employed?
2. What is your thinking about the phrase: Local Economic Development?
3. How do you view Mozambican nationals in relation to Local Economic Development?
4. Is there anything that you can say you have learned from the Mozambican nationals?
5. How has the working relationship been between South Africans and Mozambicans?

APPENDIX IV

PHOTOGRAPHS²⁰



Photograph 1



Photograph 2
Photograph 2



Photograph 3



Photograph 4
Photograph 4

²⁰ All Photos taken by Nontokozo Gwala in 2011



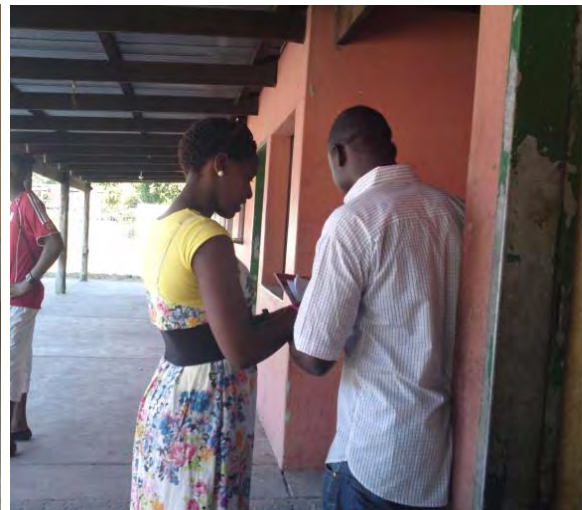
Photograph 5



Photograph 6



Photograph 7



Photograph 8

Photograph 1: This photograph was taken in the first market next to the main road. This is a local woman named Mboga who stocks her business with secondhand clothing from Mozambique and sells them in Kwa-Ngwanase. This is what Klopper (2005:2) refers to as “Edgars” in his study. The market has been recently developed because of its small capacity but still the space is not large enough. Even today you

² Chapter seven of Klopper R.J (2005) shopping the border: The transferee of goods at the cross border.

can still find woman and men sitting in rows because the market is not large enough for them all to trade.

Photograph 2: This photograph is woman is Khayo from Mozambique who rents one of the rooms in the second new market in UMhlabuyalingana. She migrated with her children to South Africa. She works as a Good Samaritan and cooks for her fellow Mozambicans during lunchtimes in the same room. She does not do only cater for Mozambicans but for most of the foreign nationals in the area. She collects money from them and buys maize meal and prepares the meals as the picture illustrates.

Photograph 3: This photograph shows Khanyo's second child sitting at the door of her mother's room. This is the picture of the market where Khanyo rents a room.

Photograph 4: This photograph shows the men that Khanyo is cooking for and uses the table in figure 5 to serve food.

Photograph 5: This photograph shows the table upon which that Khanyo serves the food to the men in the previous photograph.

Photograph 6: This photograph is of the new market which was specifically built to host those traders who cannot be accommodated in the old market.

Photograph 7: This photograph is of Mangaliso and his friend selling beer at the market. He said he normally has more customers at month end which is the 15th, 25th and the 30th of each month.

Photograph 8: This is a photograph of a respondent signing the informed consent form confirming that he is not being forced to participate in the study. Note that the respondent preferred that his face does not appear in the photograph.

APPENDIX V

ENGLISH CONSENT FORM FOR RESEARCH PARTICIPANTS



Consent to Participate in the Research Study

Study Topic	The Role Played by Foreigners from Mozambique in the Local Economic Development (LED) of Kwa-Ngwanase in Umhlabuyalingana
Investigator	Ms. Nontokozo Gwala

This is a study of the role played by the foreigners in the local economic development of the area in Umhlabuyalingana. The data will be collected by the use of questionnaires. There are no risks attached to the study because the information in the questionnaires will be treated confidential to the extent provided by the law. Your participation in the study is voluntary, anytime during the study you can withdraw. The participants should note that there are no benefits attached to the completion of the questionnaires.

Voluntary Consent

All above information has been explained to me and my question about the study has been answered to a satisfactory level. By signing this form I do not give in the legal right that I have.

I _____ hereby confirm that I have read and understand the contents of this document and the nature of the research study, and I agree to participate in this study.

SIGNATURE: _____ DATE: _____

For any enquiries you may contact:

Ms. Nontokozo Gwala
P. O. Box 583
Kwa-Ngwanase
3973
Cell: 082-740-9954
Email: nontokozog@webmail.co.za

Or

Dr. Elias Cebekhulu
University of KwaZulu-Natal
Memorial Tower Building
Howard College Campus
Durban
4041
Tel: 031-260-7480
Email: cebekhulue@ukzn.ac.za

APPENDIX VI

ISIZULU CONSENT FORM FOR RESEARCH PARTICIPANTS



Imvumo yokuzibandakanya nocwaningo

Imfunda Sihloko: Indima edlalwa ngabantu bokufika bevela ko-Mozambique ekuthuthukiseni izinga lomnotho waKwa-Ngwanase, Kwamhlabuyalingana.

Umphenyi: Ms. Nontokozo Gwala

Lolucwaningo lubheke ukuthola indima edlalwa ngabantu bangaphandle bevela eMozambique ekuthuthukisweni komnotho waKwa-Ngwanase. Abantu abazibandakanya nalolicwaningo kuzodingakala baphendule imibuzo ebhalwe phansi. Lolugcwaningo aluzi nabungozi kumuntu ozibandakanya nalo kodwa uvo lomuntu ngamunye luba yimfihlo. Ukuzibandakanya nalolucwaningo kuwukuzinikela okungenambuyiselo emva kokuqeda ukunikela ngovo lwakho, kanti futhi noma ngabe yinini phakathi nocwaningo uvumelekile ukuhoxa.

Imvume kozibandakanyayo nogcwaningo

Yonke imibandela yalolucwaningo ichaziwe futhi nemibuzo yami yaphenduleka ngokwenelisayo. Ngokusayina lendawo engezansi akusho ukuthi nginikezela amalungelo ami omthetho.

I _____ Nginyaqinisekisa ukuthi ngifundisisile ngaqondisisa kahle umbhalo walencwadi nesimo socwaningo. Ngiyavuma ukuzibandakanya nalolucwaningo.

Isayini: _____ Usuku: _____

Mayelana neminye imibuzo ungathintana no:

Ms. Nontokozo Gwala

P. O. Box 583

Kwa-Ngwanase

3973

Inombolo kamakhala ekhukhwini: 082-740-9954

Email: nontokozog@webmail.co.za

Noma

Dr. Elias Cebekhulu

University of KwaZulu-Natal

Memorial Tower Building

Howard College Campus

Durban

4041

Tel: 031-260-7480

Email: cebekhulue@ukzn.ac.za

