

## Chapter 76

# International Migration Through the Tourism Industry: Implications, Challenges, and Contradictions in South Africa

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### ABSTRACT

*The tourism industry has advantages and disadvantages that are evident in South Africa. One of the disadvantages in Cape Town is the growth of particularly urban tourism that has displaced domestic tourists due to the high prices charged. The development of the domestic tourism market is challenged by the dominant unemployment, poverty, and inequality that are affecting the South African economy. Yet, tourism consumption requires the availability of discretionary income as a necessary condition to afford to procure and consume tourism offerings. Government support is visible in the industry as it has the ability to create jobs and opportunities for entrepreneurs. Even though three cities in South Africa, Cape Town, Durban, and Johannesburg, dominate the urban tourism market, this can also be reflected in the flight frequencies via Johannesburg, which is the regional hub for Southern Africa.*

### INTRODUCTION

The tourism industry has established itself as one of the leading industries in the world economy as it is being promoted for its economic benefits across all countries. Some of the economic benefits include improving the balance of payments, attracting foreign exchange because tourism is an export industry, where the tourism product offering can be consumed at the destination area, meaning that the bulk of the value adding happens at the destination area. “Tourists usually consume a bundle of goods and services while travelling, the key elements of such a consumption bundle may be identified in five broad

DOI: 10.4018/978-1-5225-7311-1.ch076

commodity groups: accommodation, food, transportation, shopping and entertainment’ (Divisekera (2010, p. 631). When tourism planning at the destination area seeks to achieve pro-poor outcomes, the destination area can benefit economically. Tourism gained widespread recognition as a major industry when it was integrated as one of the industries that could assist countries that were under the structural adjustment programmes initiated by the IMF and the World Bank. The tourism industry is appreciated by policy makers as it can create the opportunities for local employment, because of its labor intensive nature for local entrepreneurship. Therefore, it can be said that the entry level positions that tourism creates cannot be matched by any other industry because the labour intensive nature of tourism means any growth in the tourism industry, is matched by employment growth. Evidence of the linkages with others sectors of the economy is well documented in agriculture, and construction.

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

However, Pillay & Rogerson (2013) contend that there are poor linkages between tourism and other sectors as a result, something must be done by tourism planners to ensure that there is as little as possible leakage from the local community. Yet, Torres (2003, p. 547) indicates that “tourism development is also often associated with increased demand for imported food, resulting in foreign exchange leakage and competition with local production. This phenomenon leads to the tourism industry’s failure to stimulate local agriculture and in some cases; it is associated with a relative decline in production. The potential for tourism to promote local agricultural production, nevertheless, is widely recognised”. The integration of local agriculture must be a concerted step as part of the tourism development master plan for a destination, to ensure that tourism benefits and improves the standard of living for locals. Hence, integrating the local economy with the tourism industry plays an important role to improve the developmental ability of the tourism industry, especially for small scale farmers. When locals benefit from the tourism industry, they will become better hosts for tourists, due to the value domain. Tourism has become a major economic sector in many countries (Cheng, 2012), as it is one of the four key industries in Hong Kong contributing 3% of gross domestic product.

The economic growth and wealth of the Middle East countries such as India and China, has stimulated a demand for outbound tourism from those countries, which has increased the pool of available tourists. Market diversification is imperative especially for South Africa which is overly dependent on Europe (mainly United Kingdom) and the United States for the majority of international tourist arrivals. According to Gauteng Tourism Authority (2013), 69.9% of arrivals in South Africa are from African land arrivals, comprising of shoppers and cross-border traders. Such pointers indicate that tourism has an ability to rejuvenate sections of a town or city through redevelopment and attracting tourists. One of the examples within the South African context is the case of Cape Town and Durban. The Depart-

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