

A New Airport in Durban: Assessing the Direct Effects on the Local Population

In May 2010, the new King Shaka International Airport (KZIA) was opened in South Africa, an emerging economy for which integration into the world economy is an important objective. Being developed as part of a trade

and investment hub, the new airport serves as a case for infrastructural mega-projects, of which many are increasingly built around the world to attract investors and generate economic growth. Their positive effects on society are however disputed. This article assesses the extent to which this new airport in Durban has directly benefited the local population in terms of employment generation and economic development.

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Airports as Infrastructural Mega-Projects

In the past decades, infrastructural mega-projects have increasingly been built around the world as a means to improve the competitive position of local economies for outside investors, to encourage urban economic growth and to achieve higher social and economic return. The increase in international transactions, foreign direct investment, global integration, and the growing importance of the services sector have changed the world economy. Globalization processes and neoliberal influences challenge the competitive positions of cities, regions and states (Sassen 2000: 4, 11). Urban planning now focuses on economic growth and competitive advantages, for which mega-projects are used to make the city more attractive for the outside investor (Swyngedouw et al. 2002: 548-553). 'Mega-projects' are constructions of symbolic structures, such as museums, or larger and more complex formations, such as new transport facilities (for example a new airport) or the extension of existing ones (Diaz Orueta and Fainstein 2009: 759-761; Swyngedouw et al. 2002). Especially infrastructural mega-projects are arising all over the world. Globalization has led economic activities to become both spatially dispersed and territorially centralized. Infrastructure (including roads, bridges, but also the Internet) is essential to be connected with economic activities around the world, and thus for global integration (Sassen 2000: 1-4). Saving time and being connected have become more important, and therefore, governments increasingly invest in infrastructure for regional and national development (Flyvbjerg et al 2003: 65-66).

Mega-projects are expected to benefit society, but the extent to which the direct effects of mega-projects are actually beneficial for the local population is up for discussion. They are almost always constructed in urban areas, in which economic activities are brought together, enabling large and diverse labor opportunities, and bringing together consumers, producers, and products. Successful sectors attract further investment and increase the demand for labor. Besides that, infrastructural mega-projects generally have great potential to generate direct and indirect short-term employment. However, mega-projects have also been criticized extensively. Completed projects often do not match their proposals: costs are underestimated, while benefits are overestimated. Proposed benefits of mega-projects, such as employment generation, often fail to materialize or are too low to be measured, and after projects have been approved, it becomes clear that costs will turn out higher than expected (Diaz Orueta and Fainstein 2009: 765). Besides that, mega-projects can displace local households, not distribute benefits, and challenge urban sustainability. They generally have high economic costs, change employment patterns, and negatively affect the environment (Diaz Orueta and Fainstein 2009: 759-761). Moreover, spatial projects take away public resources from social needs programs. Urban development has become spatially targeted, replacing development goals of welfare distribution, service provision, and the removal of slums (Swyngedouw et al. 2002).

Such effects could be devastating in emerging economies like South Africa, where social and economic development is a main priority. Development, understood as the process of im-



proving poverty situations, requires active state involvement, for example in the provision of basic services. As Peet and Hartwick (2009: 58) argue, “Free markets do not spontaneously maximize human well-being”. For the entire population to benefit from the capital accumulation that is expected to result from mega-projects, capital needs to be accumulated and distributed equally (Ibid: 8). This study assesses the direct effects of one mega-project for development, to which employment generation is an important contributor: it provides income and contributes to personal development. This is especially the case in developing countries, where people often do not have equal access to employment, income and employment security.

Methodology

This research assesses the direct effects the construction of a mega-project has had on the local population. The aim of this case study research is to describe reality, for which theory is used as the basis for the gathering of data and the way in which that reality is described. Based on the theoretical framework, assumptions are made regarding the relationships between the researched objects or phenomena.

The contribution of this mega-project to local economic development has been assessed with the help of secondary data. To assess the extent to which the new airport has generated direct employment, survey research has been done with employees working at the airport, interviews have been conducted with government officials from the eThekweni Municipality (Durban) and with company managers working at KSIA, and secondary data on labor statistics has been analyzed. The survey was done to gather data on personal and labor characteristics of as many employees as possible in a short period of time. To understand to what extent employment was generated for the local labor force, the data gathered by the survey were matched with labor statistics.

It was aimed to include six companies working in maintenance and operations to enable future comparison with other mega-projects. At KSIA, there are a total of 102 companies operative in nine different sectors (excluding government

agencies) and of those companies, the largest companies were selected, so as to include as many employees as possible. Unfortunately, two out of six companies did not allow questions to be asked to their employees. For that reason, other companies were included and in total seven managers were interviewed and a survey was conducted with the employees of five of these companies. The sampling for the survey was based on probability: each unit of the population of employees had an equal chance of inclusion in the sample. The number of questionnaires issued was based on the number of employees per company. Since the time period and size of the research were limited, the population of included employees could not represent the total number of employees working at KSIA, which are approximately 3500 people. In total, 115 survey questionnaires were issued and 86 were received back.

A Mega-Project in South Africa

When assessing the direct effects of a mega-project in South Africa, one must take into consideration South Africa’s apartheid history. Between 1948 and 1990 the National Party (NP) implemented laws and regulations to favor the Afrikaner (Afrikaans-speaking White) population, for example through tariff protection and by guaranteeing employment. Society became racially segregated amongst four population groups: Black Africans, Whites, Asians (Indians), and Coloreds. It was only in 1990, after years of political violence led by the African National Congress (ANC), that President de Klerk dismantled apartheid. The apartheid legacy has influenced ANC policy making ever since. After coming to power in 1994, the ANC implemented policies such as the Reconstruction and Development Program (RDP, 1994), the Employment Equity Act (EEA, 1998) and the Broad-Based Black Economic Empowerment (BEE, 2003) Act, ensuring the equal representation of every population group in employment. In 1996 the ANC adopted a neo-liberal development policy called the Growth, Employment and Redistribution (GEAR) framework. With it, the ANC promoted an export-oriented economy and closer relations with the private sector to spur economic growth.

As said, mega-projects have increasingly been used around the world as a tool to achieve such goals and in South Africa, they



fit well within recent public policy goals. Examples are the International Convention Centre in Durban (opened in 1997) and the Gautrain in Johannesburg (opened in 2010). Especially KSIA is a representation of public policy, particularly of GEAR, for it promotes economic growth through trade facilitation and export, while GEAR promotes market- and export-oriented growth, trade liberalization and private investments. GEAR proposed public investment in infrastructure and trade and industrial policies to promote employment generation and an outward-oriented economy (RSA 1996a: 4-7). With both DTP/KSIA and GEAR, government aims to create the right business climate, making the economy more competitive and encouraging rapid growth.

KSIA is the one South African mega-project where this research focuses on, which is located in Durban. Durban is located in the eThekweni Municipality in the province of KwaZulu-Natal, a province which faces challenges of low education levels, informal housing and limited access to water and sanitation. In 2009, the total population in the eThekweni Municipality consisted of 3.3 million people, of whom 70% were Black Africans, 19% were Asians, 9% were Whites, and 2% were Coloreds. Since 2003, unemployment in eThekweni has gradually decreased to 22% of the municipal labor force in 2009, which is the lowest number since 1998 (IHS 2011). At the same time, Durban is the third largest South African city in

a sector which would be stimulated by the project; and the “symbolic significance of a large-scale project in the most populous province” (Abedian 2005). DTP, including KSIA, was expected to contribute R8.1 billion to R13.4 billion (€ 790 million to € 1.3 billion) to the province’s GDP; to increase national fixed investment with R4.0 billion to R6.9 billion (€ 390 million to € 670 million); to increase government revenues from taxes with R2.2 billion to R4.3 billion (€ 210 million to € 420 million); and to create 150,043 new sustainable jobs for KZN (KZN 2005: 5, 15). It would enhance the level of competition and reduce distribution costs, such as airline and transport costs (Abedian 2005: 3-6). The total DTP project, including KSIA, was estimated to cost 6.8 billion South African Rand (€ 660 million), but eventually cost R7.2 billion (€ 700 million) (ACSA 2011: 5). This mega-project has thus not exceeded its estimated costs much, though the question remains to what extent the proposed benefits have materialized.

When assessing such effects, it is important to understand that there has been, and there still is, a miscommunication and difference of opinion between the different actors and levels of government involved. Plans to relocate the airport were originally initiated by the provincial KZN government. The eThekweni Municipality, however, was not in favor, “because there was no fine-tuning between the old and new airport site”. The Municipality had concerns about the environment, the rural

Table 1: Matching personal and labor characteristics of employees at KSIA with those of the local labor force. Source: own data (KSIA) and IHS Global Insight 2011 (local labor force)

	Gender		Race				Age	Education		
	Male	Female	Black African	White	Colored	Asian Indian	20-24	Grade 12 (high school)	Higher	No or primary
KSIA	72%	28%	58%	18%	3%	20%	26%	44%	34%	6%
Local labor force	U: 52% E: 51%	U: 48% E: 49%	U: 83% E: 64%	U: 2% E: 12%	U: 2% E: 3%	U: 13% E: 21%	12%	30%	3%	14%
* U = unemployed population, E = employed population										

terms of economic activity and is of infrastructural importance to the rest of the country. The port of Durban is the largest port in South Africa, with exports originating from, and imports designated for, destinations outside the city.

On the first of May, 2010, the first aircraft landed on the new King Shaka International Airport. KSIA is part of the Dube Trade Port (DTP), a ‘freight logistics facility’, linking air, road, rail and the port of Durban, a combination which is expected to increase the import and export of high value goods by air (ACSA 2011: 2). The airport was developed following the relocation of the Durban International Airport. KSIA was developed because the runway of the old airport was too short, because Durban wanted to compete with Johannesburg and Cape Town with a state of the art airport to attract international air traffic, because a new airport could handle more passengers, and because it would become part of DTP, which would stimulate economic growth and provide job opportunities for the KZN province. Other factors that played a role were the 2010 World Cup, for which many passengers were expected and infrastructure had to be improved; the importance of tourism for regional development and employment,

area in which the new airport was to be build, the unknown long term effects, and the increasing distance from the city to the airport, which would cause problems for both passengers and employees (Interviews, 3 and 31 March 2011). Initially, the Airports Company South Africa (ACSA) was not in favor of the relocation of the airport either, arguing that it was not economically feasible considering the low passenger and flight numbers, and instead arguing to hold it off until 2017 (Abedian 2005: 13). The project was funded by the national and provincial government, while the Municipality provided the earthwork, sanitation, roads, electricity and infrastructure (Interviews, 3 and 31 March 2011). The Municipality has indicated to remain uninformed about new plans to enlarge the airport, and budgets and funding (Interview, 3 March 2011).

Data Analysis

An analysis of the gathered data shows that the construction of KSIA has had both positive and negative effects on the local population. First of all, the construction of DTP has led to the creation of 13,880 jobs between 2007 and 2009 (IHS 2009: 4). At KSIA, approximately 3,500 people are currently



employed. Since the previous airport employed approximately 2,200 people, this number has increased. ACSA's communications officer said that about 80% of the current employees used to work at the old airport, though some had to quit their jobs because of the increased traveling distance to work (Interview, 8 April 2011). The survey conducted with employees working at KSIA also suggests that direct jobs have been created. KSIA created jobs for 35% of the respondents: of 72 respondents, 5 were economically non-active and 13 were unemployed prior to their current jobs. The others, 54 respondents, indicated to have been employed, and to have switched jobs. Those who were previously employed but had lost their jobs are included in the 35%. It is noteworthy that this mega-project involves the relocation of an airport. Some of the people who worked at the previous airport were relocated to KSIA, but others could not afford to travel the increased distance to the new location (which for some increased to 60-80 km). Two companies indicated that even though the actual number of employees had stayed the same, many people have had to leave the company because of the increased distance. Company managers stated to provide travel cost allowance, but only to employees who worked at the previous airport and now have to travel far because of the relocation, and only for a period of 6 months to one year. Of 81 respondents, only 7 said to receive travel cost allowance. This is unfortunate, since employees have to travel large distances. Even though 92% of 85 respondents live inside the eThekweni Municipality, 39% of them live South of Durban, close by the old airport and 60-80 km away from KSIA.

To understand to what extent the direct employment generated by KSIA matches the local demand for labor, interviews have been conducted with company managers and survey research has been done with their employees. With these data the per-

sonal and labor characteristics of employees were measured (e.g. age, gender, race, education, etc.), which were matched with labor force statistics. Table 1 shows that even though the local population benefits from direct employment generated by KSIA, differences in personal and labor characteristics suggest that the kinds of jobs created are not equally accessible to the entire population.

To start, the representation of men and women in the eThekweni labor force and at KSIA suggest that gender relations in both the employed and unemployed population are rather equal, while KSIA employs more men than women. Secondly, compared to unemployment rates, the representation of Black Africans at KSIA was low and the representation of Whites was high. Thirdly, the eThekweni population is rather young, with the age groups of 20-24 and 25-29 being most populous. The employed population at KSIA is also very young, with 26% of all respondents being between 20 and 24 years old. The average age at KSIA is 33. Furthermore, the kinds of jobs generated by KSIA in the included sectors and companies are specialized and do not specifically benefit the low educated local population: the level of education at KSIA is much higher than in the rest of eThekweni. KSIA has thus created jobs, but demographics of employees were inconsistent with those of the local labor force.

A second effect of the airport on the local population concerns the increase in air traffic. Passenger and flight volumes increased from 3.6 million passengers between April 2009 and January 2010, to 4 million passengers between April 2010 and January 2011 (Khanyile 2011). However, the increase in passenger and flight volumes can mainly be attributed to the FIFA World Cup in 2010, suggesting that the increase is likely to be temporary. Besides that, there have been some difficul-

ties with attracting international airlines flying to other destinations than only Maputo and Dubai. Only in May 2011 a deal was signed by which KSIA got access to direct routes to London and Nairobi (Naidoo 2011). However, ACSA has increased tariffs with 161% for a period of five years, starting October 2011, which does not promote KSIA.

A third direct effect that is assessed is the extent to which local companies have benefited from the new airport. KSIA is owned and operated by the parastatal Airports Company South Africa (ACSA), and companies involved in the construction of the project were mainly large national ones, led by a local (public) enterprise. For the DTP project the new public Dube TradePort Corporation was installed, creating new jobs. These companies directly benefit from increased business. However, companies such as these who are most involved in the project are large and (semi-)public, while hardly any small local companies are operative on site. Another critique on the new airport is that it is too far away from the business centers in Durban and Pietermaritzburg, leading Gleason (2011) to state that “almost no one wants to use King Shaka”.

Finally, the direct surroundings of the new airport site have been negatively affected by the construction of KSIA. The airport was built in an agricultural area centered on sugar cane, which was expected to ‘capitalize’ on the project through a direct link to the South African and world economy (IHS 2009: 10). However, the area suffered from the expropriation of agricultural land, reducing land available for sugar cane farming, and from an increasing land shortage, encouraging businesses to locate within the DTP Trade Zone, instead of in the area (Urban-Econ 2008: 73-74). Moreover, the project and the further expansion of the DTP has led to noise pollution, for example caused by airplanes, construction and traffic, forcing people to move away from the area (GIBB 2011: 99).

Conclusions

This research finds that the King Shaka International Airport has generated direct employment for the local labor force, that passenger and flight numbers have increased, and that local and national (large) companies directly benefit from increased business. On the other hand, however, the social-economic costs associated with the project have negatively affected society, not only through the relocation of business and jobs, but also through land expropriation, noise pollution, and the subtraction of public resources from social needs programs. The latter are highly needed in KwaZulu-Natal, a province which faces challenges of low education levels, informal housing and limited access to water and sanitation. Besides that, the direct jobs created are not equally accessible to the entire local population. At this point in time, the direct costs of the new airport in Durban exceed its direct benefits for the local population. These conclusions are context-specific: they regard the direct effects at this point of time in the project; an analysis of any indirect or spin-off effects should be included in future research for an overall understanding of the effects the new airport has had on the local population.

About the Author

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three months in South Africa doing research on the match between the generated direct employment by KSIA and the local demand for work. She is currently Project Coordinator for the Netherlands-African Business Council, a network organization of Dutch companies doing business in Africa.

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Page 2: Overview of the new air cargo terminal and apron. Photo provided by Van Turenhout.

Page 3: The interior of the passenger terminal. Photo by Kieron Thwaites posted at Wikimedia Commons.