

# TRANSPORT AS A SERVANT OF TRADE AND ITS CROSS-BORDER CHALLENGES: A CASE OF SWAZILAND AND THE NEWLY INTRODUCED IMMIGRATION LAWS BY THE SOUTH AFRICAN GOVERNMENT

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## ABSTRACT

The movement of goods and services as well as people is usually through road and rail transportation, especially in the Southern African Development Community (SADC). Swaziland is a landlocked country with its economy heavily dependent on trade with other regions and countries. The fact that Swaziland is a landlocked country means that its trade relations are not only dependent on transport but also on cross-border regulations with the countries it shares its borders with. Regional integration also plays a key role in the countries trade associations. The republic of South Africa happens to be Swaziland's major trading partner. New immigration laws have been introduced by the Republic of South Africa and they came into effect early 2014.

This paper uses Swaziland as a case study to reflect on the issues of new immigration laws, the effect they will have on regional integration which could be achieved through transportation, contribution to already existing cross-border challenges and most importantly, their impact on trade issues, which in this case is the movement of goods and services across borders, as well as the coming in and out of people. Transportation refers to all modes used for the movement of goods, services and people, this includes non-motorised transport, but particular attention will be paid to road transportation. Laws tend to be a hindrance to the flow of goods and service therefore slowing down the economy, however regulation is needed. Their implementation thereof, should be in a manner that will not worsen trade and the transportation system of one country.

**Keywords:** New immigration laws, regional integration, cross-border challenges, trade, trade issues.

## INTRODUCTION

Transport does not merely serve society: it shapes society, as in turn society shapes transport (Lyons, 2004). It plays a major role in a country's position in the global economy and social environment. Transportation is the creation of place and time utility (Bardi et al., 2006). These are provided when services are moved from a place of lower value to that of higher value (Bardi, ibid). According to (Liu, 2010) transport is widely recognized as central to economic growth. It acts as a midway service to a wide range of productive activities in all economic sectors. Without transportation, any production requiring inputs from different locations cannot take place. One of the key functions of transport is the stimulation of trade.

Transportation facilitates trade, hence terming it a 'servant', as without transportation there would be no trade. Trade involves the exchange of goods and services and people. International trade, which may also be termed as external trade is the exchange of goods and services between countries (Grant, 2008). Most of Swaziland's overseas trade comprises of sugar, pulp, textile, clothing etc. Much of its foreign trade is directly with South Africa, around 80% of goods and services, are traded through land routes (Mpata et al., 2004). The international market comprises of Europe, the Far East, and Asia and until recently, America. People form part of trade by the skills offered, whether skilled or unskilled labour.

A border determines the zone in which a state exercises jurisdiction and this includes the development, application and enforcement of policies and laws. It defines states in legal and geographical terms (Ladley and Simmonds, 2007). A border may be broadly defined as a set of things facilitating movement across boundaries (Anderson, 1999). These 'sets' may be policies, trade laws, custom officials to mention but a few. Cross-border challenges constitute a lot to the image of Swaziland's transportation system, hence affecting its trade. The fact that Swaziland is landlocked completely surrounded by South Africa and Mozambique means that the challenges encountered at borders are a tedious process since goods imported and exported go through them. Landlocked countries are usually placed at a disadvantage as compared to countries with access to the sea. As mentioned, part of these disadvantages is the cumbersome border crossing challenges, especially when it comes to the movement of freight (goods and services) across borders. Road transportation faces a lot of challenges. The recently introduced cross-border laws add to the already existing challenges. These challenges include: regulation mandates which happen not to be completely in-line with each other hence leading to inefficiency, control seems to be exercised more by border officials rather than facilitation of processes.

These newly introduced laws have the potential to impact negatively on current and potential foreign investment in South Africa and Swaziland. Part of the laws that were changed are no business visa will be issued or renewed to a foreigner who intends to establish or invest in a business that is listed as an undesirable business undertaking, Cross-border and transit permits being repealed, Persons who overstay for a prescribed number of times being declared as undesirable; fines will no longer be charged for overstaying.

The latter mentioned country would be the worst hit as it is somewhat totally dependent on South Africa for its survival, this being proved by the close ties between the two, where the dependence of Swaziland on the South African economy denotes that Swaziland's prospects for a somewhat sustained economic stability are situated in the context of changes in the performance of South Africa (Magagula and Faki, 1999). This is also proved by the fact that the Swazi currency, the Lilangeni is pegged to the South African rand.

The new immigration laws in particular affect trade due to changes concerning business visas, critical skills visas and fines. Since trade also involves the movement of people, that is the trading of services, this will potentially affect trade, especially for Swaziland, in that there are quite a number of people who migrate into south Africa to pursue job opportunities, whether those with critical skills or not. The movement of these people is usually through road transportation as well as non-motorized transport.

## **SCOPE AND OBJECTIVES**

The essay seeks to look into issues concerning trade, transportation and cross-border challenges that might be worsened by the newly implemented immigration laws that have been introduced by the South African government. The objectives are:

- Analyze the contribution of these laws to already existing cross-border challenges.
- Explore their impacts on regional integration
- Focus on how transportation could be improved (moved forward) with the newly introduced laws

## **CROSS BORDER CHALLENGES HINDERING TRADE BETWEEN THE TWO COUNTRIES**

The limitations of study is that the laws have since been suspended until further notice. A poor relationship co-exists between transport as a servant of trade and cross border challenges encountered. Although Swaziland and South Africa belong to the same customs union, there is a tedious process of additional costs (time) and compliance with the transit requirements of the transit country (Mpata et al., 2004). The major areas of change that have been brought by these laws are the fines that people have to pay once the duration of their stay has been exceeded. It goes as far as individuals being banned from visiting South Africa for a period of time (12 months to five years), regardless of one being employed there or not. This could lead to the economy of Swaziland being crippled, as the income generated in the foreign country is ploughed back to the economy. Cases of people exceeding the stipulated period of stay are usually small entrepreneurs. Traders are dependent on the length of the permit issued. The cumbersome process of one having to wait for quite some period of time before declarations regardless of proper documentation and the unpredictable procedures are a cost to these small part time traders.

Part of the cumbersome cross border challenges that hinder trade are because of control that are exercised by officials rather than to provide a smooth process. Swazi exporters express concern that goods are subjected to re-inspection at South African border points (Mpata et al., 2004). The amount of time taken to de-pack and re-pack the goods adds to costs in time and finances thus resulting to lower anticipated profits. It is not uncommon for truckers to wait for at least, a day, before being allowed to cross the border even when proper documentation has been made available.

The introduction of these laws is mere proof of how African governments are making it difficult to conduct business with other African states (Endres, 2013). The aim of the new immigration regulations are to protect the interest of the security of the Republic of South Africa as most people find the country as a desirable kind of land that is full of opportunity for business, trade, and pleasure and so forth. Most amendments are to impact on foreigners as well as foreign trade, this includes people looking to study, work and start a business. However, it is said that the new laws are a way for the South African government to attract opportunities from the global community while minimizing risk. The amendments on the laws are to help the country continue to ensure effective and efficient management of migration while ensuring it contributes to economic development and the prosperity of the republic of South Africa.

As much as the whole idea behind these regulations is somewhat sensible, the fact that their effect on transportation and trade was overlooked cannot be ignored. Transport is one vital part of the means that are used for trading purposes. It is a fact that cross border challenges will always form part of trade, especially in cases where merchandise needs to pass through but the challenges mentioned above, which are part of a wider scope of more unmentioned problems are an additional burden to a country like Swaziland, where already the trade industry is crippled by so many factors, transportation problems forming a major part of them.

## **REGIONAL INTEGRATION**

Regional integration and transportation along with trade somehow fall into the same category in terms of attaining close and seamless coordination between countries. Regional integration may be defined as a process that encompasses measures designed to abolish discrimination between economic units belonging to different national states (Balaso, 1961). If such countries stem from a single regional or regional integration activities, they are to be termed as 'regional economic integration.' (Negasi, 2009). The aim of having transport play a major role in promoting regional integration through trade is to improve the economic standing of the nations that enter into multi and bilateral agreements. One of the things that should have been taken into consideration when these new laws were formulated are what part would they play to advance regional economic integration. The current cross-border challenges encountered are already an impediment to growth, how worse will it become when new laws are introduced that in the favour of one country yet regional integration is all about forged links that will ensure smooth movement of trade?

Trade between the two states and the problems mentioned also occur daily and trade issues are dominate plus are a continuing problem of the African trade scene. As much as the new immigration laws will bring forth new opportunities like more job opportunities for locals, safer security measures what is it that they will do to promote trade, smooth out regional integration and eliminate cross border challenges?

## **MOVING TRANSPORT FORWARD**

Transport plays a vital role in the advancement and transformation of economies. The introduction or tightening of immigration laws should not prove to be a hindrance to the transportation sector. These regulations should be implemented in a way that does not frustrate the process of trade between two countries but should be implemented in a way that encourages and acts as catalyst in the trade process to allow full regional integration and economic prosperity for all. The South African government should therefore exercise caution when these laws come into effect in order to allow the transport sector to realize its full potential/maximize its role (choose) in economic advancement and protect trade relations between the two countries. In that way, the role of transportation in enhancing trade would be promoted to a higher standard. This could as well smooth out existing cross-border challenges. It is true that both states are still a long off from encountering a very small percentage of cross-border challenges, but improvements begin with a single step. The idea behind the laws is sensible, but in the case of promoting trade, transportation and regional integration, it somehow proves to be a step backward.

## **CONCLUSION**

In conclusion, innovative ideas in developing laws and policies, are needed that will not only take the economy to greater heights but it will also lead to improvements in the transportation system as well. These would culminate about how efficiency in transportation can be amended, thereby not only enhancing the transport sector but also revolutionizing the economy as well. Perhaps, because of correct implementations of laws, in future goods cross-border challenges may be a thing of the past.

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