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Kenny, Leon Rodney

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“THE IMPACT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE ARMED FORCES WEEK ON LOCAL ECONOMIES POST COVID”

"A research article submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration."

Student: Leon Rodney Kenny
Student Number: 0609442J

Johannesburg, South Africa 2023

Protocol number: WBS/BA0609442J/941

Supervisor:
Prof Drikus Kriek

Submission date:
Thursday 16 November 2023

“DECLARATION”

I, Leon Rodney Kenny (Student number: 0609442J), hereby declare that this Applied Research Project (ARP) titled “*The impact of the SANDF armed forces week on local economies Post Covid* is my own original work. Unless specifically stated, all references listed have been consulted”. This ARP is being submitted in partial fulfillment of the requirements for the degree of Master’s in Business Administration at the Witwatersrand Business School (Wits Business School), University of the Witwatersrand, Republic of South Africa. Furthermore, I would like to declare that this work has not previously been submitted by me or any other person and/or persons for a degree or qualification at any other university or institution of higher learning.



Signed by:

LEON RODNEY KENNY: MBA CANDIDATE

ACKNOWLEDGEMENTS

I express my gratitude to the divine entities of the Father, the Son, and the Holy Spirit for their unwavering benevolence in bestowing upon me profound love, robust health, and unwavering fortitude. Without the divine intervention of the Heavenly Father, my journey would not have reached its current stage.

I would want to truly convey my highest thanks to Professor Drikus Kriek for his consistent counsel, support, and mentorship during this time.

I express my gratitude to the faculty and staff members of the University of the Witwatersrand, namely the Wits Business School, as well as the whole university community for affording me the chance and assistance necessary to accomplish this significant accomplishment. I would want to express my gratitude to my colleagues at the Department of Defence, particularly those in the Logistics Division, for providing me with the necessary resources and support to pursue my academic aspirations.

Finally, I would want to express my heartfelt gratitude to my family, friends, and coworkers who have provided unwavering support over the duration of my academic pursuits. The completion of this assignment would have been very challenging without the understanding and assistance provided by others.

I express my gratitude for your assistance.

SUPPLEMENTARY INFORMATION

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ABSTRACT

The purpose of this applied research study was to assess the economic impact of the armed forces event on the Nelspruit local municipality. The rationale behind choosing this particular local municipality was based on the decision made by the Military Command Council (MCC) to designate Mpumalanga as the host province and Nelspruit as the host city. Regrettably, this occurrence took place during the initial phase of lockdown, known as level 1, and was integrated into the city's strategy for revitalizing the economy in the aftermath of the COVID-19 pandemic. Despite being a military exercise, this event holds considerable significance as it exhibits the defining characteristics of hallmark events within its category. The research incorporated both secondary and primary data sources and a cost benefit analysis methodology was used. The results suggest that this particular event had a direct economic impact of R50 665 000 on the local economy, hence benefiting a multitude of businesses in the vicinity. Furthermore, the extended duration during which the troops of the South African National Defence Force (SANDF) were stationed in the host city created a favourable setting for the advancement of commercial activities. The study holds significance since it highlights the potential of the Department of Defence to contribute to socio-economic upliftment, as outlined in the Defence Act, Act 42 of 2002.

Keywords: Armed forces event; Post covid; local economies; Department of Defence

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DEFINITIONS OF KEY CONCEPTS

Armed Forces Day event. This means the 21st of February each calendar year where the military commemorates its past, present, and future men in uniform.

Event. A planned public or social occasion.

Hallmark event. These types of events can be categories as fairs, expositions, cultural and sporting events of national status which are held on a regular basis or as a once off.

Local Municipality. Refers to an urban administrative entity that has corporation status and typically exercises self-governing authority.

Military Command Council. This mean the highest decision-making body with the Defence Force and is represented by the chief of the respective services and divisions.

Military Objective. Objectives that by their nature, location, purpose, or use make an effective contribution to military action.

South African National Defence Force. This means the combat element within the overall Department of Defence and consists of services and divisions such as the South African Army, South African Air-Force, South African Navy, Logistics Division and Military Police Agency.

Services and Divisions. This consists of the South African Air Force, South African Army, South African Navy, South African Health services and the South African Logistics and Police Divisions.

Subsistence and travel allowance. This can be described as the cost of spending on official travel, meals, hotels, sundry items such as laundry and/or similar ad hoc expenditures.

ABBREVIATIONS

AFD	Armed Forces Day
CBA	Cost Benefit Analysis
CGE Model	Computable General Equilibrium
CIC	Commander in Chief
DOD	Department of Defence
EPWP	Extended Public Works Programme
HE	His Excellency
LED	Local Economic Development
MEGA	Mpumalanga Economic Growth Agency
MCC	Military Command Council
MPA	Military Police Agency
ROI	Return of Investments
SAA	South African Army
SAM	Social Accounting Matrix
SAAF	South African Air Force
SAEC	South African Engineering Corps
SANDF	South African National Defence Force”
SANLC	South African Native Labour Corps”
SAN	South African Navy”
SAS	Special Air Service
SAPS	South African Police Service
SN	Serial Number
SONA	State of the Nation Address
SS	Steam Ship
S&T	Subsistence and Travel allowances
Stats SA	Statistics South Africa
TSA	Tourism Satellite Accounting
VIP	Very Important Person
WW1	World War 1
WW2	World War 2

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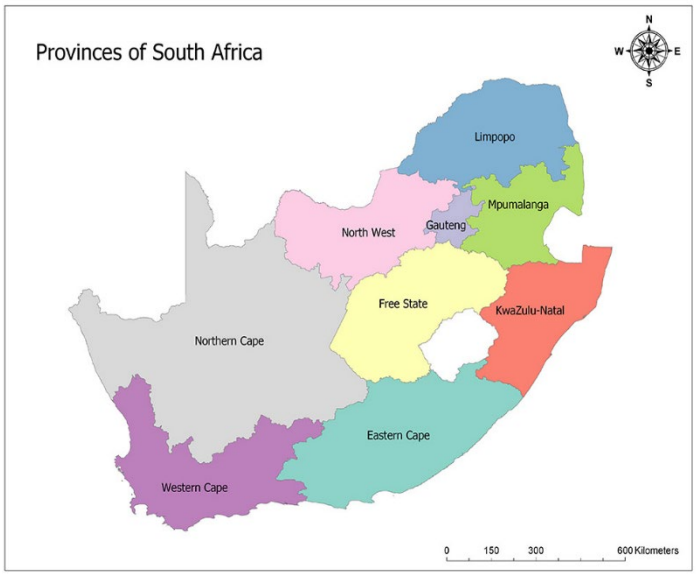
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CHAPTER 1 INTRODUCTION

1.1 Context of the study

In 2012 a decision was made by the Military Command Council (MCC) and approved by the then President of the Republic of South Africa and the Commander-in-Chief (CIC) of the armed forces (H.E. President J.G. Zuma) that the 21st of February each year will be an honourable date to commemorate the men and women in uniform. This date was declared the Armed Forces Day (AFD) commemorations in recognition of South Africans who served in the armed forces past and present. During this event, the SANDF deploys +-5000 members and equipment from the various military services and divisions. Each elements having their own respective duty and role to play during this period ranging from parade marching, crime prevention and security. This operation consists of a capability display and activities throughout various selected areas within the host city.



YEAR	HOST CITY & PROVINCE
2012	Pretoria (Gauteng)
2013	Bloemfontein (Free State)
2014	Potchefstroom (North-West)
2015	Port Elizabeth (Eastern Cape)
2016	Durban (Kwa-Zulu Natal)
2017	Kimberley (Northern Cape)
2018	Cape Town (Western Cape)
2019	Polokwane (Limpopo)
2020/21	Cancelled due to covid
2022	Nelspruit (Mpumalanga)

Figure *1 and table 1. Host city and p*rovinces where the AFD events took place since 2012 *(Sourc*e: *Author 2023*)

The SANDF is the only organisation that has the capacity and perhaps the legal mandate to mobilise, deploy and employ many people in one go. Thus, these +-5000 people will need to be accommodated. The display of military hardware becomes a drawing card for people who are in the surrounding towns and tourists. With the influx of people into the area, this has a positive impact on business turnover and the local economy. Unlike other corporate activities where the SANDF participates in such as

the Rand Easter Show and the annual Air Shows, the AFD is unique in a sense that it is mobile and rotates from province to province (Struwig et al, 2020). Figure 1 is a depiction of the provinces in which the armed forces events took place, and this is supported by table 1 as an indication of the respective year and the host city and province.

1.2 Study area

The Nelspruit Local Municipality, translated from Swati meaning a lot of people together in a small space, is in the Ehlanzeni District Municipality, Mpumalanga Province. The municipality was formed in 2000 by the merger of Hazyview, Nelspruit and White River Local Councils. The municipality is situated in the north-eastern part of South Africa within the Lowveld sub region of the Mpumalanga Province. It has a total population of 588 794 with the young (below 15 years) accounting for 29.8 % and the working age (15-64) accounting for 66% of the population. Of importance to this research is the unemployment rate at 28,1%, the youth unemployment rate at 37,6% and economic growth rate at 0,6 % as of 2022 (Stats SA, 2022).

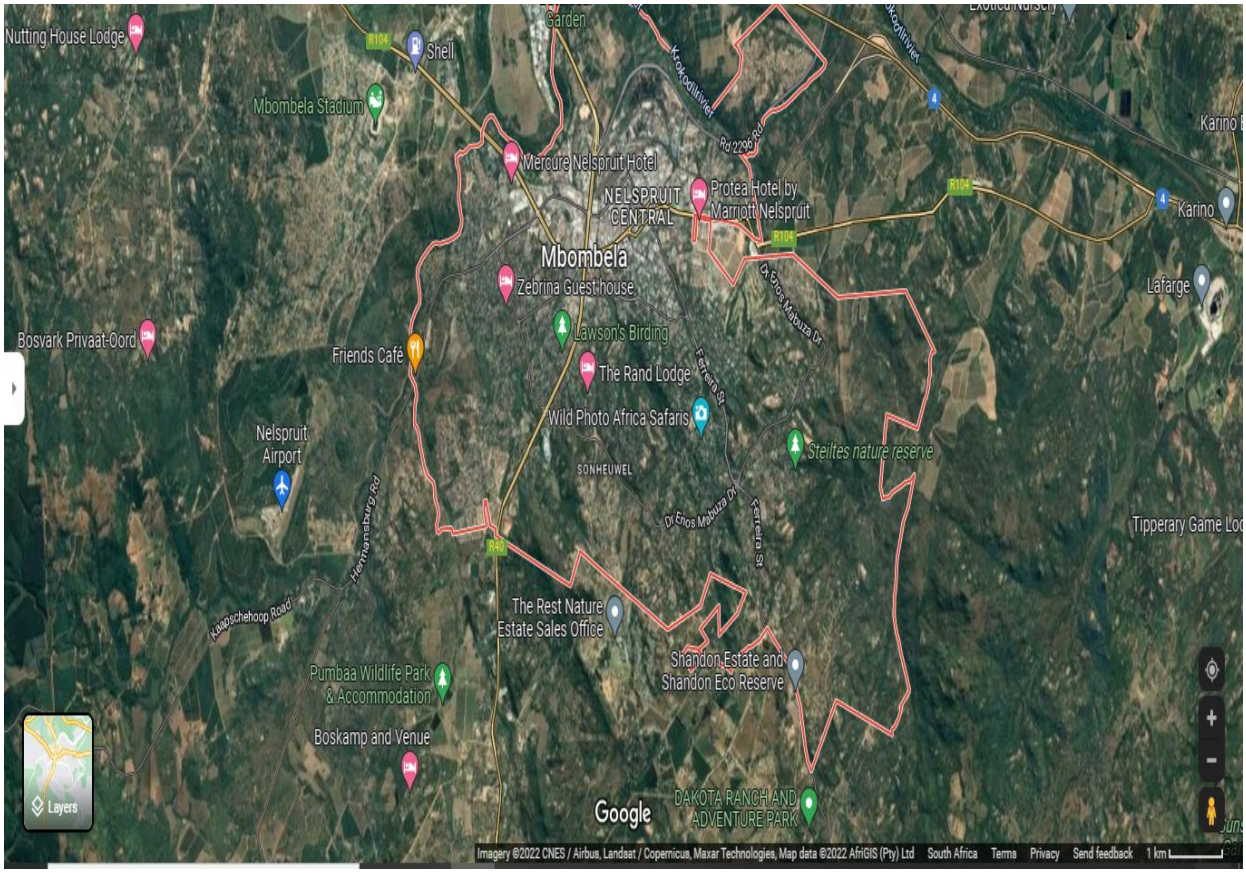


Figure 2 Location of the Nelspruit Local Municipality (Sources: https://showme.co.za/nelspruit/nelspruit-maps)

1.3 Research problem

Military deployments are universally regarded as military operations, and military leaders formulate their strategies and plans in accordance with established military doctrine. This implies that the primary concern for commanders is the attainment of military goals, rather than the economic impact on local economies. From a non-military standpoint, this particular deployment may be categorized as an occurrence worthy of being labelled an event. When examining the many classifications of events, such as local, landmark, significant, and mega events, it becomes evident that this particular military deployment can be appropriately classified in the hallmark category. The hallmark category represents an event that possesses distinctive characteristics when contrasted to other types of events, such as sports and entertainment.

Significant attention is devoted during the post-deployment analysis to determining whether the military objective was accomplished; monetary contributions to the local economy are not mentioned. Given the circumstances, military planners might adopt this perspective. Since the commencement of this military deployment in 2012 (table 1), regrettably, the contribution made by the deployment has not been fully recognized and documented. The primary objective of this study is to investigate the economic impact of Armed Forces Week on the community in which it is hosted. -

1.4 Research aim and objectives

The purpose and aim of this study were to determine what impact the armed forces week, have on local economies, using the Nelspruit Local Municipality as a case study. The following were the specific objectives of the study: (i) To determine the impact that the armed forces week had on the Nelspruit local economy; (ii) To highlight some recommendations that should be considered when such events are held.

1.5 Significance of the study

The significance of the study is that it will provide insight into the socioeconomic impacts of the AFD commemorations on local economies and will inform the various stakeholders of the potential benefits associated with these events. Internally the

significance of the study is that it will give military planners a good indication that the military events can have an impact on local economies.

1.6 Target audience

The intended audience for the findings of this study will include the following:
Local economic development and employment cluster. This cluster employs people through the Extended Public Work Programme (EPWP) that assist with security, protection, environmental management, and other activities as required by the local municipalities.

Local business. With an influx of people into the area businesses can employ additional people that can provide goods and services to the military component that has been deployed and tourists in the area. Local businesses include both the formal (accommodation, tourism, entertainment) and informal sectors (transport services, taverns, informal traders).

Finance department of the local municipality: During the annual departmental budgetary allocations, note of the potential contribution that the AFD can have on the local economies should be considered. This should entail appropriate attention being given to the infrastructure and marketing of the event to attract tourists to the event.

Department of Defence: The department of Defence consists of three arms. (i) The political office or Ministerial Office; (2) the Secretariat for Defence; (3) The SANDF, which consists of the respective services/division. The DOD should also take cognisance of their role in the Defence Act, Act no 42 of 2002. The capabilities that are inherent with the DoD should be utilised in such a manner that the socio-economic environment within the host city and beyond can be uplifted.

For example, the SA Army Engineering Corps can be deployed to provide bridges for disadvantaged communities; the same corps can be utilised for the purpose of water and sanitisation reticulation; the Intelligence corps can be used to provide vital information to the SAPS Intelligence units; the SANDF combat units can utilised to

augment the SAPS capability in rooting out crime, the deployment of such a contingent can be utilised withing multiple roles.

Tourism: The tourism sectors market the event to ensure that the maximum benefit for tourism can be realised.

Other. Other refers to the schools that will transport their learners to the host city; farm workers that can go and enjoy the activities; local workers around the area.

1.7 Delimitations of the study

1.7.1 Scope

The purpose and goal of this research is to examine the impact of South African military deployment on local economies, utilizing Nelspruit as a case study. The study's particular aims included determine the impact of the Armed services Week on the local economy of Nelspruit. Therefore, the focus of the study is military week. Other time periods were not considered because this study wants to assess the impact of this event on the local economy of Nelspruit.

The study focuses on marginal analysis which will reflect the additional impact of military spending on the local economy. Also, the focus of the study is on direct, indirect, and induced expenditure. Autonomous expenditure was excluded from this study.

1.7.2 Limitations of the study

The first limitation in this study was that it was based on one local municipality in the Mpumalanga Province. The second limitation was that the study was biased towards the consideration of direct spending of military participants during the event. Indirect spending was not given full attention. The third limitation was that the research only included the start and end of the AFD event. It did not take into consideration the post event legacy.

1.8 Assumptions

This study seeks to investigate the impact of military deployment on the local economy and is based on the following assumptions:

Assumption 1. It is presumed that the variables being examined possess the attribute of measurability, while the instruments used in the study are deemed to be valid and trustworthy, capable of accurately capturing and quantifying the aforementioned variables.

Assumption 2. In terms of the quantitative parts of the study, it is assumed that the survey design accurately captures the prevailing pattern and will enable the transformation of data into textual form for the purpose of reporting on the research goals.

Assumption 3. It is presumed that the data collection methodology would effectively align with the goals outlined in the proposed research.

Assumption 4. It is assumed that the participants included in this study exhibit a high level of presentation.

Assumption 5. The primary assumption behind this study is to the timely completion of the research within the designated timeframe.

1.9 Criteria of the research

Criteria 1. The concept of answerability. The study was conducted by using accessible documents and data for research purposes.

Criteria 2. The assessment of practicality or viability. The study was found to be feasible in terms of the allocated time frame, sample size, technique, and cost.

Criteria 3. The Scope and Relevance. The study project's scope is discussed in section 1.7.1, with particular relevance to the recovery period after the COVID-19 lockdown.

1.10 Summary of chapter

This chapter provided an overview of the history and context of the study. The research's scope and assumptions were also outlined. The chapter also highlighted the significance of the study. The following chapter provides a literature review.

CHAPTER 2 LITERATURE REVIEW

2.1 Background

Events have emerged as a significant and increasingly popular avenue for tourism and revenue generation. The positive economic impact of events on local municipalities has been particularly evident in the aftermath of the COVID-19 pandemic. Within the events value chain, there have been no analysis of the potential impact of the actions of the South African military on the socio-economic developments in the localities within which these events are held.

According to McDonnel et al (1999), events can vary in scale, ranging from local, hallmark to mega events. Local events encompass various activities such as arts and craft events. Major events are characterized by their annual occurrence, while hallmark events are distinguished by their specific nature, such as gay pride or military events. On the other hand, mega events could include events held at regular intervals, such as national and global sporting events. Against this background, the armed forces events can be regarded as a significant event, such as the one held in Nelspruit, and is held on a yearly basis. Moreover, the characteristics of the event can vary significantly due to the diverse locations utilized within the hosting city.

According to Jargo et al (1999:7), the utilization of a comprehensive framework allows for the effective identification of strategic gaps by categorizing events based on their type, timing, location, and themes. The authors additionally suggest that such a framework has the potential to evaluate the economic performance of an event in relation to parameters such as the projected economic growth as determined by local authorities. Janeczko et al (2005) contend that the evaluation of an event's impact on a local municipality should include revenue and other factors.

2.2 Global perspective

In a study conducted by Kane (2012), the objective was to examine the influence of United States military deployment on the advancement of social development in host nations. Specifically, the focus was on the promotion of public healthcare and

infrastructure expenditure. According to Kane (2012), countries that have a significant presence of US troops have had a more rapid pace of societal development when compared to nations without any US military involvement. The author asserts that the utilization of the United States military has a positive impact on the maintenance of peace and stability within a given region.

Consequently, this facilitates the ability of host nations to actively participate in international economic endeavours, specifically in the areas of commerce and foreign direct investment (FDI). Furthermore, as argued by Kane (2012), the substantial presence of United States military personnel plays a crucial role in promoting the diffusion of innovation and facilitating the flow of knowledge. Vine (2015a, 2015b) asserts that the presence of the United States military does not necessarily yield positive outcomes for local businesses. The gain lies in the creation of a United States military base, which leads to a temporary economic improvement in socioeconomically deprived areas through increased investment and job prospects.

Nevertheless, it is crucial to acknowledge that these advantages possess a transient quality. Over the course of history, the deployment of United States military forces in host nations has been found to have adverse effects on their economies. These effects mostly stem from the inefficient utilization of land and the subsequent environmental deterioration resulting from the disposal of hazardous substances (Belasco, 2009). The deployment of United States military forces in foreign areas has a substantial human cost, as evidenced by a range of criminal offenses perpetrated by military personnel, such as acts of homicide and sexual assault. Furthermore, the presence of military bases frequently results in an escalation of the incidence of prostitution in the adjacent regions (Allen & Flynn, 2013).

However, the cessation of military bases can potentially contribute to enhanced economic development in specific areas. This is due to the possibility of repurposing the previously utilized land for various economically productive endeavours, including but not limited to residential zones, educational establishments, commercial establishments, manufacturing plants, and other forms of economic expansion (Vine, 2015a, 2015b).

Furthermore, the allocation of land by the United States military for the establishment of bases can be seen to be economically inefficient. The topic of concern pertains to the environmental effect associated with military exercises and other related activities. According to Allen and Flynn (2013), nations characterized by significant cultural difference are more likely to experience an escalation in crimes committed by individuals affiliated with the United States military. The occurrence of these criminal acts has the potential to significantly impair the relationship between the host nation and the United States due to the profound human distress they cause.

There are two plausible mechanisms through which these unfavourable consequences could potentially exert an indirect mitigating impact on the host country's economy. To commence, there exists a reasonable possibility that there may be an escalation in anti-American sentiment, hence demanding a reduction in the deployment of United States armed forces. The prospective reduction in security assistance provided by the United States military may generate apprehensions regarding the security situation within the host nation, hence potentially resulting in a fall in both domestic and international investment. Moreover, the possible deterioration in the relationship between the United States and the host country might potentially have detrimental effects on bilateral trade, thereby negatively damaging the economy of the host nation (Vine, 2015b). In brief, the presence of the United States military yields unfavourable consequences.

2.3 Regional perspective

Accord (2020) asserts that military deployments in the African continent can be advantageous to the economy, particularly during times of crisis like as the Covid pandemic or other viral pandemics. In the context of Kenya, the military collaborates with several agencies, including the Ministry of Health, to build an information fusion centre, commonly referred to as a command post. This centre serves as a central hub for coordinating activities and operations. This aspect is of utmost significance as it capitalizes on the intelligence gathering capabilities possessed by the military. Additionally, it possesses the ability to encompass enormous regions. In certain circumstances, the military may assume control of the overall coordination of the crisis management team's activities. Military leaders undergo extensive education and

training to effectively handle crises and mitigate the potential for panic among the general population, similar to their preparation for combat situations. In addition, the military provides guidance to the civilian leadership regarding the future actions and trajectory of the nation.

The military has massive resource mobilization capabilities, which include the deployment of transport corps to convey crucial supplies such as food, water, medical supplies, and services required during the crisis, among other things. The military has a variety of vehicles, aircraft, and marine boats available for this purpose (Heo, 2019). This eliminates the need to lease from private organizations, which may further strain financial resources already stretched by the recession. The engineering corps can be used to enhance societal resilience while the country deals with the aftermath of the catastrophe. This could include drilling boreholes to provide people with water, expanding existing congested facilities as leadership seeks to promote social distancing in schools, and constructing mass medical isolation units across the country to manage the growing number of COVID-19 cases, among other horizontal and vertical works geared toward promoting resilience (Accord, 2020).

Finally, the military is becoming more involved in the quest for solutions. Currently, a lot of military scientific research units are searching for a vaccine, and this is expected to progress to vaccination testing. The security of the key installations involved in this research is vital, and in most cases, it is the military's responsibility to secure them and protect the pathogens and research materials that are likely to lead to a vaccine and, eventually, a cure for COVID-19 or any other pandemic.

2.4 Theoretical framework

The impact of events on tourism business is well recognized and uncontested. Given the evidence and the argument stated by Latiesa et al (2006:133) regarding the apparent correlation between tourism and events in industrialized nations, it is imperative to grasp the interconnectedness of these two phenomena. Events function as a catalyst for drawing folks to a certain area, where participants partake in diverse activities during their spare time. The groundbreaking study conducted by Anthony (1966) established the initial correlation between the fields of tourism and events.

Following that, other academic inquiries into the fields of tourism and events were conducted by Armstrong (1985), Baker et al. (1976), McDowell et al. (1988), and Williams and Zelinsky (1970). Nevertheless, previous to the study done by De Knop (1990), there was a dearth of research about the phenomena commonly known as events tourism. In the decade previously indicated, some researchers, such as Hall (1992), Gammon and Robinson (1997), and Standeven and De Knop (1999), conducted research on the impacts of events on both regional and local economies. Furthermore, several other scholars have made valuable contributions to the existing body of literature through their critical evaluations of this particular subject matter. The list of authors comprises Delpy (1998), Keller (2001), Gibson (2003), and Weed (2006, 2009).

According to Deery (2004), there is a need to emphasize the importance of a conceptual framework for large events to recognize their growing significance and their crucial role within the tourism sector. This recognition should encompass both the huge increase in visitor numbers and the significant economic effect associated with these events. Considerable study has been undertaken to examine the effects of significant events on host cities. However, it is imperative to recognize the importance of lesser events in fostering economic growth within their specific regions. The significant presence and engaged involvement of a substantial cohort of individuals are the main factors contributing to this phenomenon (Barajas et al., 2007). Jones and Kane (2012) present a key study that offers a thorough examination of the potential processes by which the presence of foreign troops may contribute to the economic development of host nations. The authors propose three independent theories, specifically expenditure theory, diffusion theory, and security theory to clarify the fundamental dynamics and impacts of these deployments. Drawing upon the expenditure theory, one may argue that an increase in the number of foreign soldiers, specifically through the building of long-term military bases, results in a proportional growth in government expenditures by the host nation.

As a result, the rise in government expenditure contributes to the expansion of overall demand in the economy. Drawing upon diffusion theory, one may posit that the presence of foreign military personnel within a recipient nation can potentially provide external ramifications for the nation's economic progress through the dissemination of

technology and institutions that bolster productivity. Collier (2007) posits that the domain of security theory investigates the ramifications of foreign military deployment on the quelling of both inter- and intrastate conflict, hence fostering heightened stability and economic advancement within a nation. Jones and Kane (2012) conducted an empirical study that analysed data from 1950 to 2000 to investigate the economic consequences of United States military deployment on the economies of host countries. The findings suggest that the presence of United States military forces has a beneficial influence on the economic well-being in the host countries.

2.5 Key knowledge gaps

The identification of gaps in the existing literature has been conducted through a comprehensive examination. To date, no empirical research has been conducted to examine the effects of military events on the local economy of South Africa. This can be extended to encompass not only the deployment of events, but also the deployment of both regional and local operations. Furthermore, it is evident that scholars have not adequately recognized the potential impact of the South African military on rural economies. Furthermore, it is worth noting that there exists a dearth of scholarly investigations pertaining to the potential contributions of the military in fostering socio-economic development within local communities. Additionally, it is important to highlight that corporate military deployments should not be regarded merely as events, but rather as military operations.

2.6 Hypothesis

The following hypothesis informs this study:
$H_{0=}$ The armed forces week as a military event has the potential to contribute significantly to the economic growth of the host city. H_1= The armed forces week as a military event has no impact on local economy of the host city.

CHAPTER 3 APPLIED RESEARCH METHODOLOGY: COST/BENEFIT ANALYSIS

As previously mentioned, the aim of this study is to assess the contribution of the South African military deployment on the economies of local municipalities. To attain this goal, a proficient methodology will be employed, the particulars of which will be elucidated in this section. In addition, we will examine the selected applied research methodology and present a justification for its choice. Furthermore, we will explore many concepts and approaches that have played a crucial role in supporting our research endeavours. Before explaining the approach, it is crucial to illustrate the application of several evaluation procedures in assessing the importance of an event.

3.1 Research paradigm

The research methodology employed in this study will adhere to a positivist research paradigm. Positivists advocate for the notion that there exists a solitary realm that is amenable to quantification and understanding. Consequently, these researchers exhibit a propensity for employing quantitative approaches in their investigations. Within the framework of the positivist paradigm, the research process commonly commences with the development of an empirical hypothesis. This hypothesis is subsequently submitted to rigorous testing through the systematic collecting and analysis of data. Positivists employ an objective methodology in their scholarly investigations, employing scientific techniques to discern measurable associations between variables, as opposed to pursuing qualitative interpretations for observed patterns (Park, 2020: 690-694). The selected paradigm for this study is deemed suitable as it seeks to examine the effects of military deployment on local economy through the methodical gathering and examination of data.

3.2 Quantitative research design

According to Goertzen (2007), this type of investigation involves the gathering and analysis of quantitative data. The tool possesses the capacity to discern particular patterns, compute averages, provide forecasts, analyse causal connections, and extend its findings to a wider population. The main justification for employing a quantitative methodology in this study is to utilize statistical analysis to determine the

influence of military deployment on the regional economy. A noteworthy benefit of this study is its potential for replication, as it may be repeated multiple times.

The utilization of quantitative data analysis facilitates the systematic examination and interpretation of extensive samples, ensuring precision and uniformity in the analytical process. One advantage is the opportunity to evaluate the theory through established and widely recognized methodologies that will be considered in the process of gathering data. One limitation associated with quantitative research is its potential inability to effectively capture the intricate workings of complicated concepts. Despite the standardized nature of quantitative research methods, it is important to acknowledge that structural biases may still occur (Sukamolson, 2007).

3.3 Methods of measurement

Evaluating the economic impact of an event poses challenges due to the inherent difficulty in acquiring comprehensive data pertaining to all parties involved. Selecting an appropriate methodology for doing the analysis is a significant challenge. Several scholarly research have discussed the various methodologies used to ascertain the economic determinants of events (Barajas et al., 2012). The prevalent approaches used in research on the economic impacts of events are as follows:

3.3.1 Satellite accounts (SA)

The existing approach utilizes data tables sourced from the National Accounting System in order to provide a comprehensive set of economic indicators pertaining to the specific geographic area or economic sector being analysed, encompassing national, regional, or local perspectives. This strategy has been employed by scholars such as Weber (1995), Otero (2000), and Ruiz et al. (2010), among other researchers.

3.3.2 Input–output tables (IOT)

The aforementioned accounts are classified as satellite accounts that employ a macroeconomic framework, focusing on either a national or regional level. In the given situation, individuals have the capacity to develop complex economic models that can

be utilized to simulate economic consequences in diverse settings (Pedrosa & Salvador, 2003). This methodology is extensively employed in various academic fields, and it has garnered significant attention from noteworthy researchers, including Preuss (2004), Aza, Baos-Pino, Canal, and Rodrguez (2007), and Porter and Fletcher (2008), particularly within the realm of events.

3.3.3 The contingent valuation method (CVM)

The Contingent Valuation Method (CVM) is used to ascertain the economic worth of a particular commodity or service via the observation of an individual's response to hypothetical alterations in the cost or quantity of such goods or services (Leal, 2005). This strategy has been used by several authors such as Bruce, Groothuis, and Whitehead (2001), Johnson, Mondello, and Whitehead (2006), and Walton, Longo, and Dawson (2008).

3.3.4 Computable general equilibrium model (CGE)

Mathematics is employed as a means to illustrate the functioning of the economy. The comprehensive depiction of the economy encompasses several factors such as production, consumption, commerce, and the involvement of both private and state sectors, thereby aiming to present a genuine portrayal. The utilization of this approach is observed in the domains of public finance and foreign commerce. However, Blake, Sinclair, and Sugiyarto (2003) have also employed this methodology to examine the impact of specific occurrences on the tourism sector.

3.3.5 Cost/benefit analysis (CBA)

The objective of this methodology is to determine the financial contributions of an event as well as its impact on a certain region or community. The advantages of the event are determined by the increased expenditure of the local population, while the costs are determined by the production factors required for its organization (Késenne, 2005). This approach has been utilized by Gratton, Shibli, and Coleman (2006), Hurtado et al. (2007), and Baade, Baumann, and Matheson (2008) in their investigations of the economic impacts.

3.3.6 Regional and sectorial analysis

The methodology involves the utilization of case studies pertaining to various entities such as institutions, individuals, events, or sectors. These case studies can be applied at several levels, including global, national, regional, or local scales (Barajas et al., 2012).

Based on an extensive examination of the extant scholarly literature about economic consequences, it becomes apparent that the evaluation of these impacts within the framework of events is constrained by specific limits. One notable issue that emerges is the argument that the financial costs linked to an event are mistakenly conflated with its profitability. Additionally, academic research suggests that it is permissible to evaluate the influence of resources that originate from a geographically other place from the one being studied. Ultimately, a number of scholars contend that the assessment of worth in relation to the multiplier effect is perceived as a limitation.

3.4 Justification of preferred method: Cost/Benefit Analysis

Cost-benefit analysis (CBA) is not only a methodology used for the purpose of assessing the impact on the economy; nonetheless, it does possess the capability to quantify the overall advantages derived from significant occurrences. Within the realm of military events, the use of cost-benefit analysis (CBA) serves as a methodological approach to ascertain the respective monetary values of benefits and costs associated with such events. The advantages and costs associated with a significant event include not just the economic ramifications but also extend to the social, political, and environmental dimensions. Cost-benefit analysis (CBA) is a valuable tool since it enables the estimation of the net benefits associated with a particular occurrence, hence facilitating evidence-based policy decision-making. Certain factors, such as the intangible concept of community pride and the subjective issue of noise pollution resulting from an event, pose challenges in quantifying their impact. Consequently, these factors contribute to a limitation in the effectiveness of cost-benefit analysis. A novel research study has been conducted, whereby the use of economic modelling techniques has been eschewed to assess the impact of a significant event on the

economy. Survey questionnaires are used as a means to ascertain individuals' sentiments on the economic ramifications of an occurrence.

3.5 Research instruments and sampling methods

3.5.1 Secondary data

The present study involved the analysis of several documents to extract the necessary data. These documents include: (i) The quarterly report on Mpumalanga Economic, Development, Environment and Tourism (MEDET) for the year 2021/2022; (ii) The report on Mpumalanga Economic Growth Agency (MEGA) for the year 2021/2022; (iii) The Mbombela Economic Strategy (MES); (iv) The report on Armed Forces Day for the year 2022, as provided by the Department of Defence; and (v) The report for the year 2022 from Statistics South Africa. The rationale behind the analysis of these documents is in their inclusion of crucial economic information and explicit expenditure data.

3.5.2 Primary data

The preferred method of collecting primary data was participant-based surveys. There are various advantages to using participant surveys to measure consumer spending. Asking participants regarding their purchasing and behavior habits is simpler than asking a corporation for its sales numbers. To help create a market profile, the survey also provides the chance to ask the participants several demographic-based questions. The data are acquired in the most appropriate and accurate manner since it is possible to carefully customize the survey to the data needed by the study approach at hand. The researcher gains from this since it gives them greater leeway to explore previously unexplored territory while focusing on what they have recognized as the main findings of their investigation.

3.5.3 Stratified sampling

Stratified random sampling utilizes existing demographic data to obtain a more accurate representation of the target population.

3.6 Limitations of the study

As indicated in chapter 1, this event has rotated provincially since its inception in 2012. As a result, the main limitation of this study is that only one area was focused on and that is Nelspruit. The study is limited by how well the usefulness of the results are to the respective stakeholders.

3.7 Validity and reliability

External validity simply implies that if the results of the proposed research will be able to be applied in other local municipalities. Therefore, in noting the definition I can assume that the results of this research are externally valid (Ferguson, 2004). Internal validity pertains to the level of certainty on the causal link between the military deployment and the local economies are not influenced by other factors and variables (Robert et al, 2006). The concept of reliability pertains to the degree of consistency shown by a certain measurement procedure. When the same outcome can be regularly obtained using the same methodologies under same conditions, the measurements may be deemed dependable. Therefore, if the same method that is being used in Nelspruit is used in another location, then the method developed in this research would have been valid (Robert et al, 2006).

To ensure validity and reliability of this research the following measures were taken. There was a clear definition of the research questions and hypothesis. The data collection tool which was mainly questionnaires was piloted before the actual data gathering phase began. The data collection method and instrument were tested before the data gathering phase began. Also, to ensure the validity and reliability of the research measures were taken to ensure that the sample size is representative of the total population. Therefore, data was collected from a representative and adequate sample size. The analytical technique which is employed is this which is the SPSS software system was choosing as it is appropriate for the data analysis, and it is a robust technique too. Lastly to ensure that this study is reliable and valid, the interpretation and reporting of results was done accurately and transparently to address any limitations and implications.

3.8 Research ethics

- There was no use of animals during this study.
- This applied research project was solely based on available secondary statistics.
- Application for authorization to conduct this applied research project from Wits Business School was applicable.
- Due to the nature and utilization of secondary data, no consent forms were required.
- This applied research project adhered to ethics principles throughout the entire project. Application for ethical clearance was applicable in this regard. Ethics clearance protocol number: WBS/BA0609442J/941.

3.9 Summarised version of the methodology

	Secondary data
What data is collected	Primary & secondary data
From whom/ where	Military personnel participants during the event in Nelspruit.
How much data	Direct and indirect expenditure
Data Sources	Archived documents
Research instruments	Surveys and extrapolation from primary
Methods of analysis	Cost/benefit analysis (CBA)
Methodological details	The objective is to assess the cost-benefit ratio resulting from an occurrence for a certain area or locality
Resolution of the problem	The interpretation of the results will be able to address the hypothesis
Quality criteria	Resolute, valid, Credible, and verifiable
Ethical consideration	Confidentiality & anonymity reinforced with destruction of surveys.

Table 2 Summarised version of methods to be applied (Source: Author)

3.10 Summary of chapter

Based on the aforementioned considerations, and in accordance with the findings of Hurtado et al (2007), cost/benefit analysis (CBA) may be unbelievably valuable in evaluating the socioeconomic effects stemming from the organizing of events. Consequently, it serves as a significant decision-making tool for those individuals tasked with event planning and management. The authors assert that cost-benefit analysis is a thorough and adaptable technique that evaluates the socioeconomic ramifications of large-scale public initiatives. The utilization of this analysis represents the most suitable methodology for evaluating the effects of an event, as it facilitates the formulation of metrics which include the internal rate of return, the net present value of expenses and gains, and the cost/benefit ratios. This enables the selection of alternatives that yield the greatest societal advantages.

CHAPTER 4 DATA INTERPRETATION AND ANALYSIS

The objective of this section is to present a thorough analysis of the monetary impact of the armed forces event on the local economy of Nelspruit. This will be achieved by extrapolating data obtained from primary and secondary data sources. To fulfill the objectives of this study, an economic analysis of the region will be provided, which will be juxtaposed with the specific contribution made by the military. Ultimately, a determination will be made as to whether this event has made a significant impact on the local economy.

4.1 Nelspruit socio economic analysis

Based on the findings of the StatsSA Community Survey 2016, which utilized the 2016 municipal boundaries as its basis, it was determined that the Mbombela municipal area encompassed a population of 695 913. Furthermore, an examination of the data revealed an annual population growth rate of 1.3% within this region. The Nelspruit municipal area has had a 4% increase in unemployment from 2016 to 2020, resulting in a current unemployment rate of 35.3%. Notably, youth unemployment remains persistently high at 49.3%. During the year 2020, the Mbombela municipal area emerged as the primary driver of the province's economy, accounting for a significant share of 22.3%. The municipality's status as the provincial capital enables it to attract significant investments and engage in several economic activities, including trade, agriculture, mining, and tourism.

The socio-economic profile of the Nelspruit local municipality where the AFD took place				
Population	Annual population growth rate	Unemployment rate	Youth unemployment	Average Annual economic growth
695 913	1.3%	31.3%	49.3%	1.2%

Table 3. Socio economic Profile of Nelspruit (SEP 2021)

Between the years 2015 and 2020, the economic performance of the Mbombela municipal region was poor. This poor performance decrease was further intensified by the economic downturn resulting from the COVID-19 pandemic, which was subsequently followed by a sequence of restrictions in 2020 and 2021 enforced by the National Government under the Disaster Management Act (Act No. 53 of 2005). According to the SEP Report 2021 by the Mpumalanga Provincial Department of Finance, Economic Development and Tourism, it is projected that the yearly economic growth rate of the region will average 1.2% over the following five years (2020 – 2025).

4.2 Direct estimated cost

The allocation of funds for transportation services associated with hosting the event was 6% of the total cost. This expense was mostly attributed to the engagement of local transportation services with the purpose of facilitating the movement of individuals from various regions within the province to participate in the activities. An instance of transportation was the conveyance of school pupils to participate in a career display that had been arranged with the purpose of recruitment. The allocation of funds for subsistence constituted 4% of the overall budget, primarily aimed at acquiring essential provisions to cater to the nutritional needs of the military men deployed in the host city for the duration of the event. Local companies were able to register on the Department of Defence (DOD) database throughout the procurement process, enabling them to supply the necessary commodities.

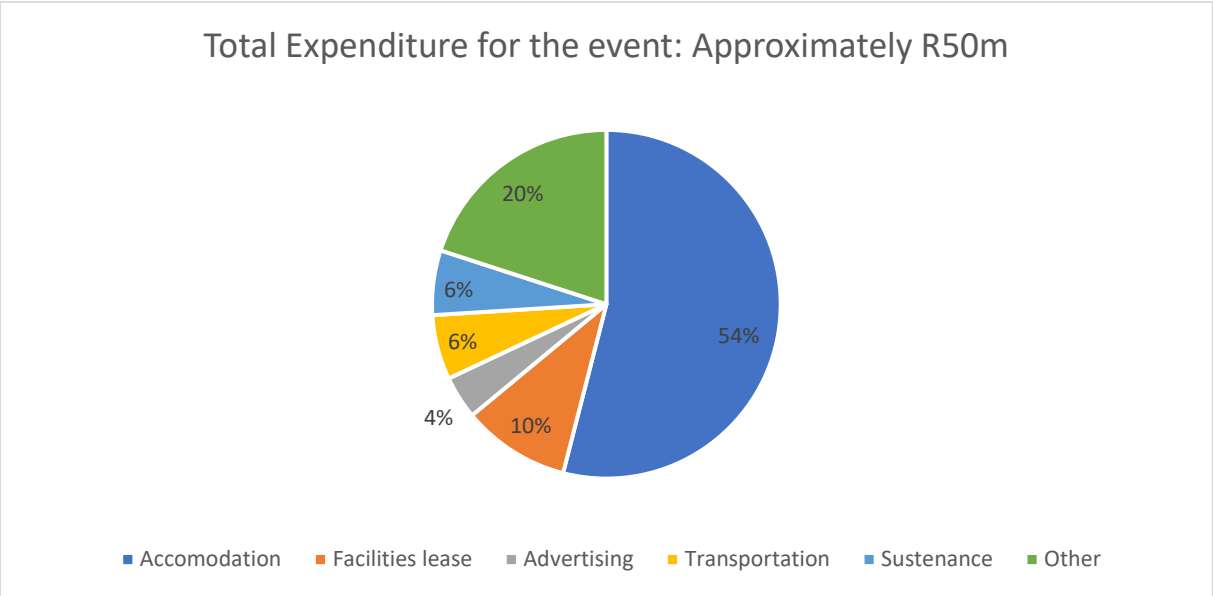


Figure 3. Total expenditure by the DOD during the event (Source: AFD 2022 Procurement)

The remaining portion constituted 20% of the total expenditure. In this particular context, "the other" refers to the acquisition of necessary objects for the creation and development of the built environment, as well as for occupational health and environmental services. The presence of a substantial number of individuals in the area exerted additional strain on the preexisting infrastructure and the surrounding environment. Consequently, the event organizers were compelled to prioritize the mitigation of any adverse effects on the well-being of attendees, the local community, infrastructure, the environment, and occupational health.

4.3 Indirect cost by participants

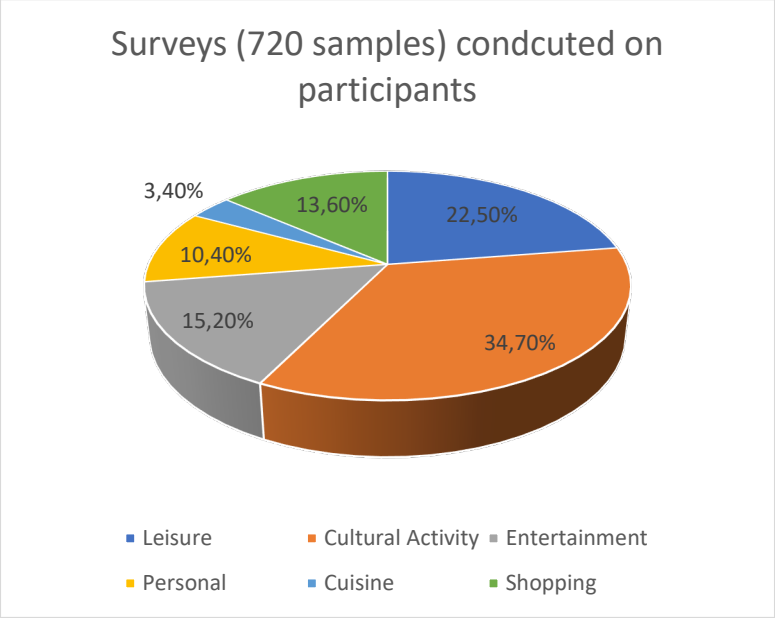


Figure 5. Survey conducted on participants (Source: Author, 2023)

Category	Spending amount (R'000)
Cultura Activity	250 000
Entertainment	180 000
Cuisine	10 000
Shopping	60 000
Personal	35 000
Leisure	130 000
Grand Total	**665 000**

Table 2. Total categorised expenditure

According to a poll done on a sample of 720 military participants, around 34.7% of respondents reported engaging in cultural activities during their downtime at the event. The findings of the observation revealed that a significant proportion of individuals have not had the opportunity to visit Mpumalanga. Consequently, they expressed their intention to capitalize on the chance to explore various attractions like wildlife reserves, God's window, Potluck, waterfalls, and the Sudwana Caves. According to the respondents, an estimated amount of R150,000 was allocated for tourism expenditures. Approximately 15.20% of the participants surveyed reported allocating their leisure time to entertainment activities, which corresponded to an estimated total expenditure of R180,000. Cuisine constituted approximately 3.4% of the respondents

who reported spending less than R10,000 on cuisine. The categories of shopping and personal expenses constituted 13.6% and 10.4% of the total, respectively. The total amount, when aggregated, is around R95,000. Leisure activities were 22.5% of the total, equivalent to a monetary value of R130,000.

4.4 Socio impact

According to the data presented in Table 5, a total of 988 individuals were polled with the objective of assessing the social impact of the event on the city that hosted it. The chosen categories encompassed traffic, noise levels, environmental factors, and the degree of discomfort experienced

Socio impact of the AFD event on the host city					
Entity	No. surveyed	Traffic	Noise	Environmental consideration	inconvenience
Government officials	54	68%	54%	78%	8%
Military participants	720	32%	22%	28%	2%
Local businesses	62	52%	38%	18%	2%
Non-resident	47	2%	8%	2%	6%
Resident attendee	38	98%	22%	8%	96%
Resident non-attendee	67	84%	78%	10%	94%
Total	988				

Table 5 Socio impact on the AFD 2023 host city (Source: Author, 2023)

In terms of traffic analysis, it was found that 68% of government participants, 32% of military participants, 52% of local enterprises, 2% of nonresidents, 98% of resident attendees, and 84% of resident non-attendees expressed their dissatisfaction with the traffic conditions, characterizing it as a significant challenge. In terms of the noise aspect, it was found that 54% of government officials, 22% of military participants, 38% of local companies, 8% of nonresidents, 22% of resident attendees, and 78% of resident non-attendees reported an increase in noise levels during the specified

period. Government officials comprised most stakeholders with regards to environmental matters. The observed phenomenon can be attributed to the increased demand placed on waste management services by both local inhabitants and non-residents attending the event. The individuals that experienced the inconvenience were the inhabitants. The organization was faced with the challenge of contending with both participation and nonresident attendees. The length of queues at stores, banks, and traffic exceeded the typical duration, leading to a significant proportion of individuals, specifically 96% and 94% respectively, expressing their dissatisfaction with the resulting discomfort.

4.5 Impacts of the AFD event on the local economy

This section provides an analysis of the contribution that the event made towards the Nelspruit local economy.

4.5.1 Cost benefit analysis

Based on the data shown in Table 7, it can be observed that the Department of Defence (DOD) incurred a total expenditure of 50,000 Rands, with a direct cost amounting to 665,000 Rands. This figure denotes that the local economy experienced a revenue boost of 50,665,000 Rands as a result of the event.

DOD expenditure	R50 000 000
Indirect Cost	R665 000
Benefit of local economy	50 665 000
Ration	50 000 000:50 665 000

Table 7. Cost benefit analysis ratio

CHAPTER 5 DISCUSSION OF FINDINGS

According to the findings of Hunt (2021), the initial imposition of COVID-19 lockdown restrictions by the President in May 2020 had a direct and lasting impact on numerous firms, resulting in irreparable consequences for some. One could posit that a considerable number of individuals were compelled to close their establishments. During this period, due to a decline in economic activity, businesses were compelled to reduce their workforce, leading to a subsequent decrease in revenue for numerous local governments, with Nelspruit being notably affected. The implementation of travel restrictions, both domestically and internationally, had a significant impact on various industries, including the tourism industry (Wright, 2020). Mpumalanga's economy is heavily reliant on tourism, and it experienced a significant drop over the mentioned time.

The Mbombela Stadium in Nelspruit, which hosted the World Cup, faced limitations in its utilization for sporting and leisure activities due to the COVID-19 pandemic, thereby significantly impacting this secondary city. The declaration of Nelspruit as the host city for the 2022-armed forces commemorations elicited a dual response of relief and apprehension. Due to the significant number of individuals present in the vicinity, apprehensions arose regarding the potential occurrence of a super-spreader event. Such an event may potentially necessitate the implementation of localized restrictions on the communities, so exerting a profoundly adverse impact on the economy. Furthermore, it is worth noting that the provision of a direct financial infusion was a significant source of relief, as it was anticipated to provide much-needed assistance to the sector that has been facing considerable challenges. It is important to acknowledge that this occurrence was promptly subsequent to the relaxation of restrictions to level 1. Prior to this, a sporting event was held, which also had a positive impact on the local economy (Rogerson, 2020).

5.1 Direct estimated cost

In this context, the term "direct cost" refers to the budget allocation of R50m that the event planners at the Department of Defence (DOD) possess for the entirety of the event's life cycle. This pertains to the stages of planning, implementation, and

demobilization of the event. The duration of the event spanned a period of 21 days. From the very beginning, a decision was made to acquire goods and services directly from the host city and host province. The presence of the Department of Defence (DOD) has significantly contributed to the growth and prosperity of various local businesses. These include accommodation establishments offering boarding and lodging services, facilities capable of hosting events, media platforms such as local newspapers and radios, transportation services encompassing buses, taxis, and rental vehicles, sustenance providers offering fresh produce, meat, and beverages, as well as other service providers such as those in the construction and built environment sector, suppliers of personal protective equipment for occupational health and safety, and providers of environmental items like spill kits.

5.2 Indirect cost by participants

The objective of this study was to identify the expenditure patterns of individual participants in the host city, with an estimated amount of R665 000 being spent. This analysis provides valuable insights for future host cities, enabling them to strategically enhance sectors that are likely to attract military personnel and thereby optimize their economic benefits. It is important to acknowledge that the survey was administered to individuals who were already identified, however, the data collected was strictly anonymized. The outcome of this study revealed a distinct signal that the participants derived pleasure from engaging in the cultural activity of tourism. This implies that during periods of inactivity or recreational time, the individual derived pleasure from engaging in tourist activities and seeing notable locations.

The region has a variety of captivating attractions, such as the Sodwana caves, renowned for their natural beauty, the internationally acclaimed Gods window, picturesque waterfalls, the charming town, and nearby environmental reserves. This is apparent from the allocation of R250k for this particular group. A limited number of respondents expressed a preference for shopping at malls, potentially attributable to the widespread presence of malls throughout the country and their diminished status as destinations of attraction. According to the available data, an estimated amount of R95,000 was allocated towards expenditures in the shopping and personal domains. The personal categories encompassed individuals of all genders who engaged in

activities such as visiting salons and purchasing personal things such as cosmetics. Despite the seemingly modest nature of the figures, I contend that the financial impact of the COVID-19 pandemic on the local economy warrants consideration. In my perspective, it is plausible to argue that the revenue generated by each individual institution proved sufficient to offset their particular expenses.

5.3 Socio impact

The surge of vehicles and individuals into the host city resulted in various problems that were anticipated. The flow of traffic was anticipated to experience significant disruptions due to the regular need for military personnel to access their workstations. In several cases, not only sedans, but even buses and huge off-road vehicles were observed traversing the various locations. The increased demand placed significant strain on the municipal traffic services. It is highly likely that traffic officials derived advantages from their practice of claiming overtime. As a result of a limited number of minor vehicular mishaps, the city recorded an estimated total of five accidents. The causal relationship between the occurrence of those car incidents and the tragedy remains uncertain. As a result of heightened mobility, there was a corresponding increase in the levels of noise. It can be postulated that this situation resulted in a very inconvenient atmosphere for regions in close proximity to medical establishments, elderly care facilities, animal shelters, and institutes of higher education.

The escalating burden on regional environmental infrastructure, such as waste management systems and the accumulation of organic waste, can be seen as a significant factor influencing environmental considerations. Fortunately, the Department of Defence (DOD) possesses an internal environmental capability that effectively facilitated the acquisition of the necessary permits for the entirety of the event. During that moment, it was widely noted that individuals exhibited an elevated level of enthusiasm in engaging with the Department of Defence (DOD). Recruitment drives and capability demonstrations were conducted, generating enthusiasm among individuals. The prevailing sentiment among the populace was that the military's presence was favourably regarded..

5.3.1 Employment statistics

At the time of preparing this document no employment stats were available. Therefore, it was difficult to determine exactly how many people were employed during that period and what are the employment legacies. The observation made is the local economic development offices do not have the appropriate structures in place to capture this data.

5.4 The impacts of the event on local economic development

In relation to the first objective of the study, it has been ascertained that the event made a substantial contribution to the local economy. The primary aim of this study was to assess the economic effects of the armed forces week, a military event, on the local economy. The event in question possesses a distinctive quality in that it occurred during the initial phase of the lockdown, denoted as level 1. This period was characterized by the implementation of certain limitations imposed upon the general population, with a particular emphasis on the Mpumalanga Province. The local economy saw a significant impact from the COVID-19 pandemic due to the substantial contribution of the tourism sector in this particular location.

The deployment of military soldiers in that region resulted in quite favourable consequences. Initially, the military made a direct contribution of around R50 million to the economy, along with an indirect contribution of R665,000. The provision of these funds facilitated the recovery of the recipients from the period of economic restrictions. In addition to its financial contributions, it can be contended that the military actively engaged in several social initiatives that positively impacted the morale of the residents of Mpumalanga. Furthermore, it can be contended that the collaborative crime prevention initiatives undertaken by the South African Police Service and the military have also played a role in fostering a secure atmosphere that is beneficial to the growth of business enterprises. Moreover, it was observed at this period that the primary factor drawing attention to Nelspruit was the presence of the military. It is important to acknowledge that the primary objective of this study was to ascertain the specific economic contributions made by the military to the local economy, without accounting for any external factors.

5.5 Recommendations

Based on the findings and discussions the following recommendation are brought forward.

5.5.1 Recommendation 1. National treasury to increase the AFD event budget

Section 18(1)(c) of the Defence Act, Act 42 of 2002, states that the Defence Force can be employed to support any department of state, including support for the purposes of socio-economic upliftment. It has been unpacked in chapter 4 of this document that the direct contribution into the host city was significant and provided a much cash injection relief for local businesses. Increasing the budget will enable business to hire more people therefore alleviating unemployment and poverty during that event. Therefore, it is recommended that National Treasury increase the budget of this event because in return it is businesses and people of the host city and province that benefits.

5.5.2 Recommendation 2. Businesses to register early on the supplier database.

Prior to the event local authorities of the selected host city and province should clearly inform business to register with the departmental database to make it easier to deal with the state. This will also enable internal procurement processes to comply with legislation pertaining to public funds and procurement. The other benefit is to enable competitive pricing for the event and to provide a fair, open, and transparent playing field for businesses.

5.5.3 Recommendation 3. Recognition of the AFD as a hall mark event

As indicated in chapter 1 of this document, the AFD has always been seen as military exercise with the intention to reach a specified military objective. The disadvantage of this is that the economic contribution that this event has is often unseen. By recognising this as an event will influence planners to see the potential socio-economic benefits and will be instrumental in the developing of an events plan.

5.5.4 Recommendation 4. Collaboration with environmental stakeholders

The DOD as a schedule 2 department as per the National Environmental Management Act, Act 107 of 1998, through its activities has an impact on the environment. This stems from waste management to spillages. In the spirit of environmental protectionism and national and provincial compliance, it is recommended that stakeholders collaborate with the DOD in ensuring that post event, the environment has not been harmed in any negative way.

5.5.5 Recommendation 5. Strategic marketing

The identified host city should embark on a marketing drive. This should be centred around tourism and the diverse cultural activity that its locality entails. Knowing that more than 5000 people will be in your area for over 21 days should encourage the host city to market itself. This does not only mean the participants are being encouraged to spend money in the area, but the event draws people from neighbouring towns and provinces into that area. Therefore, a marketing drive becomes vital in ensuring the events becomes a tourist attraction.

5.5.6 Recommendation 6. Notify resident regarding increased movement in host city.

Local authorities, through there structures, should notify people in the host cities that there will be added pressure on bulk infrastructure, waste management, traffic, and higher levels of noise. This is to better prepare the residents and prevent unnecessary inconvenience.

5.5.7 Recommendation 8. Sectoral coordination and participation.

There should be co-ordination among the stakeholders of all the sectors to ensure that the benefits from this event is maximised.

5.6 Future research

This research focused solely on the impacts of the military AFD event within Nelspruit. As discussed in chapter 1, this event has rotated to each province since 2012 and in chapter 3 different methodologies were outlined to better understand the impact of military events on the national, provincial, and local economies. Based on this several future research can be conducted that link the South African military deployments and economies (regional, national, provincial, and local).

5.6.1 The contribution of the AFD event. The AFD has now rotated to each and every province since 2012 and there has been no research on the contribution the AFD has made.

5.6.2 Role played by government in support of this event. Future research can focus on the role played by the government to ensure that it plays a vital role in ensuring such events have maximum impact on the local economy. Such a study will involve uncovering the different initiatives that the government can partake in to ensure they set up the necessary structures, or offering the businesses found in the host municipality. Support is necessary to ensure the local economy of this municipality reaps the full benefit of military deployment in that particular week. These initiatives by the government could aid in the boosting of economic performance in this municipality.

5.6.3 Developing a unique framework for the department that is not profit driven. Department from the safety and security cluster would be able to determine their contributions towards the economy.

5.7 Conclusion

It has been noted that the event's effects extended beyond the realm of economics, encompassing a substantial socio-economic dimension and fostering a sense of upliftment among the residents of the host city who had endured both personal and professional setbacks as a consequence of the Covid-19 pandemic. This study has shown that the AFD event has had a positive impact on socio-economic developments in the Nelspruit municipality.

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