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Investment Redistributive Incentive Model (IRIM) for South Africa: a proposal for redistributive development

This paper argues that incentives can be a useful tool to bring about change in social policy. These incentives could be linked to the exchange of know-how, share ownership, education, health, and housing. It is a conceptual paper based on secondary data. It suggests radical shifts that marry social policy and matters of corporate governance because education, health, and housing matter to people in as much as profit does to corporates. Government alone cannot solve these wicked problems of poverty, inequality, and unemployment facing contemporary society. This paper applies the Investment Redistributive Incentive Model (IRIM) in South Africa using tourism as an example. IRIM advocates linking foreign and domestic investment to redistribution of the things that matter to people in their different forms – material and non-material to alleviate poverty and inequality. The IRIM should be flexible and amenable to refinements in its application taking cognizance of local circumstances. Linking investments with social policy have the potential to shift policy and practice towards holistic societal transformation through empowering and capacitating communities by increasing their wealth while enhancing social justice and promoting inclusive, sustainable growth.

Keywords: foreign direct investment, redistribution, social justice, social policy, IRIM.

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"*We have reached a tipping point. Inequality can no longer be treated as an afterthought. We need to focus the debate on how the benefits of growth are distributed*" (OECD Secretary-General, Angel Gurría, 2015).

Introduction

The World Tourism Organization (UNWTO, 2017, p. 2) indicates that over the years, tourism has continued to grow to become one of the most significant sectors in the world and is placed third in the global export sector after chemicals and fuels, ahead of food and automotive products. In 2017, the South African tourism sector's contribution to GDP was 4.6%, ahead of global economic growth (South African Tourism - SAT, 2018a, p. 25). The global travel and tourism industry has experienced tremendous growth in recent years despite global geopolitical upheavals, with moderate economic growth recorded in both developing and developed countries (Fahimi et al., 2018, p. 62). The sector has both positive (revenue generation and job creation) and negative (paedophilia and environmental degradation) impacts on local communities (Nagarjuna, 2015, p.14; Slavov, 2015). The tourism sector can positively impact the livelihoods of communities as it is clear that its growth cannot be sustained without the involvement and participation of local communities (Su et al., 2018, p. 1041). It can be used as a tool to alleviate poverty and reduce inequality. This paper advances the Investment Redistributive Incentive Model (IRIM) possible applications concerning tourism investment in South Africa. In other words, IRIM will be contextualized to address specific problems in tourism in the context of South Africa. This is our proposal. Thus, the paper's contribution is to describe reasons to promote the implementation of IRIM in tourism investments in South Africa, given the existence of a gap in models that support redistribution in a neoliberal milieu. As such, after this introduction, a literature review unpacks the issues related to tourism and investments. This is followed by an expose of the

IRIM in tourism in South Africa. This conceptual paper aims to contribute to the literature on the role of tourism in poverty and inequality reduction and, in general, to reconfigure the role of tourism in development by proposing the application of IRIM and its further refinement for the benefit of society. The paper is based on secondary information and applies the Giampiccoli and Mtapuri IRIM model (see Giampiccoli and Mtapuri, 2020), which attempts to address poverty and inequality issues through redistribution.

Poverty and inequality require resolution with the immediacy they deserve, given their potential to disrupt society. A document by the Organisation for Economic Co-operation and Development (OECD, 2015, p. 20) mentions that in recent times inequality has widened in most OECD countries to unprecedented levels. Notably, the World Bank document (Alvaredo et al., 2018, p. 9) indicates that recent decades have witnessed income inequality widening in all countries at varying speeds due to different policies and institutions that shape inequality. Half of the global population has witnessed significant income growth due to high growth recorded in Asia, especially by China and India (Alvaredo et al., 2018, p. 9). Other authors (Verbeek & Osorio Rodarte, 2015) indicated that even if differences between countries are narrowing, evidence suggests that inequality within countries is on the rise. Thus, rising inequality within countries is a crucial question for policymakers and those concerned with international development co-operation in terms of looking for appropriate interventions. In South Africa, poverty and inequality circumstances are particularly acute. For instance, consumption expenditure data reveal that South Africa has historically high levels of inequality, and inequality has increased since 1994, especially wealth, which is high and growing (WB, 2018, p. XVI).

National and international efforts to fight poverty and enhance prosperity are inevitably associated with matters of distribution (Sennewald, 2018, p. 1). As such, to fight global inequality, national and global tax policies should change as well as education, corporate governance, and wage policies within countries (Alvaredo et al., 2018, p.19). Educational measures to facilitate social mobility and equal opportunities remain fundamental to reducing income inequality and expanding job opportunities. In South Africa, the ambition to reduce poverty by 2030 depends on the reduction of income inequalities and GDP growth (WB, 2018, p. 113). Multidimensional poverty includes various deprivations affecting poor people, such as poor health, education, living standards, and living in environmentally hazardous areas prone to violence (OPHI, n.d). Therefore, multidimensional issues of poverty and inequality and their solution need new thinking. There is also a need for inclusive development because inequality slows down progress, hence the need for new models of inclusive and sustainable growth that advocate high living standards for all (WEF, 2018b, p. 1). In the same vein, Leibbrandt and Ranchhod (2018, p. 1) observe that it is imperative to formulate new policies that take into cognizance educational, social, and health aspects of citizens and leverage their complementarities to address poverty.

According to Cole and Morgan (2010), tourism can increase inequality. In South Africa, Saayman et al. (2012) observe that while tourism has experienced growth, dedicated actions in education are required to lift people out of poverty. This idea is linked to the hypothesis that as people's educational levels increase, poverty will reduce (WB, 2018, p. 14). Foreign direct investment (FDI) is an important tool for the growth of the tourism sector, particularly for developing countries (Snyman and Saayman, 2009, p. 49; Jafari Samimi et al., 2013, p. 61). In this context, it is observed that for the South African tourism industry to remain global, sustain the growth of visitor numbers, FDI is important for these purposes (Snyman and Saayman, 2009, p. 49). Countries' investment policies are often geared towards the promotion of investment such that in 2014, over 80 percent of investment policies focused on easing entry conditions and reducing restrictions on infrastructure and services (UN, 2015, p. XI).

The Investment Redistributive Incentive Model (IRIM) is a new model to attract investment with specific incentives linked to redistribution and equality (see Giampiccoli and Mtapuri, 2020). The IRIM can be applied in all sectors and all geographic spaces private and public companies, involving both local and foreign investments, and is adjustable and flexible to fit, for example, any specific geographic context or types of industry (Giampiccoli and Mtapuri, 2020). The aim of this paper is not to provide a description of IRIM but to propose its application using tourism investment in South Africa as an example (for IRIM see Giampiccoli and Mtapuri, 2020). The next section explores the role and impacts of tourism.

Role and Impacts of Tourism

As mentioned earlier, while tourism is mostly examined in economic terms for its positive contribution to GDP, tourism can also have negative impacts (Archer et al., 2005, p. 79; Welford et al., 1999, p. 165). In elaboration, the negative impacts include litter, pollution, and goods purchased by tourists become expensive for local people because of differences in buying power, soil erosion due to increased traffic, prostitution, and loss of culture. These negative impacts of tourism open the way to posit alternative tourism development approaches for better development options and results (Giampiccoli and Saayman, 2014, p. 1667). Innovation in product offerings as well as in systems and processes is fundamental in tourism (Giampiccoli and Saayman, 2017, p. 6; Giampiccoli and Mtapuri, 2015, p. 246) and "innovation pervades all sectors of tourism and is a key driver" (Giampiccoli and Mtapuri, 2015, p.247; Hjalager, 2010, p. 1; see Hjalager, 1997, 2002, 2010 for matters on innovation in tourism). Tourism can also contribute "to create new entrepreneurship fields" (Sharif and Tuan Lonik, 2017, p. 31). Entrepreneurial activity is a fundamental strategy for the upliftment and development of society (Dhahri and Omri, 2018b, p. 2). This entails the observance of ethical business practices that go beyond profit to enhancing both individual and societal well-being because tourism development relies on local cultural and environmental resources (Su et al., 2018, p. 1040). This implies that because businesses operate in communities, they must give back to those communities through supporting and promoting health, housing, and education programmes for holistic societal development. We are not against the role of government in the contemporary global context. In fact, we support the expanded role of government but also recognise that in the contemporary global political-economic milieu, building whole societies cannot be a preserve of the government alone. Any subventions require all stakeholders to work together for the common good, namely, improvements in living standards. Piecemeal interventions such as social grants and the trickle-down approach have not worked, requiring new forms and models of development which the IRIM advocates.

New tourism forms, approaches, and terminologies are present in literature (Higgins-Desbiolles, 2008, p. 346; Khatri, 2018, p. 2; Welford et al., 1999, p. 166). For example, community-based tourism (CBT) is seen as a type of tourism responding that counteracts the negative impacts of conventional tourism, which disadvantaged local people (Zefnihan and Alhadi, 2018, p. 2). However, and explicitly, while this article does not deny the possible role and value of alternative tourism development (specifically of CBT) in better-promoting community development (see Saayman and Giampiccoli, 2016), it aims to take a different approach in the direction of changing the actual tourism structure by exploiting IRIM in tourism.

Along with mining, tourism is a leading sector in South Africa's development (Giampiccoli and Mtapuri, 2014, p. 88). For example, international tourist arrivals increased from 10.04 million in 2016 to 10.29 million in 2017, representing an increase of 2.4% (SAT, 2018a, p. 26). Data on South African tourism show a fluctuating trend whereby South Africa recorded 27.5 million trips in 2017, representing a 19,8% decline compared to 2016. Tourism is important for South Africa for economic growth and jobs. The sector contributed R136.1 (3%) to GDP in 2017. The sector supported about 726,500 jobs or 4.6% of the country's total formal workforce, and this represented a growth of 1.4% in comparison to 2016 (SAT, 2018b, p. 7). It is evident that there are both opportunities and challenges in the sector.

Opportunities and challenges in the tourism sector

In South Africa, various challenges affect tourism development. For example, in a rural context, where many poor people live, rural tourism development is affected by challenges such as inadequate local capacity and low levels of education. Marketing and business skills are needed to boost rural tourism, and educate local people on how the industry operates is important if rural tourism is pursued on a sustainable basis (Briedenhann and Wickens, 2004, p. 200). Saayman et al. (2012, p. 483) further argue that if tourism is to contribute to job creation and poverty alleviation effectively, and additionally as a response to inequality and unemployment, there is a need to improve human resources and labour market policies to make this possible. Besides education, another major challenge in South Africa is the domestic tourism market. Domestic travel mainly involves South Africans visiting relatives and friends. However, affordability impedes local travel alongside a pricing structure that is not inclusive, and inflation and unemployment reduce disposable income and ultimately hamper travel prospects (Department of Tourism, 2018a, p. 4).

An additional challenge is represented by the need for 'transformation' from white and foreign ownership and management to increase the inclusion of previously disadvantaged people (Department of Tourism, 2018). Various measures to pursue this objective have been put in place, such as the amended Tourism Broad-Base Black Economic Empowerment (B-BBEE) Sector Code validated by the Government and the private sector. It is meant to speed up the industry's transformation by seeking to make tourism accessible to previously disadvantaged Black people in terms of ownership, management, enterprise development, skills development, and overall socio-economic development (Department of Tourism, 2018, p. 1). Ownership remains a significant challenge affecting the sector, necessitating the need for urgent measures to address this (Department of Tourism, 2018c, p. 12). The Department of Tourism (2018c, p. 1) observes that transformation occurs at a slow pace in the sector, including in areas such as procurement and skills. The latter affects Black employees, particularly Black females requiring measures to empower and build their capacity for quality service outputs.

Giampiccoli and Mtapuri (2014) investigated how the profit of mining and tourism firms are distributed, and they found out that while mining and tourism are significant economic sectors in South Africa, very few material and non-material benefits, if any, have accrued to the poor hence the country endures the triple challenges of poverty, unemployment, and inequality (Giampiccoli and Mtapuri, 2014, p. 88, 94).

Incentives and Foreign Direct Investments (FDI) in tourism

The impact of tourism and FDI on poverty alleviation is a debated topic. FDI is assumed to be a useful tool to induce socio-economic development in developing countries, particularly Africa (Davidson and Sahli, 2015, p. 168). As such, many countries are formulating new policies that promote and attract FDI by offering incentives, financial, and regulatory relaxations, including one-stop investment promotion agencies (Davidson and Sahli, 2015, p. 168). Some of the factors that can depress investments include inadequate government support, insufficient investment incentives, and excessive time required to obtain decisions (Snyman and Saayman, 2009, p. 50). Greater liberalization has arguably increased competition between countries to attract investments, and the variety of possible investments across sectors, including tourism, involve substantial infrastructure projects.

Investment incentives are described as measures stated in legislation meant to stimulate investment and include preferential taxes, loans, and infrastructural access, tax holidays, grants, as well as monopoly rights (Tuomi, 2012, p. 3). There are many forms of incentives, including fiscal incentives (lower taxes for foreign direct investors), financial incentives (grants and preferential loans), and incentives such as monopoly rights and market preferences (OECD, 2002, p. 169). However, the debate on incentives is open. Despite the debate on the impacts of tax incentives on investment, they feature prominently in numerous tax policies in both developing and developed countries (Calitz et al., 2013, p.3). Taxes must be progressive and generate the most significant benefits in the interest of the common good.

In South Africa, more than 26 years after the inception of democracy, unemployment, poverty, and inequality, the triple challenges, still affect the country. The struggle against 'jobless' growth, poverty, and high inequalities persists in contemporary South Africa (Masipa, 2018, p.1). At the same time, tourism is considered as that transformative mechanism to provide goods and services, socio-economic rights, amenities, and services to all South Africans, particularly to Black South Africans who could not participate in business during the apartheid era (Mogale and Odeku, 2018, p. 1). Incentives are critical in South Africa, as suggested by the Director-General in the Department of Trade and Industry (dti), who mentioned that incentives are a crucial instrument of industrial policy and that the country aims to achieve industrialization, promote inclusive economic growth as well as transform the economy into one that is fair, sustainable, and inclusive (October, 2018, p. 4). In the tourism sector, South Africa introduced several incentive schemes as a stimulus for developing competitive enterprises in the sector through direct funding or tax relief (Department of Tourism, 2018b, p. 1). Some examples of funding opportunities and entities (incentives and services) introduced in tourism include Tourism Incentive Programme (TIP);

Tourism Transformation Fund (TTF); Industrial Development Corporation (IDC); Small Enterprises Funding Agency (SEFA); The Small Enterprise Development Agency (Seda); and InvestSA (One Stop Shop) (Department of Tourism, 2018b, p. 1).

However, a study from South Africa also indicates that financial incentives play an insignificant role in most firms' investment decisions (Tuomi, 2011, p.142). This shows that monetary incentives are thus not necessarily the main incentives wanted by investors. Beyond investment, it must also be recognized that trickle-down effects to benefit the poor appear not to be taking place, but rather a 'trickle-up' effect that is more beneficial to the middle and upper classes might have taken place in some countries. Thus it does not hold that where tourism takes place, the trickle-down effect is experienced. It requires concerted and deliberate effort (Saayman et al., 2012, p. 485). Thus, the debate about the role of FDI in development is viewed via two lenses, one that sees FDI as diffusion of knowledge and know-how with positive effects on growth and, on the other side, it is seen as a form of dependency associated with stunted economic growth (Velde, 2004, p.1; Vijaya and Kaltani, 2007, p. 83). This implies that it is necessary to go beyond traditional investment incentives and structures to be able to impact positively on poverty and inequality. This article argues that investment incentives should be linked to structural redistributive measures as countries attract investments. IRIM attempts to reconcile investment with social justice. The bottom-line is that "[e]laminating poverty should not be regarded as 'charity' – the domain of 'bighearted' pop stars or 'enlightened' bureaucrats" (Chock et al., 2007, p. 160) and by extension, the former South African President Nelson Mandela said: '*Overcoming poverty is not a task of charity, it is an act of justice*.' In other words, poverty is an injustice that needs to be eliminated.

Discussion: A proposal for IRIM application in South Africa

This section is based on Giampiccoli and Mtapuri (2020) recent work on IRIM (see Giampiccoli & Mtapuri, 2020 for the original presentation of IRIM). The IRIM serves to promote FDI but within a framework that favours redistribution with the ultimate goal of reducing dependency. The IRIM leverages investment incentives such as tax cuts or relief as a redistributive measure affected by the reconfiguration of companies' management and ownership structures and intervention in social policy, hitherto the preserve of the government. However, understanding the requirement to go beyond merely tax incentives (and monetary incentives), IRIM also allows the infusion of other incentives. For example, incentives can also be introduced involving interventions in the social sectors of education, health, and housing, a fast track bureaucracy for processing company requirements or compliance needs. In South Africa, the tourism sector requires high skills. In the case of South Africa, Saayman et al. (2012, p. 482) observe that:

> As skill distribution is also racially biased in South Africa, the employment demand structure will have racial employment impacts […] blacks will benefit the least from an inbound tourism expansion because of the declining demand for less-skilled workers.

Thus, to counter the skills challenges, investors (or established companies for that matter) could be incentivized to work with educational institutions or programmes to facilitate the training of skilled workers (Giampiccoli and Mtapuri, 2020). This is in line with the fundamental characteristics of IRIM, namely, to link the incentives to redistributive actions in the financial (tax) and social spheres (education, health, and housing). In general, IRIM is based on various variables (which are based on each specific context and type of sector or company) and in which each variable is assigned a value that reflects specific IRIM incentives. The original example proposed by Giampiccoli and Mtapuri (2020, see Table 1) shows that if the company gives a 5% profit to the workers and another 5% to the local community, the company will redistribute 10% profit to benefit the workers and the local community. In this case, the incentive indicated in Table 1 will mean that the company will have a total of 5% tax reduction based on the company's profit after what is given to the workers (5%) and community (5%) at a rate of 2.5% for each variable. Moreover, another 5% tax reduction for five years will be awarded. In our example, the total profit of the company will be 100 000 000, but the incentive is applied to 90 000 000 because the other 10 000 000 (5% + 5%) goes to the redistribution measure, in this case to the share of profits for the workers (5%) and local community (5%). Thus the company will have a 5% tax cut on 90 000 000 instead of a total 100 000 000 (Giampiccoli and Mtapuri, 2020, p. 9). Table 1 below illustrates the incentives.

Table 1: Illustration of investment incentives

Variables	Values	Points	Incentives
Number of employees	100	5	• 2.5% tax reduction
Company profit	$ 100 000 000	10	• 2.5% tax reduction
Value of new investment	$ 5 000 000	3	• 5% tax reduction for 5 years • Preferential fast track bureaucracy for day-to-day company requirements

Source: Giampiccoli & Mtapuri, (2020)

IRIM implies that the incentive to the company needs to be calculated as a 'net' value without the shareholding (or profit) shared for redistributive purposes. IRIM, as a matter of principle, links the incentives to redistribution of things that matter to people. These include ownership of assets, health, education, and housing. While recognizing that IRIM can be adjusted based on specific contexts, it is possible, building on the example in Table 1, to advance some specific IRIM adjustments related to tourism investment in South Africa.

To start with, it is evident that in the case of South Africa, education can certainly be an essential item linked to specific incentives. Together with education, it is proposed that IRIM in tourism in South Africa has to focus on procurement (linkages with local companies) and ownership. Importantly the original IRIM work (Giampiccoli and Mtapuri, 2020, p. 8) indicated, "The link between FDI firm and the local firms as a supplier should also work in favor of the foreign (or local) investor as part of the matrix of incentives." Thus, in the case of applying IRIM in tourism investment in South Africa, the tax incentive could specifically emphasize procurement and education, besides the companies' implicit IRIM ownership and management structures. A tax reduction or tax holiday based on other incentives such as preferential fast-track bureaucracy can also be used. For example, in education, the incentives can be linked to the number of employees (or possibly children of employees) that have been supported in obtaining a formal qualification. The level and types of qualifications could also diversify this.

In this context, the employer has the privilege to support the education of employees and their children; at the same time, it will gain tax cuts or holidays (or other forms of incentives). Skills development will not be seen merely as an ancillary and train-on-the-job action but as a more formal and long-term measure. The employers will enjoy the dual advantage of having an improved workforce and, at the same time gain, for example, tax incentives from this. The company could also get the incentive to have a specific agreement with some educational institutions to establish and enjoy specific payment and recruitment advantages. The issue regarding favouring local procurement will follow similar patterns. A company could enjoy fiscal advantages (or other incentives) if it links to local companies for goods and services. The incentives could be linked to various aspects, such as the exchange of know-how and share ownership. Other possible incentives, as examples, could be linked to facilitating travel for employees to expose them to the industry. Table 2 shows the possibilities open to South African companies using such tax incentives.

Table 2. IRIM South Africa

Variables	Value (redistribution)	Company actions	Incentives
Employees	**50**	**Education**	• **2.5% tax reduction for five years** • **Specific linkage with a number educational institutions**
Company ownership	**5%**	**Employees**	• **1% tax reduction**
	5%	**Local community**	• **1% tax reduction**
Link to local companies	**10**	**Procurement from local companies**	• **2% tax reduction** • **Preferential fast track bureaucracy for day-to-day company requirements**

Source: Giampiccoli and Mtapuri (2020)

Table 2 shows explicitly the value column indicated as redistribution. This indicates the value of the number of employees involved, the ownership value and the number of companies and what the company will 'redistribute'. In our case, the investing company will support education for 50 of its employees, redistribute 10% ownership (5% employees and 5% local community), and link to 10 local companies. Thus each variable will have its incentives, as shown in Table 2. Incentive types and value in Table 2 are examples, and specific tables of incentives linked to various values should be developed. Fundamentally, while various incentives and variables are welcomed, the core of IRIM should primarily remain attached to issues of ownership and management structure linked to tax incentives. These two items, ownership, and management, with associated tax incentives, should remain a priority that ramifies towards other variables and incentives excogitated and implemented from time to time based on specific circumstances.

Table 2 should complement – and be read together – with Table 1 in each case where Table 1 provides the company's general information, and Table 2 shows its specific actions as they coalesce with the incentives. It is necessary to formalize a list of incentives such as tax reduction, tax holiday, preferential fast track bureaucracy, and preferential linkages to educational institutions, and so forth. While circumstances inform this adjustment to IRIM, it is not final or exhaustive, and more adjustments or different approaches within the central IRIM conceptualization are welcome. This proposition merely serves as an example of how IRIM can be applied based on different scenarios in its fundamental principles - from investment incentives to redistribution, is maintained.

Redistribution to the local community goes beyond better specifying the previous IRIM proposal (see Giampiccoli and Mtapuri, 2020). When a company redistributes ownership/benefits to the local community, it should not be understood as giving out 'free' money or company ownership. The aim of redistributing is to reduce inequality and dependency. Therefore, specific strategies need to be formulated to make it possible for a company to redistribute ownership and benefits to the local community in a manner that discourages dependency. For example, ownership could be given to local cooperatives or a trust that will advance specific projects in the local community, which has specific requirements of local community membership (this is to guarantee the maintenance of local control of the Cooperative or trust). At the same time specific rules need to be put in place to avoid the local elites capturing the redistribution benefits. In other words, redistribution should benefit the disadvantaged members of society and not be captured by the local elites.

Furthermore, specific funds could be used in education, health, or other relevant community matters. Beyond these, other incentives could be formulated singly or in combination, promoting the fundamental requirements of ownership and benefits redistribution without producing dependency. Chok et al. (2007, p. 146) observe that it cannot be left to tourism alone to address structural inequities in marginalized communities, especially if the areas are vulnerable. On a global scale, the income and prosperity gap between a wealthy but small group residing in the North and a considerable proportion of poor people residing in the South is "a structural divide, not just a matter of a lag in the South's catch-up" (Hunter Wade, 2004, p. 583). In some way, the IRIM application can be viewed as a step towards challenging the neoliberal system and, therefore, not just a temporary fix. Tourism is a leading global sector, and while it can have various positive effects, its development also presents challenges and negatives impacts on people and places. Tourism can produce and reproduce poverty and inequality if no specific countermeasures are taken. At the same time, inequality and poverty are still, arguably, always present in society, which is nagging contemporary society. South Africa presents challenges related to poverty and inequality reduction and, at the same time, tourism is a significant player in the country's economy.

The newly advanced IRIM attempts to put together the need to attract investment alongside the need to reduce poverty and inequality. The advantages of IRIM, regarding investment incentives, are based on specific redistributive action (namely ownership and management structures) promoted by the investing company. The IRIM could be applied to FDI companies, local companies, and state (government) owned companies, taking into account the size of the company and the link to local companies (in the case of FDI companies). The incentives can be diverse to include tax cuts/relief in the tax system as a primary incentive, but also include other incentives specifically linked, for example, to the educational sector for skilled worker requirements and the establishment of a fast-tracking bureaucracy (Giampiccoli and Mtapuri, 2020, p. 8).

Conclusion

This paper presented a possible theoretical scenario of investment in the tourism sector in South Africa. It emphasized the possible actions that a company could take in order to take advantage of investment incentives. The actions are based on significant requirements and challenges related to the tourism sector in South Africa (but arguably affecting also other economic sectors). This is important because IRIM should be flexible and amenable to refinements where various variables related to the investing company such as sector and type of company leading to specific incentives. In this paper, case education and procurement (together with the IRIM priorities, ownership, and management structure) were seen as significant actions that an investing company could take to enjoy investment incentives. Starting from tourism, this article supports the need to challenge and restructure the current global neoliberal system.

Further research and work on IRIM should now be directed towards building specific tables of references of variables, values, and incentives, based on various possible parameters such as foreign or local investment, the value of an investment, type, and size of the company. A specific reference table should be kept flexible and amenable to change due to specific circumstances and should also be standardized to allow proper and acceptably easy administration of IRIM by Government and the investing community for society's common good.

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