The Economic impact of Rhodes University students on the Grahamstown economy

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EXECUTIVE SUMMARY

This study compares the spending patterns and economic impact of three groups of Rhodes University students: South Africans (SA), Other Africans and students from the Rest of the World (RoW). Data was collected via self-completion questionnaires and the final sample size was 163.

Despite differences in spending patterns, total spending was found to be remarkably similar across groups, the major differences being between those students in university residence and those in digs (rented accommodation in town). Total monthly spending for those in residence was highest for SA students (R1034), then Other Africans (R850) and finally RoW (R777). For those in digs, total monthly spending was very similar, but again highest for SA students (R2495), then RoW (R2480) and then students from Other African countries (R2461).

SA students have a considerably lower average unearned income than other groups, with students from the RoW having the highest unearned income (R1060 for those in residence and R2300 for those in digs). However, 55% of SA students, compared to 47% of foreign students, have sources of earned income, usually related to the university. Monthly income also tended to be higher for SA students (R654) than for other groups (Other Africa = R557; RoW = R575).

The general conclusion that can be drawn is that there is very little difference in total spending between groups, although SA students have a somewhat higher average than others. A straight line ordinary least squares regression showed that, holding all else constant, SA students spent on average R169 more per month than foreign students (significant at the 10% level).

About 38% of foreign and 44% of South African students donated time or money to a charity in the last 12 months. Most of the donations by foreigners (50%) were to "Give 5" and other campus campaigns, while South African students were more involved in organized Grahamstown charities like Rotary, SPCA, Hospice, the St Raphael Centre and so on.

As far as travel and touring went, only 12% of foreign students reported being fetched by friends or family. However, they were fetched on average 3 times per year and their family or friends stayed over in the Eastern Cape for about 2.7 nights, mostly at Bed and Breakfast establishments. Extending this average to 12% of all Rhodes foreign students and assuming that the average size of each travel party was 2, this amounts to an additional 3434 bed nights per year, which is likely to have a considerable economic impact on the Eastern Cape. About 23% of foreign students combine their travel with touring.

In total, foreign students at Rhodes spend about R62 million a year on living expenses and fees. Using current exchange rates, this amounts to 7.6 million Euros or 9.2 million US dollars worth of foreign exchange inflows.

The total economic impact (including indirect effects) of foreign students on the Grahamstown economy is about R83 million per year, or about R47 000 per student, as compared to about R42 000 per South African student. The higher average impact of foreign students, however, is as a result of the fact that a far greater proportion of foreign than SA students live in residence, which is generally more expensive than digs accommodation, rather than because of greater average spending.

Thus, if every foreign student in digs were replaced by a South African student in digs and every foreign student in residence were replaced by a South African in residence, the total economic impact of student spending on Grahamstown would go up slightly because South Africans tend to spend a little more on average than foreigners. Economic impact is thus, by itself, not a good argument for the inclusion of foreign students at Rhodes and it is suggested that other, more qualitative, arguments are used.

A telephonic survey of Rhodes academics yielded a generally positive perception of the presence of foreign students. In some departments, the shortage of South African students makes the presence of foreign students very welcome, and in some cases, vital to their research programmes. Foreign students have also made considerable contributions in terms of volunteer work and in raising funds for local charitable projects on their return to their homes.

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1. RESEARCH BRIEF

Following the article in the Daily Dispatch on the 14th of February 2005 entitled "Foreign students contribute R1.7bn in forex" (see appendix 1); the Rhodes University International Office requested a local study to examine the economic impact of foreign and South African students on the Grahamstown economy. In addition to comparing the economic impact of South African with all foreign students, foreign students were also split into groups: Zimbabwean, the rest of Africa and the rest of the world. A comparison of income, earnings and spending in various categories was also requested. Qualitative and anecdotal evidence of the impact of foreign students on the region (for example, through overseas fund-raising) was also collected.

The overall objective of the research was to determine whether a case for including foreign students in the university could be made based on their economic contribution to the region. It is, of course, recognized that the value of having students from outside the country at Rhodes is not limited to their financial contributions, but also extends to their qualitative, non-market value. This category could include the pedagogical value of having other points of view and experiences within the student body, raising the international profile of Rhodes University and South Africa, exposing South African students to information about and people from other countries, fostering international research links, an informal way of quality control benchmarking, and so on.

2. RESEARCH METHOD: SAMPLING TECHNIQUE, QUESTIONNAIRE DESIGN AND DATA COLLECTION

The questionnaire was designed to be a fairly short, self-completion questionnaire, which would be handed out to a selected sample of students. After the initial design and discussion with the project director and liaison person, a pilot study was conducted on a random group of about twenty students. Following their completion of the draft questionnaire, a focus group discussion was held during which various suggestions for improvement were made. The questionnaire was accordingly revised.

The original intention was to contact a sample of about 200 students taken randomly from the following groups: South Africans, Zimbabweans, other Africans, exchange students (usually at Rhodes for a short period of time) and students from the rest of the world. At least three email messages (see appendix 2) were sent to each of 40 students from the above five groups (sample size = 200). Students in the sample were requested to come to a venue in the Economics Department on any of three days (later extended to four days) at lunchtime in order to fill in a questionnaire. They were offered a fee of R10 for their trouble.

However, very few students responded (only about 50 of the 200 contacted). Since only two students refused to participate (on the basis that they were not in favour of survey research of any sort), the research assistants were of the view that not many people regularly checked their Rhodes email accounts, but used other email addresses. This would especially apply to exchange students and foreign students who were not at Rhodes for any length of time. In order to increase the response rate from the original sample, the research team displayed posters at residences, lecture theatres and other areas around campus, listing those chosen to participate. Announcements were also made in some lectures and an effort was made to contact participants directly by phone or face-to-face visits.

When none of the above methods were particularly successful in increasing the response rate, it was decided to route questionnaires through targeted lectures at various levels and in various faculties, as well as asking hall wardens and sub-wardens for assistance. This method did increase the sample size to acceptable levels, but, because of the make-up of the RU

student body, produced far more responses from South Africa students than foreign students (the reason this method was not preferred in the first place). Not all the South African responses were used in the final data set.

While reasonable numbers were achieved for South Africans (62), Zimbabweans (48) and students from the rest of the world (36), very few students from the rest of Africa filled in the questionnaire (17). It was thus decided to amalgamate the "rest of Africa" and Zimbabwean samples in to the "other African" sample group. The final sample thus consisted of South Africans, students from the rest of Africa and students from the rest of the world. The total sample size was 164.

Data analysis was conducted using Microsoft Excel (data recording, qualitative answers and some charts), SPSS (for the descriptive statistics, frequency tables and some charts) and EViews 3.1 (for the econometric regression analysis).

For the qualitative and anecdotal evidence of the longer-term impact of foreign students, telephonic interviews were conducted with academics, the Director of the ADC, the Careers Counsellor and members of the Rotary Club of Grahamstown.

3. RESULTS OF THE STUDENT INCOME AND EXPENDITURE QUESTIONNAIRE

3.1 Demographics of the sample

The final sample was made up of 163 observations, 38% from South Africa, 40% from other African countries and the remaining 22% from the rest of the world. (Further details of sample breakdown can be seen in appendix table 1). Zimbabweans made up about 73% of the "other African" group. The largest category in the "rest of the world" sample was the UK (25%) followed by France (19%) and the USA (14%). About 50% of the sample spoke English at home, 17% Shona, 22% other African languages, about 8% European languages and the remaining 3% eastern languages (Chinese, Gujerati, Hindi, Korean, etc).

Table 1 below shows the undergraduate/postgraduate split in each group. For South African (37% postgrad) and other African students (34% postgrad), the split was fairly similar to that of the RU student body, but the rest of the world (ROW) category had a lower percentage of postgraduates (22%) than the others. However, the econometric regression analysis (discussed further below) did not show post- or undergraduate status to have a statistically significant effect on spending. Far more relevant was whether students were living in Rhodes University residence accommodation or renting accommodation in town (as shown in table 2)

Table 1: Undergraduate/postgraduate split by nationality groups

Nationality coded			Observations (N =)	Percent
1 **SA**	Valid	0 Underg.	39	62.9
		1Postg.	23	37.1
		Total	**62**	**100.0**
2 **Other African**	Valid	0 Underg.	43	66.2
		1Postg.	22	33.8
		Total	**65**	**100.0**
3 **RoW**	Valid	0 Underg	28	77.8
		1Postg.	8	22.2
		Total	**36**	**100.0**

N=number of observations in each group

Table 2 shows the percentage of each sample group who live in university residence and digs. About 70% of the total sample lives in residence. Since this is not an accurate reflection of university demographics, and since regression analysis showed spending to be significantly related to accommodation type, certain aspects of spending were analyzed separately for residence and digs accommodation groups.

Table 2: accommodation type by Nationality groups

Nationality coded			N	Percent
1 **SA**	Valid	1 Res	41	66.1
		2 Digs	21	33.9
		Total	**62**	**100.0**
2 **Other African**	Valid		45	69.2
		1Res		
		2Digs	20	30.8
		Total	**65**	**100.0**
3 **ROW**	Valid	1Res	29	80.6
		2Digs	7	19.4
		Total	**36**	**100.0**

3.2 Income

Student income was understood as coming from two main sources: income from parents, guardians, other family, student loans and so on; and income earned by the students themselves. Since students in digs are expected to pay for all living expenses, including food and accommodation, their unearned income was generally higher than for those in residence, as can be seen from table 3.

Table 3: Average unearned income by nationality group and accommodation type

Nationality coded	Acc. Type	Mean (Rand)	Observations (N =)
1 **SA**	1Res	773.85	41
	2 Digs	1983.33	21
	Total	**1183.52**	**62**
2 **Other African**	1Res	927.72	43
	2Digs	1905.00	20
	Total	**1237.97**	**63**
3 **ROW**	1Res	1059.66	29
	2Digs	2256.43	7
	Total	**1292.36**	**36**

Looking first at students in residence across nationalities, it can be seen that South African students have a considerably lower average unearned income (R774 per month) than residence students from either other African countries (R928 per month) or the rest of the world (R1060 per month). For students in digs, differences are not so pronounced, with

South Africans having a slightly higher average monthly income (R1983) than students from other African countries (R1905), but somewhat lower than students from the rest of the world (R2256).

About 47% of foreign students and 55% of South African students had earnings from some sort of part-time employment. By far the majority of these jobs for South African and foreign students were connected in some way to the university, including tutoring, demonstrating, sub-warden work and library, administrative help as can be seen in table 5 below. A small percentage from each sample earned money by working at businesses in town, teaching at local schools, vacation jobs and so on.

Table 4: Coded earnings source for SA and foreign students

Nationality		Job type	Observations (N=)	Percent
Foreign	Valid	No job	53	52.5
		1	35	34.7
		1,2	3	3.0
		2	3	3.0
		3	7	6.9
		Total	**101**	**100.0**
SA	Valid	No job	28	45.2
		1	21	33.9
		1,2	2	3.2
		2	5	8.1
		3	6	9.7
		Total	**62**	**100.0**

1=tutoring, demonstrating and other RU jobs (sub-warden, library work, residence tuck shops etc)
2=part-time work in town (waitress, bartender, shop work)
3=other (vacation jobs, online business, teaching at schools, beautician etc)

For those who were employed, average monthly earnings tended to be higher for South African students that for foreigners, as can be seen in table 5, which helped to compensate for the lower average unearned income of South Africans. However, there could also be a slight sample bias, since the SA sample had a greater percentage of postgraduate students (who are paid more for university work) than did the other two groups.

Table 5: Average monthly earned income by nationality group

Nationality coded	Mean (Rand)	N
1 SA	653.50	34
2 Other African	557.41	29
3 ROW	574.74	19
Total	601.27	82

Total average monthly student income was calculated by adding unearned to earned income and is compared between nationality groups in table 6 below. In residence, the wealthiest students are still those from the ROW, then other Africans and then South Africans. In digs, South Africans are placed second, with a now significant difference between them and the next category, other Africans.

Table 6: Total average monthly income by nationality groups and accommodation type

Nationality coded	3 acc	Mean (Rand)	N
1 SA	1Res	1045.15	41
	2Digs	2511.71	21
2 Other African	1Res	1117.58	45
	2Digs	2193.30	20
3 ROW	1Res	1330.69	29
	2Digs	2693.57	7

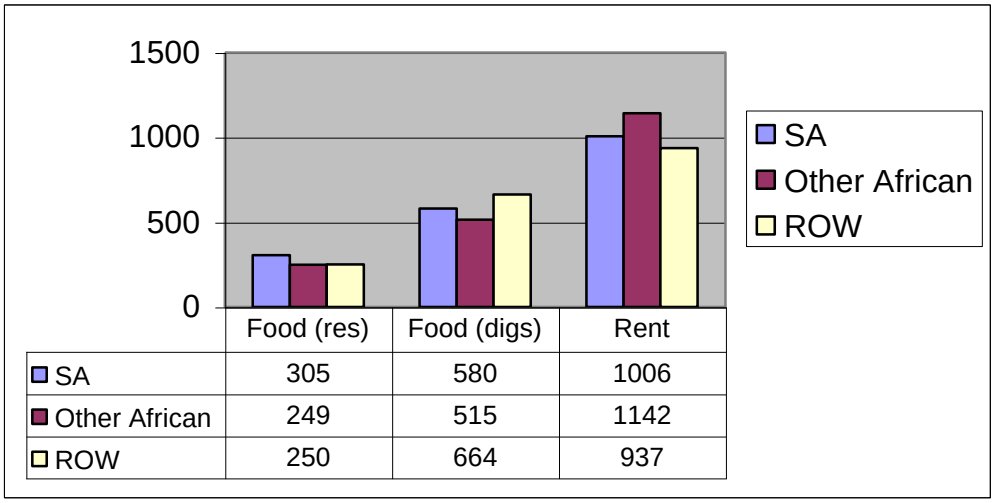
3.3 Spending

Spending categories were: spending on food, including restaurants and supermarkets, rent (if not in RU residence), drinks at pubs and from bottle stores, petrol, either for their own car or as contributions to friends, entertainment, like movies, videos, magazines, sports equipment and so on, clothes, books and stationary and societies. An "other spending" category was also included. (Note that, since monthly spending figures were requested, book spending probably does not include spending on textbooks at the beginning of the year.)

As with income, spending on food and accommodation varied significantly depending on whether the student in question was in residence or digs accommodation. These two

categories and total spending were thus analyzed separately (See appendix table 3 for more details).

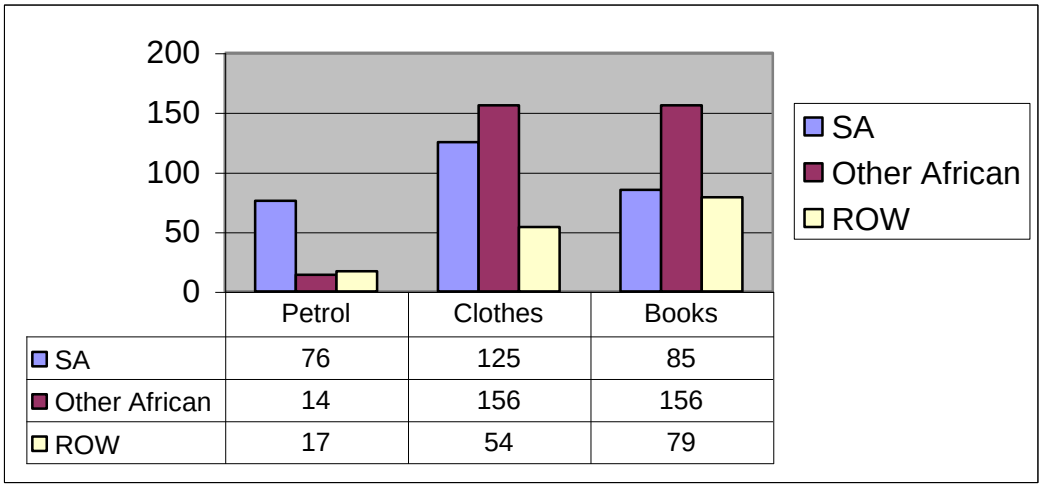
Figure 1: Average spending on food and accommodation by nationality groups and accommodation



	Food (res)	Food (digs)	Rent
SA	305	580	1006
Other African	249	515	1142
ROW	250	664	937

As can be seen from figure 1, SA students in residence tend to spend more per month on food than do foreign students. Students from the ROW in digs spend most on food, while other African students pay the highest rent. What is striking, however, is that the differences between nationality groups tend to be small, with no obvious overall leader in the case of food and rent.

Figure 2: Spending on petrol, clothes and books by nationality groups

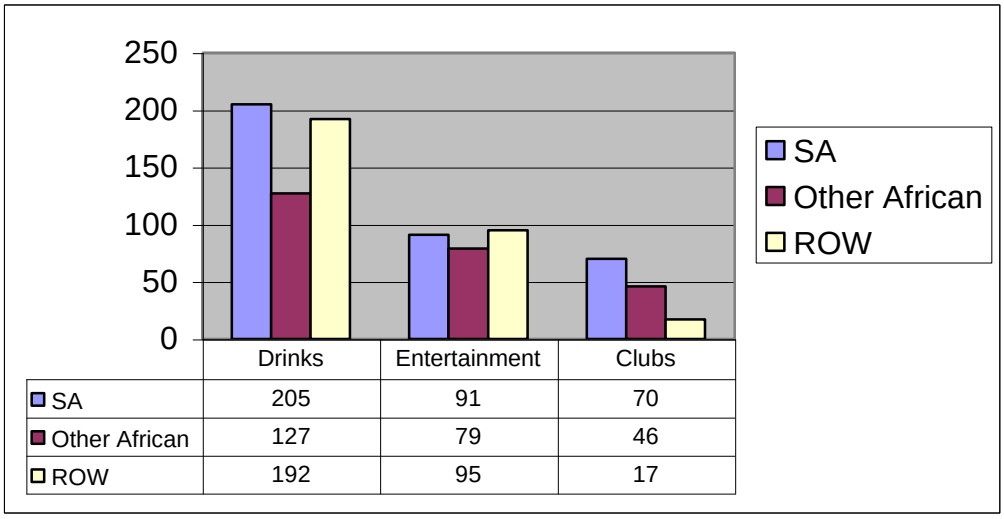


	Petrol	Clothes	Books
SA	76	125	85
Other African	14	156	156
ROW	17	54	79

As shown in figure 2, SA students spend much more on petrol than foreign students, since they are more likely to have their own cars. Other African students spend most on clothes

and books, followed by SA students and then students from the ROW. It is quite likely that students from non-African countries, who know that they will have travel home, probably by air, are less inclined to spend on goods that have to be taken home again, despite their fairly high incomes. (See appendix table 2 for further details)

Figure 3: Spending on drinks, entertainment and clubs by nationality groups



	Drinks	Entertainment	Clubs
SA	205	91	70
Other African	127	79	46
ROW	192	95	17

Figure 3 shows average monthly spending on non-essential entertainments. As has been the general perception, it is shown that SA student spend most on drinks, but not a great deal more than students from the ROW. Other entertainment (movies, videos, magazines, sports etc) has the highest average spending amongst students from the ROW, followed by SA students. Spending on clubs is the one category where other African students are placed second, rather than last, mostly because this category contains a majority of Zimbabwean students who have a very active student society.

The picture which emerges is an interesting one: While spending on food and rent (for those not in residence) is fairly homogenous, SA students generally spend more on petrol, clothes, drinks, entertainment and clubs, other African students spend on clothes, books and clubs, while students from the ROW spend more that others on drinks and entertainment.

However, we would recommend extreme caution when drawing conclusions about what is most important to respondents from spending figures. While it is tempting to use spending as an indication of utility, one would have to take into account *all* spending in order to gain

an accurate picture. For example, one could conclude from the above figures that students from the rest of Africa are most studious (since they spend most on books and stationary per month). While this *may* be the case, one would also need to know whether other foreign students were, for example, buying books overseas, which would make sense because of the relatively high price of books in South Africa, despite having to transport them great distances. In the case of South Africans, are the parents directly purchasing (in effect, subsidizing) books and stationary for their children at Rhodes, leaving more money for entertainment spending? It has been shown in other studies (Snowball 2004) that using, even quite comprehensive, spending figures to draw conclusions about what people value most can be very misleading, especially where some goods my be subsidized by an outside agent.

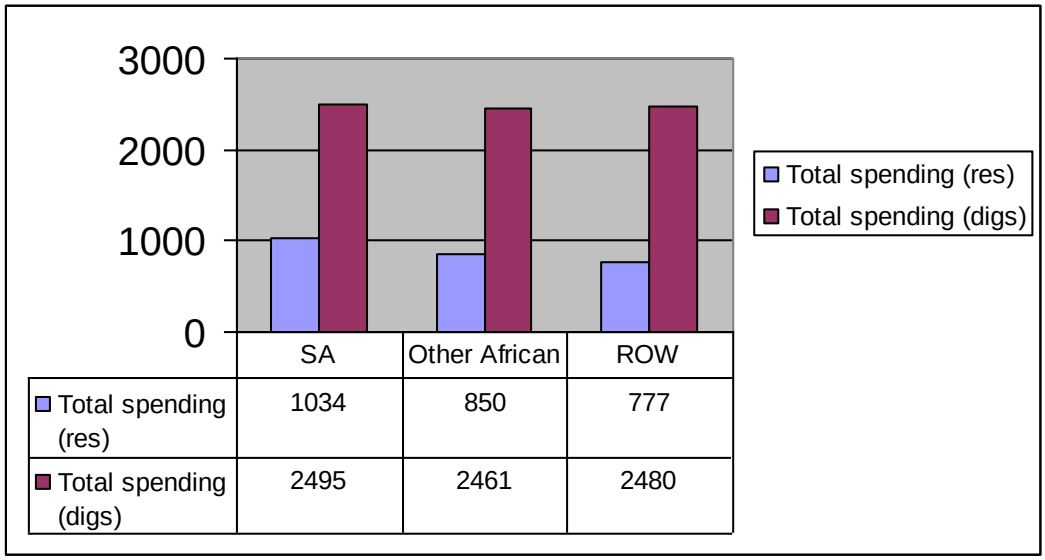
The final spending category was for "other" goods. About 60% of students from SA and the ROW and 50% from the rest of Africa reported some spending in this category. By far the largest category (35% to 41%) was spending on airtime, phone cards and phone accounts, suggesting that this should form an explicit further category in any future studies. Other reported spending was on cigarettes (a very small percentage), hobbies, like golf, lessons, club fees, toiletries and personal grooming, travel, printing and in 2 or 3 cases, financial support for siblings (further details can be found in appendix table 4). Table 7 below shows the average spending amounts per month in this category by nationality groups.

Table 7: Average "other" spending by nationality group

Nationality coded	Mean (Rand)	N	Std. Deviation
1 SA	129.61	62	264.878
2 OA	85.80	65	173.915
3 ROW	141.53	36	209.839
Total	**114.77**	**163**	**220.139**

Total spending was calculated by adding spending in each category for each student and then taking an average for each nationality group. Figure 4 below summarizes these averages, split by accommodation type. See appendix table 5 for further details.

Figure 4: Total average spending per month by nationality groups



	SA	Other African	ROW
Total spending (res)	1034	850	777
Total spending (digs)	2495	2461	2480

The striking feature of these results is that they are generally so similar across different nationality groups, especially for students in digs accommodation. For those in residence, South Africans have the highest average spending, then students from other African countries and finally those from the ROW. While these figures could be an indication of the relative wealth of students from different nationality groups, the similarity of spending by those in digs suggests that differences in residence accommodation spending may be partly the result of spending by students or their parents outside of Grahamstown. If this is the case, lower spending in the impact area may not necessarily be an indication of lower financial status.

3.4 Regression analysis

In order to further investigate the effects on spending of various factors, an ordinary least squares (OLS) straight line regression was run. The results are reported in table 9 below. The model suggests that total spending (the dependent variable) is a function of total income, which includes earnings (Y), accommodation type (ACC), where residence accommodation =1, digs =0, and the nationality of the student, where 1 =South African and 0=Foreign. Table 8 presents the results.

The model explains about 71% of the variation in spending (adjusted R-squared statistic shown in table 8), which is a fairly good model fit for cross sectional data. The F statistic shows that the probability of none of the variables having a significant effect on spending can be rejected at the 1% level of significance.

Table 8: OLS regression results

Dependent Variable: SPEND
Method: Least Squares
Date: 06/09/05 Time: 15:13
Sample: 1 163
Included observations: 163
White Heteroskedasticity-Consistent Standard Errors & Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1226.457	184.6099	6.643508	0.0000
Y	0.489722	0.077183	6.344937	0.0000
ACC	-952.2503	129.5094	-7.352752	0.0000
FOREIGN	168.9672	89.87162	1.880096	0.0619

R-squared	0.715399	Mean dependent var	1362.623
Adjusted R-squared	0.710029	S.D. dependent var	986.6207
S.E. of regression	531.2848	Akaike info criterion	15.41271
Sum squared resid	44879908	Schwarz criterion	15.48863
Log likelihood	-1252.136	F-statistic	133.2256
Durbin-Watson stat	1.989473	Prob(F-statistic)	0.000000

The constant (C) is positive and significant at the 1% level, showing that, holding all the other variables constant, autonomous spending is equal to R1226 per person per month.

The income coefficient (0.489) shows that, holding all other things constant, if income increased by R100, spending would go up by R49. The coefficient is significant at the 1% level. While this represents a fairly high marginal propensity to spend in general, it is surprisingly low for students, suggesting a fairly high level of savings or of unreported spending outside the impact area. Table 9 shows the total average income and spending for all students.

Table 9: Total average income and expenditure for all students

		Income	Spending
N	Valid	163	163
	Missing	0	0
Mean (Rand)		1516.56	1362.62
Median (Rand)		1200.00	1025.00

The accommodation dummy variable (1 if residence, 0 if digs) is negative and significant at the 1% level. It indicates that, as expected, students in digs accommodation spend and average of R952 more per month than those in residence, holding all other variables constant.

The nationality dummy variable result (FOREIGN) was positive (1 if South African, 0 if foreign), but only significant at the 10% level. It shows that, on average, holding all else constant, South African students spend R169 more per month than foreign students. Given the summary statistics above, this is not a surprising outcome.

In conclusion then, one can see that, although there are certain differences in spending allocations, South African and foreign students spend very similar amounts on average, with South Africans spending slightly more. This indicates that, in terms of economic impact per student, it is unlikely that a foreign student will have more or less impact on the economy than a South African.

3.4 Other impacts: charitable giving and travel

About 38% of foreign and 44% of South African students donated time or money to a charity in the last 12 months. Most of the donations by foreigners (50%) were to "Give 5" and other campus campaigns, while South African students were more involved in organized Grahamstown charities like Rotary, SPCA, Hospice, the St Raphael centre and so on.

About 68% of students who gave to charities gave money, the rest, time. Of the monetary donations, the average giving over the last 12 months was about R63 fore foreigners and R65 for South Africans. Further details can be found in appendix tables 6 and 7.

A further question was asked to determine the frequency of visitors to the impact area as a result of fetching Rhodes students for holidays or weekends, as such outside visitors could have a fairly large economic impact on the region.

About 15% of the total sample of students was fetched for holidays and weekends by family or friends. They are fetched on average 3.5 times a year and 64% of visitors stayed over at

least one night (average of 3.6 nights for each visit). About 70% stay over in Grahamstown, mostly (65%) in a hotel or Bed and Breakfast establishment. The rest stayed over somewhere in the Eastern Cape (Port Elizabeth, Port Alfred, King Williams Town).

The foreign students who were fetched (12%) were mostly Zimbabwean. Excluding one very large atypical figure, they were fetched about 3 times a year and the family or friends stayed over in the region for about 2.7 nights on average (figure includes those who did not stay over), mostly in B&Bs. Further details are available in appendix table 8.

So, of the 1769 foreign students registered at Rhodes University this year, about 212 (12%) of them are fetched by friends or family about 3 times a year, who then stay over in the Eastern Cape for about 2.7 nights. Without a larger sample size and more spending data and information on the number of people making up the groups of family and friends who come to fetch these students, it is not possible to estimate reliably how much additional money is brought into the area. However, if one assumes that the average size of the travel party is two, this would amount to 3434 bed nights per year. Even keeping in mind that some of these people will stay with friends, family or the students themselves, spending on accommodation and food in the region as a result of these fetching activities is likely to be quite substantial. About half of the foreign students who are fetched go on to tour other parts of the country as well. It is recommended that, if a further study is conduced, more detailed questions on fetching be included in order to estimate the monetary impact of fetching on the region.

Of the total sample of foreign students, about 23% combine their travel with touring, either with family and friends or on their own. About 11% of South African students tour as well.

3.5 Economic impact

There are two methods that can be used to calculate economic impact: the expenditure method (usually used) and the income method. The expenditure method is based on the total spending of each person in the impact area and is usually used because many people do not spend all their income (some is saved in various forms). However, in the case of students, this was found not to be the case for unearned income as is shown in table 10 below, with spending usually exceeding unearned income.

Table 10: comparison of total spending and unearned income

	Total spending (Rand)	Unearned income (Rand)
Mean	1362.62	1229.16
Median	1025.00	1000.00

The additional spending was financed through earning. As was shown in previous sections of this report, a considerably percentage of both local and foreign students earn additional money by working in Grahamstown, either at the university itself or in town. Since economic impact studies aim to measure the injection of new money into the impact area, spending financed via earnings in the impact area present something of a problem. On the one hand, one could argue that student earnings add value to the area and increase economic activity and so should be included. On the other hand, such earnings are not a new injection of money. It was thus decided that both methods would be used to calculate student economic impact and are reported on below.

3.5.1 The expenditure method

Accommodation, food and other cost-of-living expenses

As seen already, there is a significant difference between the spending by students in digs and students in RU residences. The two groups were thus analyzed separately. For students in Digs, it was assumed that spending on rent would continue for 12 months of the year. (This is the normal practice and, because of increasing pressure on town accommodation as Rhodes grows, most students are obliged to pay for all 12 months of accommodation, even though they are generally only here for 8 months). Spending on other things would generally

only take place for the 8 months that most students spend in town. For students in university residence, spending was also multiplied by 8 and added to RU residence fees.

Once an annual spending figure per student had been obtained, this was multiplied by the number of local and foreign students in RU residences and digs. The number of students in digs was estimated taking into account that about 23% of all registered RU students do not live in Grahamstown. (Data on student numbers in various categories was obtained from the Rhodes University Data Management Unit and can be found in appendix 3 of this report).

Table 11: Expenditure method: Living expenses

DIGS	A. Monthly spending x 8 (Rand)	B. Rent x 12 (Rand)	C. No. of students	Total(Rand) spending per student (A+B)	Total for all (A+B)C R millions
SA	11 912	12 072	2 686	23 984	64.42
Foreign	11 016	13 068	401	24 084	9.7
RES	**A. Monthly spending x 8**	**B. RU res.**	**C. No of students**	**Total spending per student (A+B)**	**Total for all (A+B)C R millions**
SA	8 032	20 100	757	28 132	21.3
Foreign	6 624	20 100	958	26 724	25.6

Total expenditure on living expenses of SA students using the expenditure method was thus about R85.64 million and for foreign students about R35.26 million per year.

Fees

In order to estimate total fees received from SA and foreign students, the average fees for postgraduate and undergraduate degrees were obtained and multiplied by the number of students registered at Rhodes for each type of degree. In addition, foreign students pay a fees levy of varying amounts. Before 2005, this levy was a flat rate of R1500 per student, but, for the 2005 intake, has increased considerably and varies depending on where the student comes from. In order to perform the impact calculations, an average levy of R2000 per foreign student per year was used. Total fees per annum for South African students were about R60.03 million and for foreign students about R26.7 million.

Table 12: Fees per annum

	Undergraduate			Postgraduate		
	Average fees (Rand)	**No. of students**	**Total (Rm)**	**Average fees ®**	**No. of students**	**Total (Rm)**
SA	**14 176**	**3 684**	**52.2**	**9 773**	**798**	**7.8**
Foreign	16 176	1 330	21.5	11 773	440	5.2

Indirect impact

Indirect impact, or the multiplier effect, occurs because of the re-spending or continued circulation of the initial impact amount within the impact region (Crompton 1995). For example, student spending at Pick and Pay will increase their profits and allow them to take on extra staff that will then have money to spend, increasing the income of other local businesses and so on.

The size of the multiplier depends on the extent of the "leakages" from the region – that is the amount of money which "leaks" out of the Grahamstown economy in each round of spending as a result of buying goods and services imported from other regions or of direct spending outside Grahamstown. Leakages are likely to be large in a town like Grahamstown with little industry or production, because most goods will have been brought in from outside the region. A business survey conducted at the 2003 National Arts Festival (Snowball and Antrobus 2003) showed that 87% of the stock of local businesses was purchased outside Grahamstown.

The nature of the Grahamstown economy means that leakages are quite high, making the multiplier small. The multiplier that has been used for Grahamstown for some years is 0.18. It was estimated for the 1996 National Arts Festival survey (Antrobus et al. 1997) and, when compared to multipliers used for other cities of various sizes (Snowball and Antrobus 2002) was judged to be of a realistic magnitude.

As can be seen from table x, indirect impact can be calculated by multiplying net direct impact by the multiplier.

Total economic impact

Total economic impact is calculated by adding direct and indirect impact. As can be seen from table 12 below, total economic impact for all Rhodes University students on the Grahamstown economy for one year is about R245 million, R171.9 million of that being from local students and R73.1 million from foreigners. Average economic impact per student was calculated by dividing total impact by the number of students in each category (including those not resident in Grahamstown). Using the expenditure method, the economic impact of one SA student per year is R38 343 and R40 707 for foreign students[1].

Table 13: Economic impact: Expenditure method (Figures in millions of Rands)

	SA	Foreign
A. Cost of living	85.64	35.26
B. Fees	60.03	26.7
C. Direct impact	145.67	61.96
D. Indirect impact (C x 0.18%)	26.22	11.15
F. Total impact (C+D)	171.89	73.11

3.5.2 Income method

As has been explained above, a more conservative method of calculating economic impact would exclude spending financed through earnings in the impact area. Other than using monthly unearned income instead of spending to calculate living expenses, as shown below, the method is similar to the expenditure economic impact calculations above.

Table 14: Income method: Living expenses

DIGS	A. Monthly income x 8 (Rand)	B. Rent x 4 (Rand)	C. No. of students	Total spending per student (A+B)	Total for all (A+B)C R millions
SA	15 864	4 024	2 686	19 888	53.42
Foreign	15 968	4 356	401	20 324	8.15
RES	**A. Monthly income x 8 (Rand)**	**B. RU res.**	**C. No of students**	**Total spending per student (A+B)**	**Total for all (A+B)C R millions**
SA	6 136	20 100	757	26 236	19.86
Foreign	7 680	20 100	958	27 780	26.61

[1] Averages here do not distinguish between students in residence and students in digs. Thus, while spending per student in each category is generally higher for South African students, a far greater proportion of South Africans are in digs than foreign students. Since residence accommodation is generally more expensive than digs, the average impact of a foreign student (more of whom stay in residence) is higher.

As seen in the above table, the average total expenditure of SA students (in digs and residence) on living expenses per year is this about R73.28 million and R34.76 million for foreign students. Expenditure on fees is the same as shown in the expenditure method.

Table 15: Economic impact: Income method (Figures in millions of Rands)

	SA	Foreign
A. Cost of living	73.28	34.76
B. Fees	60.03	26.7
C. Direct impact	133.31	61.46
D. Indirect impact (C x 0.18%)	23.99	11.06
E. Total impact (C+D)	157.30	72.52

Using the same method as before to obtain indirect and total impact, it can be seen from table 14 above that total impact has dropped from R171.9 million to R157.3 million for South African students and R73.1 million to R72.5 for foreign students. The average impact per South African student drops to R35 088 per year and R40 378 per foreign student.

Using the income method thus results in somewhat lower figures for both SA and foreign students, but much markedly lower for SA than for foreign students. There are two possible reasons for this difference. Firstly, it can be shown (appendix table 9) that earnings increase total income by about 30% for South African students, but only about 22% for foreign students. Thus, excluding spending as a result of earnings has a far great impact on the impact of South Africans than foreigners. Secondly, it is possible that savings rates, though small, may differ between groups, accounting for the difference between income and expenditure.

3. 6 Conclusions

The income and expenditure data collected from the sample of 163 students at Rhodes has yielded some interesting results. Firstly, it is striking how similar total average spending is across nationality groups. While South Africans have a generally lower average income than foreign students, they make up for this by earned income, mostly from work done in the university, and have the highest average total spending. Within spending categories, there are significant differences between groups. However, we urge that caution be exercised in drawing definite conclusions from these spending patterns, since it is not know to what extent students of different nationalities might be subsidized by parents or guardians and

what spending they do outside the impact area. Regression analysis shows that, on average, holding all else constant, spending by South African students is slightly higher than spending by foreigners.

The economic impact figures show that the average economic impact per student is higher for foreign students than for South Africans, although their average spending, split into digs and residence accommodation types, is lower. This is largely because a far greater percentage of foreign students (53% of registered foreign students) than South Africans (17% of registered SA students) are in residence accommodation. The average living costs of a student in residence using the expenditure method is about R27 thousand a year and only about R24 thousand for digs accommodation, falling to R20 thousand if the income method is used.

Thus, if every foreign student in digs were replaced by a South African student in digs and every foreign student in residence were replaced by a South African in residence, the total economic impact of student spending on Grahamstown would go up slightly because South Africans tend to spend a little more on average than foreigners. However, if foreign students were replaced by South Africans who maintained their current residence/digs split, the economic impact of student spending on Grahamstown would go down slightly because of the South African propensity for choosing cheaper digs accommodation.

Based on these results, it will thus be very difficult to make a case in favour of having foreign students at Rhodes using only income and spending data. The one area in which a significant positive impact could be shown might be in the number of parents coming to Grahamstown to collect their children from Rhodes. It is recommended that, in future research, this category be more fully explored.

4. QUALITATIVE AND ANECDOTAL EVIDENCE OF FOREIGN STUDENT IMPACT BASED ON INTERVIEWS

Telephonic interviews were conducted with a selected sample of Rhodes academics - generally Heads of Departments - the Director of the Academic Development Centre and the Careers Counsellor, and two members of the Rotary Club of Grahamstown who have had extensive experience of foreign students on scholarships to Rhodes (See appendix 7).

The consensus of opinion of Rhodes academics was that the impact of having foreign students studying within their departments was positive, but ranged from slightly negative to very positive. At the undergrad level students tended to be absorbed into large classes so that their impact was not particularly noticeable. In smaller classes and in tutorial situations their presence, however, was more marked and positive in being able to present different perspectives.

The presence of a relatively large component of foreign students with good A-levels, generally Zimbabweans, was noted as positive and providing a competitive edge, although it was suggested that the standard had slipped in recent years. Some Rest of the World students were adjudged as not being up to the standard of local students.

The Careers Counsellor reported that foreign students frequently became despondent when they discovered that many local companies have a deliberate policy of not employing non-South Africans. A perception of discrimination in the admission and the additional fee charge by prospective foreign students who had completed their schooling in South Africa was an issue raised at a meeting of school principals.

Some disciplines in the sciences regarded the presence of foreign students as vital to their continued existence particularly for their post-graduate research programmes which were unable to attract sufficient South African candidates. Some disciplines dealt with a large number of enquiries from international students who sought admission, but also major funding support – in many instances full fees, accommodation, living expenses and travel – which they were unable to provide.

The experience of admitting first time entering foreign candidates for research by thesis could be regarded as being mixed and generally had to be undertaken with a great deal of care. The chief difficulties faced were evaluating the quality of foreign degrees and language ability.

The particular experience of the Rotary Clubs in Grahamstown serves to highlight the unique support a small number of foreign students enjoy and the contribution that many of these students have made in the local community quite out of proportion to their number. This very positive experience is of one or two students per annum on so-called Rotary Ambassadorial Scholarships. The majority of students have not only participated in local activities – for example, as a Guider, or working part-time in a local school – but have also raised significant gifts and funding from their home Rotary Clubs. In one case a container load of books and educational equipment worth R80 000 was sourced from St Joseph's College in Chicago by a returning Rotary Ambassadorial Scholar for the Mary Waters School. The same student also collected materials, papers and books from the Girl Scout units in Chicago to the value of R36 000. Furthermore, funds were raised at their home Rotary Clubs which together with local fund raising and Matching Grant funds sourced from Rotary International had significantly bolstered local projects. Examples include the funds that used to purchase of a bakkie (Audrey's van) for the Centre for Social Development project which enabled the delivery of food parcels to rural schools in the Makana district, and in a similar fashion the purchase of a vehicle for the use of the St Philip's Aids Centre. There have also been cash donations amounting to in excess of R200 000, for example R45 000 to be shared by GADRA, Ethembeni and St Mary's from a student's family, a donation of R20 000 as a parting gift by a student for a gardening project when he left Grahamstown, a gift of R50 000 shared by the Good Shepherd, VHGS and St Mary's, a gift to GADRA consisting of goods, including a washing machine, vacuum cleaners and clothes, worth approximately R50 000.

The conclusions drawn by Rhodes staff who know of the Rotary experience is that foreign students that are drawn more deeply into the local community are also prepared to give of themselves to the Makana's less advantaged members during their period of study. Thereafter many have raised funds for worthy projects in Grahamstown and frequently

retain the personal bonds with local citizens through correspondence and return visits. The experience is recognised as being very particular: international students, usually with a sound undergraduate education; registered for full-time post-graduate study and largely unhindered by major financial problems; who have enjoyed the individual attention of a Counsellor and have been introduced and drawn into the local community. Nevertheless, the thinking is that at least some of the aspects of the programme could be used in an adapted form for a larger body of foreign/international students.

The experience with Boston College students by the local Site Coordinator is a similar but more structured form of the same model. Again it is particular and the model is not able to be generalised, but it gives a good picture of what can be done on a small scale and could be instructive for other less intensive models. One of the requirements of the College is that students have to undertake community service work while on exchange. After a semester at Rhodes and a very positive experience of service at Ntaba Maria School where an outreach programme was being conducted at the time to teach Black children to speak English, Allison, a BC student, persuaded the College to appoint a Site Coordinator who has now taken on this role for four years. The Coordinator meets the students upon arrival; they are given a meal at the Coordinator's home and hosted several times during the one semester exchange. Since Boston College requires community service of all her students the Coordinator arranges a tour of community projects over a three-day period to give an idea of what the possibilities are and then in discussion with the individual students places them according to their abilities and interests. The students are also invited to up to six seminars during the semester presented in the Coordinator's home on topics such as HIV AIDs, the GADRA Matric School; a talk by an author; etc. The students' progress in the community service projects as well as their academic performance is also monitored. Students are also encourage to travel to sites within the Eastern Cape (Hogsback, game reserves, Transkei, South Coast) and to use their weekends for activities such as hiking.

As the Coordinator readily admits the programme takes a good deal of time and money. Frequently parents visit from abroad and also are accorded the same individual treatment and students retain contact after leaving. But the 'payoff' is regarded as being handsome. First of all the students maintain that the community service experience is 'life changing';

most come from privileged homes and confront deprivation and poverty in Grahamstown for the first time in their lives. Secondly, the travel in South Africa is regarded as a highlight; and thirdly, the academic work at Rhodes.

Of the seven first semester 2004 students, two worked in the Amasango Career School ('Street Shelter' School), two at Settler's Hospital with AIDs patients in the children's ward, one at the Raphael AIDs Centre, one at the Eluxolweni Children's' Shelter and one at VGHS helping second language pupils who were having difficulty in adjusting to the ex-model C English requirements after a township junior school education.

While most students do not make monetary contributions, a number of Boston College students have. A Californian student sent $6 000 to GADRA.. In one case the parents, friends and church attended by a Boston College raised R200 000 for Grahamstown charities. In another parents donated R30 000. It was also interesting to note that the first student in the Rhodes contingent running the 'Two Oceans Marathon' was a Boston College exchange. But more important still are the reports of the community organisations where the students have worked. The first semester 2005 Boston student who did his community service at the Raphael Centre is just one of many who has received high praise.

Conclusion

The conclusion that may be drawn is that the experience of foreign students of many Rhodes staff members and Grahamstown-at-large has been very positive. It would be impossible to reproduce the Rotary or Boston College models on any scale, but it would be strongly recommended that a group be tasked to develop an appropriate model given the number of students involved and the resources available that would further enrich the experience of foreign students and make their Rhodes/Grahamstown stay the more memorable.

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Appendices

Appendix 1

Daily Dispatch
14 February 2005

Foreign students contribute R1,7bn in forex

By Modise Kabeli

EAST LONDON - Hundreds of foreign students coming to study at local educational institutions contribute about R1,7 billion to the country annually in foreign exchange.

Research by the Nelson Mandela Metropolitan University (NMMU) found that these students spend almost R57000 a year on food, travel, accommodation and tuition.

The director of the NMMU's Centre for Tourism Studies, Peter Myles, said: "On a national scale the spending of international students accumulated to about R1,7bn of foreign exchange."

Myles said that at least 30 percent of the students travelled with their family and friends while they were in the country.

"Our research indicates that when the students' relatives visit they spend between R5000 and R12000 a week," Myles said.

He said that the number of students coming to the NMMU had increased from 300 to 1400 since the Centre for International Education had been formalised in 2000.

Professor Marius Vermaak of Rhodes University said this year the number of foreign students at the institution was expected to be "slightly more than 1500 - which is above 25 percent of the total student body".

The number of international students registering at Rhodes had been increasing gradually over the past years. In 2002, there were 1067 foreign students and in 2003, 1193 were registered. Last year about 1297 students were registered.

He said the university attracted many international students because it "is an outstanding university with the lowest staff-student ratio in SA.

"We have the best through put rate, and best research output per capita," he said.

"Rhodes offers a good deal in international terms - we're much cheaper. We have a safe and pleasant campus and our admin is also very efficient - things work," he said.

In addition, Vermaak said many students, particularly Zimbabweans, enrolled because their parents had been students there.

In a joint statement, the merger partners of the Walter Sisulu University - Border Technikon, Eastern Cape Technikon and University of Transkei (Unitra) - said their institutions "play host to about 500 foreign students each year".

"The majority of foreign students register as fulltime students but we also host a fair number of exchange students for limited periods of time," said Unitra spokesperson, Karuna Krishanlal-Gopal.

She said plans were in the pipeline to expand the base for recruiting and retaining foreign students within the context of the new Walter Sisulu University.

Krishanlal-Gopal said the international students at their institutions "add tremendous value to the institutions and the surrounding local communities".

Appendix 2

Dear RU Student

Hello! You have been selected to take part in a student economic impact survey being run by the RU Economics Department for the International Office. You will be paid R10 for your trouble. All we want you to do is to come to the Economics B lecture theatre (in the Economics Department) for about 20 minutes on Tuesday, Wednesday or Thursday next week (only one visit needed) to fill in an anonymous questionnaire about your income and spending in and around Grahamstown. The questionnaire should take you about 10 minutes to complete and you will be paid at the venue when you hand it in.

The aim of the study is to find out what the economic impact of different groups of students is on the Grahamstown economy. The sample was drawn randomly from the RU database (by country of origin) and your name won't be attached to the information you give us. The questions will simply be about your monthly income and what you spend it on.

Please bring you student card with you to the venue so that we can mark you off on our list. Unfortunately, no one without a student card (or other reliable form of ID) can be admitted.

If you want more information, please email Prof G. Antrobus (g.Antrobus@ru.ac.za) or Mrs. J. Snowball (j.snowball@ru.ac.za). They will be happy to answer any of your questions.

Note: the sender of this email is an RU student, hired by the Economics Department as a research assistant on this project. It comes from either Joan Stott (g00S141) or Gardner Rusike (g05R1613). If it has been sent to you by anyone else, or forwarded by a friend, you will not be on our list and won't qualify for payment.

Appendix 3

RHODES UNIVERSITY STUDENT NUMBER INFORMATION

Total Number of Students Registered in Grahamstown	Total Number of SA RU Students	Total Number of Foreign RU Students	Total Number of RU Students in RU Residence	Total Number of Foreign RU Students in RU Residence	Number of Undergraduate RU Students	Number of Postgraduate RU Students	Number of Undergraduate Students in RU Residence	Number of Postgraduate Students in RU Residence
6252	4483	1769	1715	958	5014	1238	2527	146

Number of Undergraduate South African Students	Number of Undergraduate Foreign Students	Number of Postgraduate South African Students	Number of Postgraduate Foreign Students
3684	1330	798	440

Number Students Not Residing in Grahamstown
1448

RHODES UNIVERSITY STUDENT COST INFORMATION

Average Cost of One Year's Residence: B Grade	Average Tuition Fees For Undergraduate Student	Average Tuition Fees For Postgraduate Student
R 20,100.00	R 14,176.39	R 9,773.20

Actual costs of most common undergrad degrees		
BA	BCOM	BSC
R 16,240.00	R 17,750.00	R 16,920.00

* Please note that this was achieved by taking the total undergraduate/postgraduate fees and dividing by the number of undergraduate/postgraduate students

* This of course yields some distortions because there are fluctuations in degree costs and a degree with a lot of students that is quite

* an expensive degree will have impact on a smaller and cheaper degree

Surcharge For International Students (at R6 per US dollar)						
Undergraduates				Postgraduates		
Students Registered Prior to 2005	New Intake			New Intake		
	From SADC Countries	From Africa (excl. SADC)	Elsewhere	From SADC Countries	From Africa (excl. SADC)	Elsewhere
R 1,200.00	R 3,000.00	R 3,900.00	R 4,500.00	R 2,100.00	R 2,700.00	R 3,300.00

Appendix 4: The multiplier

In addition to the direct effects of student spending, indirect effects are also generated as a result of successive rounds of spending that occur within the region via the multiplier. The size of the multiplier, and thus the magnitude of indirect spending, will depend on the leakages from the economy being considered. Leakages represent the amount of money that is taken out of the host economy in the form of spending by local people outside the host economy and savings (Crompton 1995).

Ideally, every study should calculate its own multiplier, because "combinations of business interrelationships in communities are structured differently so linkages and leakages will be different" (Crompton 1995:29). However, calculating a multiplier is time-consuming and expensive and not within the scope of this study. A multiplier was therefore estimated based on the National Arts Festival (NAF) multiplier and the literature.

The NAF multiplier of 0.18 was first estimated in 1996 (Antrobus et al. 1997). "Given that Grahamstown has a small manufacturing base, importing a large percentage of locally consumed goods and services, and exporting little to other regions, the indirect expenditure generated is relatively modest" (1997:22). When compared to other arts festival impact studies (Edinburgh Festivals, Adelaide Festival and Melbourne Festival), all of which used higher multipliers, the Grahamstown multiplier seems to be reasonable (Snowball and Antrobus 2001).

In 2003 a business survey was conducted (Snowball and Antrobus 2003), part of which surveyed local businesses to determine the extent to which stock sold in Grahamstown is sourced from outside the region. It was found that, on average, 87% of stock was bought from outside Grahamstown (Port Elizabeth, East London and Johannesburg being the main suppliers). The result suggests that leakages from the area can be expected to be large in second round spending, even if local residents spend Festival earnings at local businesses.

However, in their recent study on the economic impact of mega sporting events, Matherson and Baade (2004) point out that once-off events that rely on a great deal of imported

specialist labour are likely to have much smaller multiplier effects on any particular region, that other longer-term activities which make use of resident labour. Since this is likely to be the case when comparing the impact of the NAF and Rhodes student spending, it was agreed that the festival multiplier should probably be increased somewhat for this study.

A great deal of literature exists regarding the determinants of regional multipliers, but fortunately, results tend to agree with one another. One very important factor is the size of the region in question and its location. A number of studies (Shahidsaless et al. 1983; Baaijens and Nijkamp 2000 and Greenberg et al. 2002) all found the size of the multiplier to be positively related to both population size and the physical area of the region. Shahidsaless et al. (1983) used the well-known Central Place Theory to further expand on this, finding that the marginal propensity of a region to import is negatively related to the distance to another larger market. Thus, the closer the impact region to a larger market, the more likely they are to rely on that market for goods and services, the greater the leakages will be and the smaller the multiplier. Greenberg et al. (2002) also find that smaller, rural towns have fewer opportunities for the creation of backward and forward linkages, thus also decreasing multiplier size.

Baaijens and Nijkamp (2000) undertook a very useful meta-analysis of eleven economic impact studies from different countries. The found that a small region (less than square 500km) with a population of between 20 000 and 150 000 is likely to have a multiplier of less than 0.5, except where there is a very large (10 000 to 70 000) inflow of people from outside the region. When considering Grahamstown, which has very little manufacturing, a population of between 76 000 and 100 000 (Census data and municipal data respectively) and close proximity to a larger market (Port Elizabeth), it is thus likely that the multiplier will be relatively small, although, as previously discussed, larger than 0.18. Based on this data, two estimates of the multiplier were made: 0.25 and 0.35 and a sensitivity analysis conducted to determine the extent of the difference in total impact in each case. As can be seen from the tables below, the change in multiplier size does not make a great deal of difference, and, given the relative importance of student spending to the local economy, it was decided to report the 0.35 results in the text.

Expenditure method

(Figures in millions of Rands)

	SA	Foreign
A. Cost of living	85.64	35.26
B. Fees	60.03	26.7
C. Direct impact	145.67	61.96
D1. Indirect impact (C x 0.25%)	35.42	15.49
E. Total impact (C+D)	**182.10**	**77.45**
D2. Indirect impact (C x 0.35)	50.98	21.68
E. Total impact (C+D2)	**196.65**	**83.64**

Income method

	SA	Foreign
A. Cost of living	73.28	34.76
B. Fees	60.03	26.7
C. Direct impact	133.31	61.46
D1. Indirect impact (C x 0.25%)	33.32	15.37
E. Total impact (C+D1)	**166.63**	**76.83**
D2. Indirect impact (C x 0.35)	46.66	31.51
E. Total impact	**179.96**	**82.97**

As can be seen from the above tables, with relatively small multiplier effects, total impact is not greatly altered by different estimations of multiplier size. Using the expenditure method, total impact for both South African and foreign students increases from R259.55 million to R280.29 million (7.4%) when the multiplier increases from 0.25 to 0.35. Using the income method, total impact rises from R243.46 million to R262.93 million.

Appendix 5

RHODES UNIVERSITY

ECONOMIC IMPACT OF STUDENTS QUESTIONNAIRE

Hi! The Rhodes International Office is doing a survey to find out what the economic impact of foreign and local Rhodes students is on Grahamstown and South Africa. We would really appreciate it if you would fill in this short, anonymous questionnaire about your spending and that of your parents and return it either to the person who gave it to you or to Jen Snowball in the Economics Department.

YOUR INCOME

1. How much pocket money do you get per month? This should include any book allowance, clothing allowance, pharmacy accounts, rent and any other accounts and expenses that your parent/s or guardian pays (but not including Rhodes student fees or residence accommodation). R_____

2. Do you have any other source of income? For example, do you have a part-time job in town or at the University (like tutoring)? If you do have a job or jobs, how much does it pay per month?

2a. Source of income:_____

2b. Amount of income per month: R_____

YOUR SPENDING

3. Are you staying in a university residence, in rented accommodation or with family or friends (no rent payable)? Please tick the box that applies to you.

1□ RU res 2□ rented digs 3□Family, friends (no rent)

4. On average, how much do you spend in Grahamstown per month on the following:

4a. Food (including from restaurants and supermarkets) R_____
4b. Rent (if not in RU res) including water and lights, TV, parking etc R_____
4c. Drinks (at pubs and from bottle stores) R_____
4d. Petrol (if you have a car, or contribute petrol money to others) R_____
4e. Entertainment (like movies, videos, magazines, sport equipment etc) R_____
4f. Clothes R_____
4g. Books and stationery R_____
4h. Societies and clubs R_____

5. If there is anything else you spend on regularly, please tell us

5a. what it is:_____

5b. and how much per month you generally spend on it: _____

PTO

6. Have you given time or money to any local charities over the last 12 months? If you have, please tell us which charities and how much time or money you have donated so far this year.

_____
_____

7. If you are not from Grahamstown, does your family or guardian come to fetch you for holidays or to visit? If yes, how many times a year do they come? (Please tick the box)
1□ local Grahamstonians OR 2□ come to fetch me OR 3□ travel on my own

If 2: * number of times a year they come _____
* number of nights they stay over _____
* town where they stay _____
* if they stay over, type of accommodation (Please tick the box):
□ hotel □B&B □friends/family □ stay with me □ other

8. If someone does come to fetch you, do you and they ever combine this with a holiday or touring the country?

1□Yes 0□ No

ABOUT YOU

So that we can use the information you have given us, we need to know a bit about you now. Please remember that this questionnaire is anonymous and that your name won't be attached to any of your answers.

9. What is your nationality (the country you hold a passport of and/or return to in the vacation or at the end of your studies)? _____

10. Are you an undergraduate or postgraduate student? (Please tick the box)

0□ Undergraduate 1□Postgraduate

11. What is your home or mother-tongue language? _____

12. Is there anything else you think we should know about your contribution to the Grahamstown or the South African economy?

_____
_____
_____

Thank you for your help!

Appendix 6: Tables

Appendix Table 1: Nationality of the sample

Nationality coded			N	Percent
1 SA	Valid	SA	62	100.0
2 Other African	Valid	Botswana	1	1.5
		Camroon	1	1.5
		DRC	1	1.5
		Kenyan	3	4.6
		Lesotho	1	1.5
		Mauritius	2	3.1
		Motswana	1	1.5
		Namibia	3	4.6
		Nigerian	2	3.1
		Swazi	1	1.5
		Ugandan	1	1.5
		Zim	48	73.8
		Total	65	100.0
3 ROW	Valid	Bulgaria	1	2.8
		Canadian	2	5.6
		Chinese	3	8.3
		Dutch	1	2.8
		French	7	19.4
		German	2	5.6
		India	2	5.6
		Norway	1	2.8
		Pakistani	1	2.8
		Russian	1	2.8
		South Korean	1	2.8
		UK	9	25.0
		USA	5	13.9
		Total	36	100.0

Note: N=the actual number of observations in each category

Appendix table 2: Average spending per month by nationality groups

Nationality coded		Drinks	Petrol	Entertainment	Clothes	Books	Clubs
1SA	Mean	205.16	75.73	90.65	125.32	85.48	70.08
	N	62	62	62	62	62	62
	Std. Deviation	396.868	111.986	83.585	165.833	160.598	137.252
2Other African	Mean	126.85	13.85	78.46	156.15	156.46	45.58
	N	65	65	65	65	65	65
	Std. Deviation	158.970	40.144	72.029	173.356	330.092	124.297
3ROW	Mean	191.53	17.22	95.00	54.17	78.61	16.94
	N	36	36	36	36	36	36
	Std. Deviation	267.520	54.700	96.251	74.886	110.250	37.096
Total	Mean	170.92	38.13	86.75	121.90	112.27	48.57
	N	163	163	163	163	163	163
	Std. Deviation	293.386	82.946	82.039	157.905	238.105	117.886

Drinks: at pubs and from bottle stores
Petrol: for your own car or contributions to friend's cars
Entertainment: like movies, videos, magazines, sports equipment
Clothes
Books and stationary: a per month average spending figure, probably excluding textbook purchases at the beginning of the year.
Clubs and societies.

Appendix table 3: Spending on food and rent by nationality and accommodation type

Nationality coded	Acc. Type		Food	Rent
1SA	1Res	Mean	304.88	0
		N	41	41
		Std. Deviation	356.454	0
	2Digs	Mean	579.52	1005.71
		N	21	21
		Std. Deviation	282.940	317.562
	Total	Mean	397.90	348.71
		N	62	62
		Std. Deviation	356.002	511.643
2Other African	1Res	Mean	248.82	0
		N	45	45
		Std. Deviation	186.348	0
	2Digs	Mean	515.00	1142.00
		N	20	20
		Std. Deviation	188.554	262.330
	Total	Mean	330.72	351.54
		N	65	65
		Std. Deviation	223.062	549.975
3ROW	1Res	Mean	250.00	.00
		N	29	29
		Std. Deviation	177.784	.000
	2Digs	Mean	664.29	937.14
		N	7	7
		Std. Deviation	149.204	457.638
	Total	Mean	330.56	182.22
		N	36	36
		Std. Deviation	238.231	421.184

Appendix table 4: "Other" spending categories

Nationality coded			Frequency	Percent	Valid Percent	Cumulative Percent
1 SA	Valid	1	13	21.0	35.1	35.1
		2	5	8.1	13.5	48.6
		3	1	1.6	2.7	51.4
		4	9	14.5	24.3	75.7
		5	9	14.5	24.3	100.0
		Total	37	59.7	100.0	
	Missing	System	25	40.3		
	Total		62	100.0		
2 Other African	Valid	1	13	20.0	40.6	40.6
		2	3	4.6	9.4	50.0
		3	4	6.2	12.5	62.5
		4	3	4.6	9.4	71.9
		5	9	13.8	28.1	100.0
		Total	32	49.2	100.0	
	Missing	System	33	50.8		
	Total		65	100.0		
3 ROW	Valid	1	7	19.4	33.3	33.3
		2	2	5.6	9.5	42.9
		3	3	8.3	14.3	57.1
		4	1	2.8	4.8	61.9
		5	8	22.2	38.1	100.0
		Total	21	58.3	100.0	
	Missing	System	15	41.7		
	Total		36	100.0		

1=airtime, phone, phone cards
2=cigarettes, chocolates and other snacks
3=hobbies (golf, lessons, club fees)
4=toiletries and personal grooming
5=other (travel, printing, financial support for siblings etc)

Appendix table 5: Total average spending by nationality groups and accommodation type

Nationality coded	Acc. Type	Mean	N	Std. Deviation
1SA	1Res	1033.68	41	631.690
	2Digs	2495.00	21	988.661
	Total	1528.65	62	1033.579
2Other African	1Res	849.81	45	429.385
	2Digs	2460.50	20	866.040
	Total	1345.41	65	954.301
3ROW	1Res	776.55	29	564.950
	2Digs	2480.00	7	901.753
	Total	1107.78	36	928.566

Appendix table 6: Charitable donations by charity type for SA and foreign students

			N	Percent
Foreign	Valid (38%)	1	19	50.0
		2	6	15.8
		3	2	5.3
		4	7	18.4
		5	4	10.5
		Total	38	100.0
SA	Valid (44%)	1	6	21.4
		2	4	14.3
		3	6	21.4
		4	8	28.6
		5	4	14.3
		Total	28	100.0

1=Give 5 and other campus campaigns
2=Small change boxes, street children and beggars
3=churches and schools
4=other organized Grahamstown charities (SPCA, Rotary, St Raphael Centre, Hospice etc)
5=other (lotto, old clothes etc)

Appendix table 7: Average amount of charitable donations over the past 12 months for SA and foreign students*

Foreign	N	Valid	26
		Missing	74
	Mean		62.58
	Median		12.50
SA	N	Valid	19
		Missing	44
	Mean		65.11
	Median		50.00

*Of those who gave money to charities (68% of foreign and 68% of SA student); the rest of the donations being time.

Appendix table 8: Travel options for SA and foreign students: 1=local; 2=fetched; 3=travel on own

			N	Percent
Foreign	Missing	*	2	2.0
		2	12	12.0
		3	86	86.0
SA	Valid	2fetch	13	20.6
		3own	45	71.4
		1local	5	7.9

Appendix table 9: Income and Total income (income + earnings)

SA/Foreign	Accom.		Unearned income	Total income	% increase
Foreign	1Res	Mean	960.58	1207.96	25.75%
		N	73	73	
		Std. Deviation	661.340	768.715	
	2Digs	Mean	1996.11	2323.00	16.4%
		N	27	27	
		Std. Deviation	826.499	841.512	
	Total	Mean	1240.17	1509.02	21.7%
		N	100	100	
		Std. Deviation	843.196	929.124	
SA	1Res	Mean	767.33	1036.93	35.13%
		N	42	42	
		Std. Deviation	572.261	673.467	
	2 Digs	Mean	1983.33	2511.71	26.64%
		N	21	21	
		Std. Deviation	1274.199	1293.726	
	Total	Mean	1172.67	1528.52	30.3%
		N	63	63	
		Std. Deviation	1036.430	1153.678	

Appendix 7: Selected interviews with Rhodes staff

Most of the interviews were conducted telephonically and lasted from a few minutes to 10 minutes or more; several were conducted face-to-face with the longest lasting 55 minutes. The results of the interviews are presented more or less verbatim.

A. Biochemistry and Microbiology

This is a research department and we have a significant number of foreign students, mostly from SADC countries. Post-graduate foreign students make a substantial positive contribution in papers that are published and as tutors. Without foreign students there would be a chronic shortage of post-graduates. There are not enough South Africans to fill all the research positions. Foreign students who come as post-graduates bring experience with them, but are no more or less talented than other students. Sometimes foreign students do experience language problems, especially West Africans.

We are overwhelmed with applicants from India, Bangladesh and West Africa. It is often difficult to get accreditation and it is a gamble taking them on. My personal rule of thumb is 'no'. It is much more difficult to obtain bursaries for foreign students. Many Zimbabweans are in a desperate state and 'fall through the cracks' mainly through lack of funding. We also need to invest to the north of us. It would be very tough for foreign students if they did not get the same subsidy as the rest. Funding for white male students is impossible.

At the undergrad level foreign students are integral to the courses. Zimbabweans do bring A level experience. For students who have gone through from undergrad to post-grad at Rhodes there is nothing to distinguish local from foreign students.

B. Botany

We have had several successful undergraduate exchanges in both directions. The context has not been a problem. Sheffield and a US University have sent some senior undergraduates do a component of their studies at Rhodes. There are no really interesting ecological and biological questions left (to research in the UK). They are looking for a draw card and have requested setting up a more formal undergrad exchange programme. They have already sent students to Australia and, if successful, would (consider) sending students to Rhodes. The point is that we have lots of ideas but not the people (to do the work). A strong marketing tool in biology is that we can set up projects in our growing season which is winter in Europe. One of our third year (students) spent one semester in Canada, but found that their undergrad (courses) were so much easier and less demanding that by the time the student got to Honours found that (s)he was at a disadvantage.

At the post-graduate level several Dutch and German students have been less successful because they have not actually registered. They could only really be regarded as successful in cases where publications have resulted. In many cases students from Europe are (only) working on a component of a Masters or PhD. Some have been successful; others not. It would be nice to be able to register the students. In the case of some US universities they merely want their students to do the research work here. An exciting proposal, however, is

one by Arizona State University in conjunction with proposed big funding from the equivalent of their NRF and with co-supervision by South Africans.

Foreign post-doctoral researchers do not involve registration, and therefore are not students, but have been very productive.

C. Geography

We get the occasional undergraduate. There is one in first year that is no real trouble. It is nice to have (foreign students) around – they do give a bit of a different perspective. Occasionally there is the odd one who is awkward, but this is not *because* they are 'foreign'.

Our experience (with international students) has been (largely) positive. The main group are from Sweden, with an exchange of four students per year with a very positive impact. For our students the experience is positive, but with the students from abroad it is slightly negative. It is that their attitudes are different. They are not as good (as our students), and may require some extra work on the part of the staff. If anything South African students are better than the Swedish students. One explanation is that all their education is paid for, so what they do doesn't really matter, but some are very good.

We have a Canadian postgraduate student in Economic Geography who adds quite a bit and has fresh ideas, so that's 90% positive. We get a lot that use our Department as a base (e.g. from Sussex) and presently have a whole bevy working on (water) catchment management helping to collect data. There are also students from Ghent and Wageningen doing their theses and collecting data, which is positive.

D. Environmental Science.

I am something of a sceptic, especially regarding foreign students from North America and Europe, many of whom I suspect couldn't get into good universities in their own countries. This does not apply to all - some of the (Other than African) foreign students *are* good. International students lead to a lot of work which is needed especially with regard to setting the context for research. Generally their contribution to classes is not good. Mostly they sit wide-eyed because they are not familiar with the context. On the other hand their English language and writing skills are good. In this area we have to put in a lot of work with our own students.

My experience of most of the international students that I have supervised is that I would rather have put the energy into Southern African students with whom one is more likely to have an involvement into the future. Frequently former students from Africa will call one from their government or other jobs (to discuss some matter) which is not the case with international students. (The latter) place the experience onto their CV and then go home.

I have often wondered if (having an international student) is worthwhile. Of course it is possible that the student will become an ambassador (for Rhodes) and could become part of a network, but on the whole I prefer local and Southern African students.

Most international students do not come with a lot of resources – I'm not meaning just money, but knowledge – new technology or methods of doing research. One PhD student who had been a consultant in the United States was exceptional; he came with an extensive knowledge about pollution levels and brought the technology with him which has enabled us to quantify pollution levels in mining towns. This has made a contribution which will have a lasting effect. But what (intellectual) 'capital' do they (international students) have to contribute to our existing pool? They enjoy a heavy subsidy in both financial and intellectual terms. In the case of one aspirant German candidate who wanted to work within my field of interest I turned away because I did not think that she would be able to make any meaningful contribution.

E. Pharmacy

The perception is very definitely positive. Many foreign students come to Rhodes as undergrads from southern Africa as well as the rest of Africa. We are not able to recruit much in the way of South African students, unlike Port Elizabeth who seem to be more successful in this respect; without foreign students (about 60%) we would have to shut. We will probably have to rely more and more on them. Foreign students receive a good education here and for them the cost is cheap. They come here knowing that they cannot register in South Africa, but that they can practice anywhere else. SADC students are only given student visas; for them that is the biggest problem.

I like the idea of setting up a survey to be conducted among foreign students, because this anecdotal stuff is not enough. This needs to be looked at more closely.

F. Human Kinetics and Ergonomics

HKE had its first ever Chinese student 20 years ago and has had a few from Australia, the UK and Botswana. Presently there are 15 or 16 Zimbabweans.

Generally staff members are unaware of foreign students at undergrad level although Zimbabwean students generally have a better basic schooling system. At post-grad there are occasionally some issues, but our best student ever was a Zimbabwean, who was far ahead of the others. Generally the influence of foreign students is not a strong positive or negative, but more post-graduates would be desirable. There are numerous enquiries. HKE could get a lot of students from China, India and South America if it had the money for bursaries. They want the fees paid and everything done for them including for their families.

G. Information Systems

For student teaching there is no real difference having foreign students. They frequently grasp the concepts quickly and have a 'sparkle in the eye' while it does not change much it does 'lighten up our lives'; it gives staff members a lot of satisfaction having (foreign students) present. Most are from Namibia, Botswana, Zimbabwe, Uganda and Zambia with a small minority from Germany and Scandinavia. By the time they are post-graduates there is nothing different. All are pretty good.

H. Economics

Foreign students tend to get lost in the large first and second year classes, but the smaller group of Rest of the World international students frequently identify themselves to lecturers, sometimes because of language difficulties, but also simply to share a different perspective on a topic. One of the first year lecturers makes a point of welcoming foreign students by asking them to identify themselves by a show of hands by different regions and continents and then making the point that the course they are embarking on is not one on 'The South African economy' despite the frequent use of local examples, and encouraging foreign students to share their own experiences. Occasionally a foreign student with a major language difficulty has become overly demanding, but on the whole the experience is positive. At undergraduate level language difficulties tend only to be an issue at first year level, but then rear its head again at post-graduate level particularly among first time entering candidates in research projects at Honours and Masters research theses.

Foreign post-graduates have made up about one-third to one-half of all candidates, with a minority being first time entrants to Rhodes.

I. Law

There are two categories of foreign student: firstly, those taking the LLB who are mainly Zimbabweans, Namibians and a few from other African countries; and secondly, two students a year on exchange from Leicester University. The first category, have a sound educational base and most certainly add a competitive edge to class interaction; they also add value to interaction because they are Black. It is not necessary to do remedial teaching in any way. Some staff provide foreign examples and cases, but this is less so now since formerly Zimbabweans staff have left. Overall the perception is extremely positive. In the case of LLM candidates there is no difference (between SA and foreign students) because they are Rhodes' own graduates going through.

The second category of foreign student brings Leicester University experience with them. The Dept. is in a position to compare educational experiences as there is a two-way flow, although not as many go to Leicester as come to Rhodes. An exit interview is conducted with every returning Leicester student to feed back into planning. Across the board the experience has been expressed as very positive – students have always said how good the quality of the education is at Rhodes. We believe it compares (favourably) with anywhere else. What the exchange does for our students is to open up educational offerings that cannot be offered at Rhodes, for example, European Competition Law. At present there is a joint Law/Economics Honours candidate at Leicester. Rhodes students who have returned are also extremely positive.

J. English

Foreign students do not affect the way in which we teach, but their contribution is useful, especially in offering different points of view in tutorials. Most foreign students come from the US, Europe and Zimbabwe and there are some French students doing English 1.

At the post-graduate level for thesis work there are many approaches from Nigerians. We check samples of their work, but are not able to accept most. In principle, however, the Dept is able to accept foreign candidates.

K. Anthropology

Every year there are a couple of students from the US, Canada or Europe. There are usually 4 to 6 exchange students each year for one semester. They generally slot into existing teaching courses. It does involve a little bit of admin – and perhaps a little part of an fte. If the foreign students were in 3rd year or Honours it might be different, but for the most part they are absorbed into the 1st year class of 180. When it comes to foreign students Zimbabweans are the front runners; there must be 60+ in 1st year, which is an inordinate number. They are vocal. They are not as good on paper as in the past. They use to be streets ahead. There are some Malawians and East Africans percolating down, but not many in Anthropology; they are mostly in Politics and History, etc.

There are foreign post-graduates once in a while. About 10 years ago there were a number of Danish Honours students as a one off. But it is quite hit and miss. A Norwegian lecturer tried to palm off his students' supervision onto us; it (very much annoys) me; it's exploitation. The impact on (South African) students would be interesting to know. What happens when the students drink coffee together might be something different; to know would require more than anecdotal evidence from teaching staff, but a survey among students may well raise the spectre of something not intended.

L. History

Foreign students do not make a difference. The teaching is as if they were not there. They are generally more hard working than local students, so from that perspective make a positive contribution.

Over the past 6 years there have been three Kenyan PhD candidates. One was very good and required minimal supervision; two were fairly weak and needed extensive supervision, one of whom completed after referral. It is difficult to see how the other will make it.

Foreign exchange students make up for a lack of background by being more disciplined in their approach to study. Five years ago a Japanese student who had no background put all the others to shame through sheer hard work.

On the very positive side it was said that even where the students themselves did not
One of the few negative experiences was said that the majority of the overseas foreign students seeking registration at post-graduate level were generally those who were unable to

M. Academic Development Centre

Complaints were expressed by some Departments during the Academic Reviews at UCT, that when dealing with specifically African issues, foreign students did not have the necessary background and South Africans had to sit and wait while explanations were provided. This was more usually a problem where the classes were relatively large. Some US students were

particularly demanding of attention. In smaller classes, which were more interactive, however, foreign students tended to ask more questions which stimulated local students to ask questions as well which was seen as positive. The problem has not been reported at Rhodes.

N. Careers Counseling Centre

The biggest issue faced is that foreign students come to Rhodes and then want to find employment in South Africa. They go to Grad Placement talks and then find that companies say that they cannot take foreign graduates, for example Unilever has a definite policy not to take foreigners. This leads foreign students to not taking in the career development opportunities offered because they think that they cannot find employment. They should nevertheless attend what is on offer to become career literate. The smaller companies - especially those that want computer science graduates - are prepared to go through the application procedure to employ foreigners. Also accounting firms with branches in, say, Zimbabwe will interview. If foreigners want a job in South Africa they need to go to hear what the larger firms are saying to understand what is wanted and then to approach the firms that are more likely to employ them.
Foreign students can become quite disillusioned with the Career Service when they realise that the doors are not open to them and can create problems for Careers Education, but those who get through the initial block come out even better. At a meeting held for school principals the view was expressed that from other African countries, who had passed with a South African matric and knew the system, saw it as discrimination if they were unable to get into the university or had to pay higher fees.

O. Rotary Club of Grahamstown experience of foreign students on exchange to Rhodes

Rotary International, in conjunction with the Rotary Club of Grahamstown and Rotary Sunset, has provided foreign students with funding for a full year of post-graduate study at Rhodes on Rotary Ambassadorial Scholarships since at least the mid 1970s. The main aim of the programme, as the name suggests is 'ambassadorial' implying that the candidate, while strongly encouraged to perform academically, is required to connect and interact with the receiving Rotary Club (in Grahamstown) and as many other Rotary Clubs as possible, to attend and make a presentation at the Rotary District Annual Conference, to keep the sending club informed of progress and to make a presentations on the experience on their return at Club and District levels. The majority of the candidates over the past three decades have been from Europe, Britain, the US and Canada.

A counselor is assigned to each Rotary Ambassadorial Scholar, frequently a member of the local Rotary Club who is also on the Rhodes staff in an appropriate discipline. The role of the Counselor is generally to facilitate the stay of the student. This may include providing information about the availability of courses, accommodation and travel arrangements and possibly meeting the new arrival at the airport and housing them for a day or two while acclimatizing themselves to their new surroundings; offering advice as required about the do's and don'ts of Grahamstown (and South Africa); making arrangements to meet others of their own age group, commonly at an informal reception for the specific purpose; introducing the scholar to Rotarians at a meeting of the Club; acting, as required by the

student, as a counselor; and in the case of an emergency being the contact person with the student's sending Club and/or family, as may be appropriate. Scholars are encouraged to attend Rotary meetings and functions on a regular basis as paying guests and to participate in Club activities.

Rotarians report a continued relationship with many of the past scholars and several have paid up to three return visits and have brought family and friends with them to Grahamstown and South Africa. The positive perception from both sides – Rotarians and scholars – is attributed to the individual mutual interest which is created and developed through the programme. Neither party finds the relationship a burden. The Rotary Clubs rather see the programme as part of their investment in the community. Local Rotary Clubs are also involved in proposing suitable candidates to take up Ambassadorial Scholarships abroad, but the outgoing students are selected from a much broader base than Grahamstown and surrounds. The contact before, during and after return tends to be less than with incoming students and does not yield the community input.