

# SA must import skills – quickly

**LET'S** get much bolder on immigration, writes **Ann Bernstein**

THE Finance Minister predicts that the economy is expected to grow by 4 to 4,5% pa over the next three years.

But if and when we begin to achieve sustained levels of growth at or above 4% we will unmask a crisis – South Africa's desperate shortage of the skills that an emerging export-oriented economy requires.

The President has been forthright about the lack of capacity in the public service and the delivery problems this causes.

The country is desperately short of qualified and experienced teachers. The Global Entrepreneurship Monitor consistently rates South Africa well below competitor developing countries, partly as we are not encouraging risk-taking entrepreneurs to move to SA.

Now the President's International Investment Council has lent its weight to calls for greater freedom to import skills.

Although a dramatic upgrading of our educational system is the most vital strategy to combat our skills crisis, we urgently need a short-term solution.

It will be years, if not decades, before educational reform and training initiatives bear results on scale, and these very initiatives are constrained by a lack of skilled educators, trainers and mentors.

The immediate solution is an open-door, market-driven immigration policy. We must import the skills we need to help grow the economy.

There is a popular misconception that skilled immigrants "steal" jobs from South Africans. The truth is that one qualified immigrant teacher of mathematics or bookkeeping can probably "create" scores of jobs without in any way reducing the chance of a similarly qualified South African becoming employed.

More importantly, every skilled professional directly or indirectly generates additional jobs. And each new skilled immigrant will create new jobs simply by buying goods and services and paying tax.

CDE's response to the draft new immigration regulations is broadly positive, many amendments significantly ease procedures for entry into the country. But this does not necessarily mean SA will have a successful immigration regime. We are concerned about two overarching factors.

Many of the key requirements for immigrants, implemented in the context of capacity and efficiency problems in public administration, could lead to time-consuming, costly compliance procedures.

A zealous application of regulations could reinforce the image of SA's immigration regime as slow and highly protective. Our second concern relates to the overall policy context within which regulations will be interpreted and implemented. What is government's attitude to migrants?

How are officials being guided with respect to the inevitable judg-



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ment calls that any immigration system will demand?

In a context of ambiguity or uncertainty concerning our approach and attitude to migration, the odds are enormous that the new Act and associated regulations will be implemented restrictively.

In the process we will protect small groups of interests inside the country, and hold back our (and the region's) progress enormously.

We are also worried about specific requirements in the new regulations.

Quotas: There can easily be a mismatch between how quotas define the skills we need and the actual skills required by SA's fast-moving economy. The regulations pertaining to quota work permits substantially circumscribe the flexibility of the proposed immigration control system.

There are enormous difficulties in defining and quantifying quota categories, and even greater difficulties in keeping abreast of the changing skills in newer technologies.

It is impossible to predict demand for employees by levels of skill and education more than two or three years ahead, making predictive precision doubtful from

the outset.

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Business permits: The proposed requirements will discourage potential investors.

The level of capital investment is too high; the requirement to base new business in out of the way places is a strategy that has failed here and around the world; the necessity to employ five South Africans in new businesses ignores the reality that many small businesses start out as knowledge-intensive one- or two-person operations, or as family enterprises, and only later grow to include non-family members.

Why exclude these productive individuals from our economy and tax base? The entry requirements in respect of business permits are too high.

After ten years of democratic rule and years of debate on migration, the time has come for a bold new approach. CDE believes the new immigration regime must:

Send a clear message to all relevant officials that immigration has positive consequences for all South Africans.

Reassure employers that speedy processes are available for them to recruit the skills they need.

Enable and encourage departments and corporations to actively recruit the large numbers of skills we need.

Send a message to prospective immigrants across the globe that South Africa welcomes foreigners who can make a productive contribution to our economy, strengthen our project management skills and help train our young people.

CDE is unambiguously in favour of much greater migration into SA. Skilled people – trained by another country's taxes – will help educate South Africans, provide the doctors, computer technicians and qualified teachers that we desperately need.

We can import people to manage development projects effectively, and in the process mentor those starting out in the profession; start new businesses that pay taxes and will in time employ local people. The benefits are enormous.

*Ann Bernstein is executive director of the Centre for Development and Enterprise. This article is based on CDE's many publications on immigration, and its submission to government on the new draft immigration regulations.*

