



CENTRE FOR
DEVELOPMENT
AND ENTERPRISE

CDE comments on the Green Paper on International Migration

Executive Summary

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CENTRE FOR DEVELOPMENT AND ENTERPRISE (CDE)

RESPONSE TO THE GREEN PAPER ON INTERNATIONAL MIGRATION OF JUNE 2016

EXECUTIVE SUMMARY

CDE's interest in the Green Paper arises from a 20-year background in researching, writing and publishing on the importance of skills to growth, and the importance of immigration to help expand South Africa's skills pool. We have emphasised the importance of foreign skills ever since policy debate on the subject began in earnest with the publication of the White Paper on international migration in March 1999.

Our view is summarised in the *Skills* document in CDE's 2016 Growth Agenda series of publications:

The only way out of the cycle of unemployment, poverty and inequality, which is undermining South Africa's future, is to achieve higher and more labour-intensive levels of economic growth. Among other things, this requires dramatically expanding the pool of skills available to the South African economy.

There are two main ways of achieving this. The first and most important is to equip South Africans with a solid foundation of knowledge and skills, and the ability to use them productively. This will enable them to reach their full human potential and contribute to national development. The second is to compensate for South Africa's existing skills shortage by recruiting skilled people from abroad.

CDE's response focuses mainly on the analysis and options in the section of chapter four of the Green Paper, 'Management of international migrants with critical skills and capital' (pp.42-46). This is in line with the concentration of our research on the importance of immigrant skills for South Africa's growth prospects.

Areas of agreement

In terms of the Green Paper's general tone and orientation, CDE finds much to welcome. However, where the document makes detailed proposals, many confusions and ambiguities reappear that are familiar from previous rounds of policy making

SA needs comprehensive reform

Government's recognition of the need for comprehensive reform is important, as is its readiness to be self-critical about past performance. All aspects of international migration – economic and irregular/undocumented migrants, asylum seekers and refugees among them – have to be managed well.

When they are managed badly – as the Green Paper acknowledges they have been in South Africa up to now – the popular belief that control of borders cannot be relied on through lack of capacity or corruption, leads to a sense of unease and insecurity, often driven by badly-informed media coverage. This in turn makes the positive benefits of immigration hard to communicate and the contribution of skilled immigration to economic growth harder to realise. The politically disruptive effects of poorly managed migration management and leadership failures to convert policy intention into delivery have made themselves felt in both South Africa and other countries.

The country needs consensus

The Green Paper's emphasis on the need for consensus on policy reform among policy makers in different parts of government and between government and civil society is welcome. However, given how politically sensitive immigration issues are and how poorly managed immigration has fuelled xenophobia in South Africa, and contributed to recent political upheaval in the UK and the USA, the consensus has to be much broader and deeper to embrace all citizens and voters.

SA needs greater institutional capacity and better policy architecture

The Green Paper also makes useful proposals for migration management to be a 'cross government' function, acknowledging that a poorly capacitated Department of Home Affairs has struggled with an area of policy and delivery that requires a much wider range of expertise and should take into account a much wider range of interests.

There are specific things to welcome in respect of skilled immigration.

Broad versus narrow criteria for desirable skills

Up to now, policies for skilled immigration have been shaped by the ambitious goal of making detailed lists of categories of 'critical' skills the principal criterion for gatekeeping. This was based on the mistaken belief that the skills needs of the economy can be micromanaged in fine detail. In practice, even in countries that have a high level of public service capacity, this has proved to be the wrong approach and in South Africa the lists of skills have been incoherent, unstable and self-contradictory (for detail see CDE's 2010 report *Skills, growth and borders: Managing migration in South Africa's national interest*). In any case, the quotas for entry that these lists generated never came near to being filled by actual skilled immigrants and have now been done away with. The Green Paper acknowledges criticism of the 'critical skills' approach and at one point seems to favour a much more inclusive definition of skills for entry. As we shall see, however, the document's overall position on this issue is disappointingly confused.

Recruitment rather than gatekeeping

It is encouraging that the Green Paper introduces the possibility that South Africa should actively recruit – and compete for – skills in a global market. Previous official attitudes to skilled immigration seemed to assume complacently that it would be enough to *permit* selected categories of people to enter, without any thought that they might have to be persuaded to come. Indeed, for much of the

period since the 1999 White Paper, policy makers have seemed to spend more time thinking up ways to deny entry to skilled people than facilitate it. It is disappointing, however, that no substantial practical proposals are attached to this welcome change of attitude. We hope the White Paper will rectify this deficiency.

Specific proposals for skilled immigration

There are areas of agreement here:

- Long-term visa (family oriented): this proposal will allow other members of a family of a skilled immigrant to work or study without having to apply for separate visas. CDE strongly supports this proposal, especially in its acknowledgment of the importance of spouses and partners of principal applicants to contribute additional skills.
- Visas and permits to retain the skills of international students graduating from South African universities: given that there are over 20 000 international students at post-graduate level in South Africa and nearly 36 000 at undergraduate level, this is potentially a rich source of skilled recruits. CDE strongly supports the Green Paper's uptake of the suggestion, which we have advocated for a long time.

Critical perspectives

Despite finding policy orientations and specific proposals to welcome in the Green Paper, CDE is concerned about what we see as confusions and omissions in the document. To begin with, three general tendencies stand out:

- The first is to propose desirable change and then promptly strangle it with a list of bureaucratic requirements. The proposal for a points system for skilled immigrants is one, though far from the only example. In international practice, standard criteria on which potential immigrants can earn points are 'qualifications, work experience, age, amount of money to invest in the country, type of business to invest in'. However, the Green Paper multiplies the factors applicable to South Africa's special requirements to include: '*ability and willingness to transfer skills; working in regions/sectors of high skill needs; South Africa's labour market and skills development strategies; and BEE requirements.*' The proposal for a points system that incorporates so many qualifications is simply not good enough for a country that is massively short of skills and has only limited state capacity. 'Special requirements' such as those proposed will bring skills recruitment initiatives immediately to a grinding halt. The very task of defining these extremely vague 'special requirements', aligning them with existing legislation and dealing with the demands of special interest groups in shaping them, will occupy an army of bureaucrats for several years. Instead we need a bolder, stronger approach that recognises our urgent need to recruit skilled people across the board, as quickly, simply and in as large numbers as possible. The proposals for retaining graduates of South African universities from other countries offers a much simpler and clearer model.

- Another problem arises when the document hints at changing attitudes – for instance to recruit skills rather than merely permit them to enter – and then offers tepid proposals or no proposals at all. When South Africa is, in the Green Paper’s own words, ‘desperately short of skills’, policies need to be much bolder than the Green Paper allows.
- A third issue is confusion over what the Green Paper really means. At one point, it appears to take seriously the criticisms of the system of elaborate categories of ‘critical skills’, which has mismanaged skilled immigration up to now. However, later it appears to revert to this misguided philosophy of manpower planning. This is a confusion that badly needs clearing up.

Certain key omissions add to the Green Paper’s shortcomings:

- It completely fails to acknowledge the potential for skilled immigration to address skill shortages in the public service. We need determined leadership to communicate a wider understanding of what for example, Zimbabwean and Indian doctors, nurses and teachers could do to improve health and education outcomes for South Africans.
- It makes only token acknowledgment of innovation and entrepreneurship and ignores the importance of immigrant entrepreneurial skills for boosting growth. This is a major omission, since the value of immigrant entrepreneurs has been demonstrated over and over again. As we point out in our full response, there are several instances of incentive schemes for entrepreneurs (not all of them from the developed world) from which South African policy makers could learn.

Effective migration policy needs strong political leadership

Government has long acknowledged the need for more skilled migrants. What has been lacking to turn policy commitments into actual delivery is political leadership.

Migration management is fraught everywhere in the world. Put bluntly, democratic governments, which face regular electoral tests, are generally hesitant about promoting more open migration regimes, seeing them as potential vote losers.

The Green Paper’s commitment to consensus is admirable and it is absolutely essential across key government departments but when it calls for consensus among ‘the whole of state and civil society’, it misses out the citizens and voters to whom the government is accountable and for whom organised civil society claims to speak. This is too narrow a conception of the broad agreement that is needed.

The constituents of organised civil society are for the most part members of an elite, just as capable of being out of touch with popular opinion as policy makers. This is partly because they have at their disposal a shared base of facts (such as statistics and economic indicators) as well as values (about human rights for instance) with which they are comfortable and which they take as self-evident. They are also generally least affected by unskilled migration and the competition around resources and employment that follows.

This kind of elite consensus has provoked a backlash in the USA and Europe. If a government wishes to embrace a given policy goal in migration management – such as the need for more skilled immigration – then it has to ‘sell’ this conviction wholeheartedly and realistically and in the context not only of a holistic approach to migration management but also of a holistic approach to the economy and politics of the country. On a profoundly political issue such as immigration, broad understanding and agreement does not appear of its own accord: it does not appear without political leaders who are determined to convince not only those with a public voice, and interests in the issue, but citizens and voters as well.

The experience of the UK and other developed countries is that a ‘consensus’ that is brokered solely among government, civil society and business, and which does not engage or convince the whole electorate and citizenry, risks a potent backlash. If a government wishes to avoid such a backlash, a much wider consensus on the value of skilled immigration is necessary. A building block of such a consensus should be communicating to the electorate at large why South Africa needs more skilled people and that attracting skilled foreigners can accelerate the development of more skilled professionals, entrepreneurs and workers. This should not be a difficult ‘sell’: South Africa needs skills to grow more quickly, and increasing the supply of skills would lower the skills premium, reducing the cost of skill-intensive goods and services, and lowering inequality.

Concluding remarks

SA needs skills to grow the economy

While CDE welcomes government’s opening up of debate on new policies for migration management, we believe that the Green Paper’s proposals for skilled immigration do not go far enough.

The central point is the need to grow the economy and not simply service existing needs. Instead of worrying, as in the past, about whether we might end up with too many engineers, we need to aggressively recruit skilled people in order to dramatically increase the size of the economy, remembering that skilled and entrepreneurial people, whether immigrant or local, create jobs for unskilled people too. This is vital for economic development, and must be based on a far better understanding of domestic and global labour markets. The more skills we have the bigger and more dynamic our economy will be. Most people do not end up in modern economies finding jobs that they or officials can predict from their qualifications. Good education and training is a springboard to create or find your own niche in a dynamic fast moving economy. People will find ways to use their skills productively.

In practice, this means that South Africa needs to welcome anyone with skills who wishes to migrate to this country, with a minimum of conditions. This should include anyone with formal tertiary qualifications from a recognised institution, as well as people with demonstrated entrepreneurial abilities. Moreover, our need for entrepreneurs is not confined to large investors; we should also

welcome smaller entrepreneurs who want to start new businesses in this country, and have the drive and expertise to do so.

Before any of this can happen, however, there has to be a commitment of political attention and will at the highest level to face up to the politics of skilled immigration and to understand why there is resistance to it, some overt, some covert. This resistance needs to be acknowledged, understood and targeted for committed, patient persuasion. Factual evidence alone will not be enough: arguments that appeal to the resisters' own interests are also needed. Without this approach all the declarations of the need for an increase in skilled immigration in the Green Paper will go the way of the promises of the last 17 years.

In our judgement, the Green Paper makes a useful start in redefining South Africa's needs for migration management policies that better reflect the country's situation. However, it is only by putting skilled immigration at the centre of the new migration management regime and by resolving the confusions and ambiguities that we detail in the main body of our response, will migration make a substantial contribution to getting our economic growth moving again.