Developing a Competitive Skills Immigration Policy for South Africa

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ABSTRACT Since skills shortages is a global phenomenon, there is fierce competition amongst countries to attract skilled labour so as to improve their competitive footing in the global economy. One major way that these countries strive to achieve their goal, is through promoting targeted skills immigration programmes to attract skilled workers. South Africa takes lessons from these countries in its attempt to alleviate its skills shortages and be part of this global economy. A literature review of South Africa's immigration policy was undertaken with a view to evaluate its approach for skills immigration.. A survey-based research design was adopted using a closed questionnaire to determine the respondents view on enlisting skilled labour for the purpose of reducing skills shortages in the country. The sample consisted of 800 organisations/businesses that seek to employ skilled foreign labour in South Africa. The outcome of this paper pointed to a general consensus that South Africa's policy on skills immigration is in need of radical review. It is highly restrictive, bureaucratic, user-unfriendly and costly to administer. Moreover, it serves as an impediment for business and industry to recruit skilled foreign labour into the country as a result of excessive, and often, unnecessary regulations and procedures.

INTRODUCTION

Due to global skills shortages there is growing competition among countries to attract skilled immigrants. Several writers have referred to this phenomenon as the global "*race for talent*" (Kuptsch and Pang 2006: 1; Shachar 2006: 106; Davis and Hart 2010: 509). Indeed, countries are willing to go so far as to offer a "*talent for citizenship*" exchange or "*fast-track*" admission procedures in order to gain the net positive effects associated with skilled immigration.

Leading immigrant receiving destination countries such as Australia, United States, Canada, United Kingdom and New Zealand have targeted skilled immigration programmes to attract the "*best and brightest*" from all over the world to improve their competitive footing in the global economy. Such programmes have resulted in an increase of highly skilled immigrants into their countries. National policy-makers engaged in the global "*talent hunt*" are increasingly operating under the assumption that unless their governments match offers of admission and settlement to skilled immigrants by competitor nations, their country will lose out in the global "*race for talent*" (Shachar 2006: 106).

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Immigrant receiving countries are no longer passive gatekeepers. Instead, they operate as savvy recruiters of talent and human capital. Emigrant-sending countries, for their part, have also come to see migration as a route for extracting certain benefits for their communities, especially from emigrants that have settled in the richer regions of the world.

South Africa, on the other hand, lacks the ability to attract skilled immigrants. The central problem appears to be a restrictive immigration policy that imposes penalties and impediments on employers who source skilled foreigners. The policy is detrimental to South Africa's competitiveness in the global economy and deters investors from utilising skills not available in the domestic labour market. Put differently, South Africa is not keeping pace with international policy shifts on attracting skilled foreigners to the country (Mampele 2013).

According to Mampele (2013) South Africa requires a migration management system that supports economic growth, job creation and development by making the best possible use of global and regional markets for immigrant skills.

South Africa, in recent decades, has experienced what is commonly referred to as a "brain drain" with an outflow of skilled people such as engineers, teachers, accountants, nurses, doctors and accountants to countries such as the United Kingdom, Australia, New Zealand, Can-

ada and the United Arab Emirates. This has contributed to a national skills crisis and negatively affected the economic growth prospects of the country. Indeed, the Accelerated and Shared Growth Initiative for South Africa (ASGISA), an initiative of the National Treasury, identified skills shortages as one of the binding constraints to economic growth and development for the country (Hausmann 2008).

As a result, a nation's immigration policy can no longer be understood as insulated from or oblivious to the actions of other countries. When it comes to luring the highly skilled, modern states "cannot live in splendid isolation". Instead, they must take into account the selective immigration initiatives of other countries. Immigration policy-making has thus become a multi-player and multi-level.

In this new and highly competitive global environment, national policy-makers must increasingly engage in a multi-level game of devising value-adding immigration policies. They must address domestic interest groups, as well as respond to (or preferably pre-empt) the competitive recruitment efforts by their international counterparts. In this dynamic, immigration policy-makers tend to engage in transnational "*borrowing*," learning from, or simply "*importing*" the innovations of their counterparts (Schachar 2006: 109).

With this new policy emulation, it is necessary to analyse some of the policy perspectives of immigrant receiving countries.

Problem Statement

Hausmann (2008) indicate that at present there are about 13 million South Africans working. This represents only about 42 percent of the working age population. In countries in Latin America, Eastern Europe and East Asia at similar levels of development, the proportion is about 50 percent higher. Those currently not working in South Africa are predominantly black, women, young and poorly educated. In fact, while over 85 percent of those with a university degree are working, fewer than 35 percent of those without a matric have jobs. While employment among men is about 50 percent, it is only 34 percent among women. While 60 percent of those between the ages of 35 and 50 are working, fewer than 25 percent of those between 20 and 25 are. While the unemployment rate of whites is

less than 6 percent, it is above 30 percent for Africans.

Motlanthe (2010), South African Deputy President Kgalema Motlanthe opened the Higher Education Summit in April 2010 by putting his finger on the nub of the problem – the fact that over 65% of 18–24 year olds in South Africa are neither working nor engaged in any form of further education or training. Of those who were in 2008, 875 000 were enrolled at universities and 640 000 at Further Education and Training colleges. At universities, 35% of students drop out of degree studies, 52% out of certificate or diploma studies and 70% out of distance higher education, whereas, only about 29% of those who enrol at colleges eventually pass.

It is argued that the unemployment problem cannot be solved in the medium-term, irrespective of how well the economy performs, due to these structural constraints in the labour market. This is evident by the fact that high unemployment levels exists side-by-side with high volumes of vacancies for skilled jobs.

Besides an under-performing education system, South Africa has failed to develop immigration policies and systems appropriate to the needs of a new democracy. The Department of Trade and Industry estimates a possible shortage of 1.5 million to 2 million skilled workers by 2017 (van Reenen 2010: 4). After 1994, the barriers to importing skilled people were actually raised in contrast to what was taking place in other immigrant-attracting countries. The amendments to the *Immigration Act No.13 of 2002* (As amended in 2004) eased the situation to a degree, but it is still difficult for skilled people to immigrate to South Africa. Moreover, little efforts are made to explore the global market for skills that could make an enormous difference to South Africa's development, growth and employment prospects (CDE 2009: 1).

According to Wocke and Klein (2002: 450), South Africa's immigration policy has several flaws that are potentially damaging to the South African economy and is based on several faulty assumptions:

- It assumes there are limited vacancies in the South African economy. In reality, better utilisation of skills in the economy, in combination with entrepreneur-led industry development, will increase the size of the economy.

- Unskilled workers are unlikely to begin new enterprises or to expand capacity in existing industries. Rather, they benefit when skilled workers are employed and unskilled workers are absorbed into the labour market.
- Foreign workers compete directly with South Africans in a significant manner. In practice, it is much more likely that foreign workers will find niches in the labour market that complement the jobs of locals.
- The demand for skills is fixed and importing foreign skills will lead to a lack of development of local skills. In reality, there is no such finite limit and excess supply of skills is beneficial as it lowers wage demands.

Similarly, in a paper published by the policy think-tank, the Centre for Development and Enterprise (2000: 3-6), major criticisms of South Africa's immigration policy were outlined:

- The policing immigration laws jointly with labour laws has a restrictive influence on the utilisation of foreign skills since the labour market is already inflexible and onerous bureaucratic procedures add to the problem.
- The National Economic Development and Labour Council (NEDLAC) determine targets and quotas for skilled immigration. This substitutes the forces of supply and demand to institutional interests and negotiated compromises. Such a situation creates further distortions in the labour market.
- Immigration regulations are based on the premise that future skills needs of the economy can be quantified and predicted by functionaries in other state departments.
- This policy is also dependent on a highly developed and powerful bureaucratic structure. However, the efficiency and capacity of the Department of Home Affairs is very seriously lacking.

For example, in 2007 the Department of Home Affairs issued 35200 work permits for businesses in need for scarce skills. Only 1 010 of these permits were issued in the same year. The low level of uptake of work permits under this scheme is indicative of management problems and weaknesses in the policy environment (Van Reenen 2010: 5).

In addition, government needs to effectively address the country's unacceptably high crime rate, its failing education system and other infrastructural issues such as lack of an integrated public transport system. Limitations in the skills immigration policy is further complicated by other challenges such as dualism in the labour market, high HIV/AIDS infection rates of the workforce, a lack of reliable labour market information and competition with other countries as a destination for skilled foreign workers. The policy is detrimental to South Africa's competitiveness in the global economy and deters investors and those needing to utilise skills not available in the South African labour market (Kraak 2004: 24; Benjamin 2008: 7; Barker 2003: 5).

Objectives

The objectives of this paper are to:
- discuss new policy perspectives on skills immigration policy;
- evaluate South Africa's skills immigration policy;
- review "best practices" in skills immigration policy of successful immigrant receiving countries;
- analyse the findings of the empirical study; and to
- make recommendations for developing a competitive skills immigration policy.

SKILLS IMMIGRATION POLICIES OF SELECTED COUNTRIES

As a greater number of competitor nations enter the global "*race for talent*", each seeks to devise selective skilled-migration policies to attract skilled foreigners. As a result, immigration policy-makers in these countries are fiercely outbidding each other to attract skilled immigrants to boost technological innovation and economic growth. Policy-makers can no longer simply look at domestic factors in shaping their selective immigration policy. They must instead stay attuned to, and often "retaliate" against, the new policy initiatives and experiments undertaken by competing nations (Schachar 2006: 112).

To understand what constitutes a competitive skills immigration policy, it is necessary to examine the initiatives and interactions between

immigrant destination-receiving countries. It is therefore necessary to move beyond the single-country case study of skills immigration. Whilst it is not possible to simply adopt innovative skilled-immigration programmes of countries due to situational differences, these initiatives of "*best practice*" have been tried and tested and thus offer important lessons for South African policy-makers who have, to date, been seriously challenged in this policy area (Mattes and Richmond 2000: 15; Wocke and Klein 2002: 1; Van Reenen 2010: 5).

The United States started the race for talent with the adoption of the landmark 1965 amendments to the Immigration and Nationality Act which was followed two years later by Canada's introduction of a novel and influential admission criteria - the "point system" - for attracting the highly skilled. Similar programmes were later introduced by Australia and New Zealand. Together, these four countries represent the world's traditional immigrant-receiving destinations. Over the last decade, however, the "*race for talent*" has expanded to include most of the countries of the European Union, which now aggressively recruit talented foreign students and highly skilled workers from outside Europe. The "race" further accelerated when some of the more dynamic Asian economies such as Singapore, Taiwan and South Korea also began to recruit globally. These once-emigration countries are also trying to lure back home their most eminent national scientists, many of whom have studied and worked abroad for many years. They do this by making them generous resettlement offers upon their return (Abella 2006: 16).

Canada introduced a "point system" in 1967 which set admission criteria for the highly skilled. The new economic/skilled migrant category grants admission to foreign nationals on the basis of their ability to become economically established in Canada, thus providing immigration officials with a relatively objective tool for selecting among a pool of potential entrants. Under the point system, each applicant is assessed based on a score on education (the largest number of points is awarded for a Master's or Ph.D. degree), language proficiency (in English or French), work experience (points are calculated on the basis of the number of years of full-time employment), age (the highest number of points is awarded to those in the "productive" age group of twenty-one to forty-nine),

arranged employment in Canada (a category that provides additional points, but is not a mandatory requirement for potential immigrants) and a bonus category of "adaptability." The latter category accounts for previous study or work experience in Canada, recognised as contributing to long-term economic success and settlement. The system also grants bonus points to dual career families (Reitz 2002: 7; Bordt 2002: 217).

The Australian government has adopted a "whole of government" approach to addressing skills shortages. This means that several arms of government are involved in implementing policies and initiatives to address shortfalls. In other words, immigration policy is located within the broader education and training policy. The government has a comprehensive plan called "Skilling Australia for the Future". It involves a total investment of AU$19.3 billion in education and training. Immigration is not only about bringing people into the country, but also about using skilled immigrants to develop the skills of Australian citizens (CDE 2009: 7).

The visa criteria and requirements for skilled immigration to Australia are designed to select immigrants with appropriate skills and education levels and most likely to settle successfully in full-time employment. Each year the government determines the size of the programme through a series of consultations with industry, communities and government agencies.

Australia has two major streams: the Permanent Skilled Migration Programme and the Temporary Skilled Migration Programme. Within the Permanent Programme, there are three sub-streams. Firstly, independent streams in which applicants are accessed against the points test system. If the applicant obtains sufficient points for their skills, age, experience, English language proficiency and so forth, they can settle permanently in Australia when they arrive. Secondly, in the employer-sponsored stream, employers can identify and sponsor employees from overseas to fill skilled vacancies on a permanent basis. Thirdly, in the regionally sponsored stream, the state and local government sponsors overseas employees to fill vacancies in their regions.

The centre-piece of the Temporary Skilled Migration Programme is the Category 457 visa. Under the visa, Australian employers can identify and sponsor overseas employers to work in Australia in skilled positions between one to four years. The programme also offers a path-

way to permanent citizenship. Over the past five years, the government issued 2 million visas under this scheme (Robertson 2007: 6).

In 1991 New Zealand joined the global competition for talent. Learning from the experiences of Canada and Australia, it developed its own variant of the point system which offers opportunities for skilled immigrants, particularly in industries and regions experiencing growth.

To qualify as a skilled migrant, an applicant must pass a threshold of accumulated points which are calculated on the basis of criteria such as work experience, professional and educational qualifications and age. Following in the footsteps of Canada and Australia, New Zealand also grants bonus points for the qualifications attained by the applicant's spouse or partner. But unlike Canada and Australia, New Zealand puts greater emphasis on attracting skilled migrants who are already working (or have recently worked) in New Zealand. It further grants significant points for educational qualifications attained in New Zealand, assuming that those who have familiarised themselves with the New Zealand "brand" will settle more quickly in the country and be able to match the salary levels and living standards of its domestic population (New Zealand Immigration Service 2006; Schachar 2006: 125).

This initiative generated the creation of the "talent visa" under the Work-to-Residence Programme. This new visa is based on an unprecedented partnership between government and business in selecting skilled immigrants. Employers who seek to recruit specialised workers may petition the government for "accredited" status, which, once granted, permits these employers to recruit skilled immigrants. In recruiting skilled workers overseas, these select employers are able to offer a complete package to potential candidates, namely, a job offer and an employment visa.

For an individual with specialised and marketable skills, the talent visa opens the door of immigration based on a specific job offer - without requiring the skilled worker to then go through an additional bureaucratic and often lengthy process of attaining a separate employment approval, as is the case in most other advanced industrial countries. In the context of a fierce competition for talent, this expedited procedure provides an advantage to New Zealand in its talent-recruiting efforts since it provides assurances to foreign skilled workers that they will not have to wait several months after a job offer before their employment or immigration visa is approved (New Zealand Immigration Service 2006).

Instead, New Zealand allows the freshly recruited employees to enter the country immediately, based on a genuine job offer from an accredited employer in highly specialised or in-demand fields. After two years of employment and residence in New Zealand, the holder of a talent/work-to-residence visa can apply for permanent residence status, which, in turn, serves as the basis for naturalisation. This means that merely twenty-four months after the overseas-recruited skilled worker sets foot in New Zealand, they are on their way towards the fulfilment of the coveted talent-for-citizenship exchange (Schachar 2006: 127).

The New Zealand talent visa thus represents one of the most far reaching responses by a small-economy to the challenges presented by the tight global competition for talent. It essentially permits accredited employers to act as "*talent hunters*" for the nation.

Complex policies for regulating whether a foreigner is needed on a job-by-job basis, as in the case of South Africa's immigration policy, requires enormous bureaucratic capacity which very few, especially developing countries, actually possess. Complexities also encourage confusion, delay and opportunities for corruption. Malaysia and Thailand are good examples of countries with simple policies. If an employer wants to bring in a worker, it has to pay the immigrant the same wage as a local person in the same job, plus an additional levy above the normal taxes. As a result, employers only hire foreigners if they really need them. The levies go into a training fund for local workers (CDE 2009: 6).

Recognising that competition for such talent is fierce, the United Kingdom unveiled in 2002 its Highly Skilled Migrant Programme which relies on an elaborate point system. Again, we find a similar emphasis on educational qualifications and work experience, although the UK programme also assesses the applicant's past earnings and achievement in her field (Findlay 2006: 72).

After more than two and a half decades of stagnation on the immigration policy front, the United States Congress passed a series of

amendments to the Immigration and Nationality Act, collectively referred to as the Immigration Act of 1990. It is widely recognised that the 1990 Act was responding to fears concerning the US workforce's ability to compete in the global economy. The Act established and streamlined various admission categories specially designed to attract highly skilled immigrants from around the world. These include the so-called "priority workers" category which permits annual admission of up to 40 000 persons with extraordinary potential for contribution to their fields such as noted professors and researchers as well as other individuals who have attained widespread acclaim (Rollason 2002: 372-342; Martin 2006: 92).

The 1990 Act also permits entry for other professionals with advanced degrees and exceptional ability in science, the arts and business. Like Canada's and Australia's skilled immigration stream, these post-1990 employment-based admission procedures prioritise educational and professional attainment and excellence. The new Act also defined the parameters of temporary admission for skilled workers in "specialty occupations," such as engineers, mathematicians, physical scientists, medical and health professionals and computer specialists under the H-1B category (Martin 2003: 15).

Technically, the H-1B is a temporary three-year employment visa that is often extended for up to six years. The knowledge migrant may then apply for an adjustment of status from temporary admission to permanent residence (or "green card" status). In other words, the H-1B visa can serve as a stepping stone towards establishing long-term legal residency and eventually citizenship in the United States (Martin 2006: 93).

The global "race for talent" has generated unparalleled dynamism and innovation in national immigration policies of major competitor countries. New Zealand, like Canada before it, has left a distinct mark in the global "race for talent" in the form of a shift in immigration policy from passively accepting and processing applications to being an active recruiter of talent (Hart 2006b: 101).

Whereas the United States traditionally enjoyed an unparalleled advantage in recruiting global talent, opportunities for outstanding students and highly skilled workers are growing in other nations, many of which have developed strategies to attract and retain scientists and engineers who might otherwise be drawn to the United States (Hart 2006a: 421-434).

The global competition for talent has become steep and intense. No player, not even the United States, can any longer expect to reap significant benefits without the effort associated with drawing the best foreign talent to its shores.

In this managed-migration era, governments have reformed and revised the terms of admission for the highly skilled without restraint, believing that such changes are both necessary and urgent in order to boost economic performance and maintain a competitive edge. No country, especially South Africa, can persistently ignore these trends if they intend to leverage the benefits of skills immigrants for their economies.

RESULTS

Section A: Views on Skills Immigration

The following are subjected to exploratory factor analysis (EFA): views on skills immigration, suggested approach to improve skills immigration and skills immigration policy propositions. The suitability of factor analysis is tested by means of the Bartlett Test for Sphericity and the KMO measure for sampling adequacy. Finally, the Cronbach alpha is also calculated to show the level of reliability (see Table 1). All the factors have good reliability and showed favourable internal consistency since all of them returned very favourable Cronbach alpha coefficients in excess of 0.70 (Field 2007: 668).

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.863915
Bartlett's Test of Sphericity	Approx. Chi-square	3400.885
	Df	91
	Sig.	.000

The large value for the KMO measure indicates that the factor analysis pertaining to views on skills immigration is suitable because the sample is adequate to do so. The results of the Bartlett test also indicate that it is suitable to proceed with a factor analysis because the data should yield a p-value smaller than 0.0001. This indicates that the correlation between the variables is sufficient for factor analysis (Du Plessis 2009: 58). The data sets for this factor returned values smaller than 0.0001, and as such the factor analysis was performed.

The factor analysis identified three factors within the construct identified by the literature research as '*Views on skills immigration*'. The component matrix was rotated by means of a Varimax orthogonal rotation. The three factors within the construct means that three underlying dimensions are present and these have now being identified as separate factors. The factors explained a cumulative variance of 73.89%, thus signifying a good fit for factor analysis to be performed on the data set (Field 2007: 640).

The following factors focus on views on skills immigration:

Factor 1: Skills Immigration as a Form of Contribution to the Economy

Statements *64, 62, 66, 67, 70, 68* and *63,* loaded on factor one. Statements 64 to 68 had a suitable factor loading in excess of 0.66, while statement 63 had a lower factor loading of 0.49 (exceeding the minimum factor loading of 0.40 comfortably). The statements that loaded onto factor one all relate to the contribution of skills immigration to the economy of the country. This is in support of the earlier discussion in the literature. Factor one explains a variance of 50.9%.

Factor 2: Acceptance of Skilled Immigrants

Three statements, namely 73, 74 and 75 loaded very heavily onto factor two (factor loadings exceed 0.86). All three these statements relates to acceptance of skilled immigrants. The locals should be encouraged to accept skilled workers as they would contribute to the country. The factor explains a variance of 14.4%.

Factor 3: Benefits of Skills Immigration

Statements 72, 69, 65 and *71* loaded satisfactorily onto factor three. All four of these statements had satisfactory factor loadings that exceeded the minimum factor loading of 0.40 as set in this paper, with ease. The statements that load onto factor three all relate to benefits of skills immigration. The factor explains a variance of 8.63%.

Cronbach alpha coefficients were calculated for each factor so as to estimate the reliability and internal consistency among the constructs (Field 2007: 640). All three factors have returned suitably reliable coefficients ranging from 0.91 to 0.79 (see Table 2). The cumulative variance of the three factors is a very satisfactory 73.9%.

This exceeds 60% which is regarded to be a good fit of the data (Field 2007: 640).

Table 2: Reliability statistics

Data sets	Cronbach's alpha
Factor 1	.905
Factor 2	.896
Factor 3	.790

Section B: Suggested Approach to Improve Skills Immigration

The analysis consists of the testing for suitability of analysis (by means of the KMO and Bartlett's tests as discussed above), reliability and possible identification of underlying constructs within the construct itself. The results of the KMO and Bartlett's tests appear in Table 3.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.799609
Bartlett's Test of Sphericity	Approx. Chi-square	2018.28
	Df	55
	Sig.	.000

The analysis regarding the 'suggested approach to improve skills immigration' is suitable for an exploratory factor analysis, as the KMO measure and the Bartlett test returned values of 0.799 and smaller than 0.000, respectively. Values between 0.7 and 0.8 are excellent. Hence, the data for this factor which returned a value of 0.799 signifies that sample adequacy has been achieved easily. Additionally, Bartlett's test of Shericity supports continuance towards multivariate analysis such as factor analysis (Field 2007: 640, 642).

- The factor analysis identified three factors within the construct identified by the literature research as *Suggested approach to improve skills immigration*. Since three factors were extracted, the *Varimax* rotational method was employed to rotate the component matrix (Du Plessis 2010).

The following factors focus on suggestions on how to improve the approach to skills immigration:

Factor 1: Positive Awareness of Skilled Immigrants

Factor one had a maximum factor loading of 0.86 and a minimum factor loading of 0.63. The statements loading onto the factor all relate to

creating cordial relationships and public aware-ness of citizens of the country towards skilled immigrants. The factor explains a significant vari-ance of 46.32%.

Factor 2: Positive Approach to Skilled Immigrants

Statements *83, 77* and *84* loaded heavily on factor two. Statements 83 and 77 had a factor loading in excess of 0.91 while statement 84 has a loading of 0.82. This high loading indicates the respondents view that skilled foreign work-ers should be treated fairly. It would thus serve as a form of attracting them to the country. The first two statements relate to attracting skilled foreign workers while the latter statement relates to the rights that should be offered to skilled foreign workers, showing communality in skilled workers. The factor explains a variance of 16.64%.

Factor 3: Social and Public Awareness Campaign

Statements *79* and *86* loaded on factor three. These two statements relate to creating a public awareness that skilled immigrants are no threat to taking the jobs of the locals. In retrospect, they actually contribute to the country in the form of reducing the costs on social services as an immigrant does not qualify for social grant. Statement 79 had an excellent factor loading of 0.90 while statement 86 has a factor loading of 0.58. Factor three explains a variance of 10.44%. The three factors (pertaining to Section B) ex-plain a cumulative variance of 73.40%

The reliability of two factors is high (in ex-cess of 0.8), while the third factor has a less satisfactory value (0.55) as shown in Table 4. However, in defence of the lower Cronbach al-pha value, Cortina (1993) (in Field 2007: 668) states that even a reliability coefficient of 0.58 is satisfactory, while the borderline value of 0.28 can still be regarded as significant, especially if reverse scores (negative scores) are present with-in the factor (Field 2007: 669). It simply indicates that the factor is less likely to present itself if the paper is to be repeated when subjected in a dif-ferent application setting. The lack of reliability does not discard the factor. If the factor load-ings are high (both statements are far above the 0.40 minimum factor loading), the factor could still provide useful information. Caution, should,

however, be exerted because of lower likelihood that the factor will repeat itself (Field 2007: 666-673). Once again a very satisfactory cumulative variance of 73.4% is explained by the three fac-tors.

Table 4: Reliability statistics

Data sets	Cronbach's alpha
Factor 1	.836
Factor 2	.891
Factor 3	.545

Section C: Skills Immigration Policy Propositions

Section C analyses the construct *Skills im-migration policy propositions* by testing if any underlying dimensions exist within the construct. As sound statistical procedures suggest, the analysis sets off by performing the KMO and Bartlett's tests. The results appear in Table 5. The KMO measure of sampling adequacy, with regard to skills immigration policy propositions returns a good value of 0.728 while Bartlett's test of Sphericity is also smaller than the required value of 0.000. It is thus suitable to continue with a factor analysis.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.728
Bartlett's Test of Sphericity	Approx. Chi-square	703.922
	Df	28
	Sig.	.000

This third section of the analysis on skills immigration pertains specifically to the issue of South Africa's *skills immigration policy prop-ositions*. The data was analysed to determine if underlying constructs or factors also do exist within it. Factor analysis was used to do so.

The analysis revealed that three factors could be identified within the construct. All the statements had high factor loadings on all three of the identified factors. (The results are evident in Table 6). Note that the statements are shown in declining order of factor loadings per factor. The following factors focus on skills immigra-tion policy propositions:

Factor 1: Quality of Skilled Immigrants

Four statements, namely 92, 88, 93 and 87 loaded on factor one. All four portrayed high factor loadings. Statement 87 had a factor load-

Table 6: Factor loadings (Skills immigration policy propositions)

Statements	Factors		
	1	2	3
92	.832	.064	-.299
88	.808	.118	.299
93	.782	.229	.241
87	.664	.136	.412
91	.127	.791	.252
94	.088	.746	.055
90	.159	.697	-.317
89	.209	.018	.853
% of variance explained	39.01%	17.77%	12.55%
Cumulative %	39.02%	56.79%	69.34%

ing in excess of 0.664, while statements 92, 88 and 93 exceeded 0.78 as factor loading. The statements that load onto factor one all relate to the quality of skilled immigrants. The factor is thus labelled *Quality of skilled immigrants* and explains a very favourable variance of 39.01%.

Factor 2: Stringent Control on Skilled Immigrants

Statements *91, 94* and *90* loaded heavily on factor two**.** These statements are all related to maintaining strict control over the skilled immigrants, and the factor is thus labelled as S*tringent control on skilled immigrants*. All factor loadings were above 0.697. The factor explains a variance of 17.78%.

Factor 3: Skills Based Entrance

Only one statement, namely *89,* loaded heavily on factor three. Although factors with one statement are interpreted with care, the fact that the statement loaded very highly on the factor (0.853) signifies that the factor should not be discarded. In addition, the factor explains a relatively high variance (12.55%). With regard to reliability measures, the Cronbach alpha as reliability measure cannot be calculated since only one statement (representing a single variable) is present. The statement relates to the issue that the duration of the stay of the skilled immigrant should be based on skills needs. This factor is thus retained, labelled and it explains a variance of 12.55%. The three factors explain a favourable cumulative variance of 69.34%. (Table 7)

Factor one has an alpha value in excess of 0.70. Factor two also has a satisfactory Cronbach alpha value, which exceeds the 0.58 as set

by Cortina (Field 2007: 668). Since only one statement loaded heavily onto factor 3, the alpha value cannot be calculated. As such it is not possible to determine the reliability of the specific factor, and the factor should thus be interpreted with this in mind (Statistica 2010).

Table 7: Reliability statistics

Data sets	Cronbach's alpha
Factor 1	.760
Factor 2	.614

CONCLUSION

There is a general consensus that South Africa's policy on skills immigration is in need of radical review. It is highly restrictive, bureaucratic, user-unfriendly and costly to administer. Moreover, it serves as an impediment for business and industry to recruit skilled foreign labour into the country as a result of excessive, and often, unnecessary regulations and procedures. As a consequence, South Africa tends to attract a higher proportion of unskilled and semi-skilled foreign workers when, in actual fact, it should be attracting highly skilled immigrants.

Whilst it is not possible to simply adopt the policies and programmes of successful immigration-receiving countries due to situational differences, the examples of "best practices" provide sign-posts for the development of a competitive skills immigration policy for the country. Such a policy would shift from a defensive to an offensive stance in the recruitment of skilled people. Immigration policy cannot be understood as insulated from and oblivious to the actions of other government departments or other countries. It should represent one element in a range of interventions to address human resource deficits in the country. In addition, the policy and programme initiatives of other countries also affect the ability of South Africa to attract foreign skills. Therefore, the skills immigration policy should be a dynamic responding to the needs of the changing labour market and recruitment efforts of competitor nations.

Respondents in the empirical study who are actively involved in recruitment of foreign skills are generally very supportive of a more expansive and responsive skills immigration policy.

They appear to fully understand the manifest benefits of skills immigration for economic

growth and development of the South Africa. Policy-makers should review existing skills immigration policy and regulations to improvements and make the immigration management system effective and efficient.

RECOMMENDATIONS

From the findings, the following are recommended:
- Skills immigration policy should be included on the national agenda as part of a package of responses to address skills shortages in the economy;
- The implementation of a national awareness campaign to highlight the benefits of skilled immigrants and counteract misconceptions about immigration;
- A research desk should be set up by the Department of Home Affairs for comparative studies on skills immigration policies and programmes of immigrant receiving countries with a view to support policy innovations;
- Businesses recruiting internationally should be accredited to hire skilled foreigners without unnecessary bureaucratic processes;
- The quota-based system should be replaced by flexible entry requirements for skilled immigrants;
- Skilled immigrants should be required to engage in a mandatory transfer of skills to local workers; and
- There should be a review of existing skills immigration policy to render it effective and efficient.

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