

SKILLS

Out on the tide

A ceaseless brain drain is stripping the country of skills; it's time to tap into these expatriate communities

Over three-quarters of a million South Africans live abroad. They are well resourced and highly skilled and a fair number are still interested in contributing to SA's economic development, but government is making little attempt to harness this resource.

The emigration of highly skilled South Africans is of increasing concern, as several studies show that the lack of a skilled workforce is currently one of the greatest constraints to local business expansion.

Reliable figures on the extent of skilled SA emigration have, however, been unavailable since Stats SA stopped collecting emigration statistics in 2004. At the time, academic research showed that the number of skilled emigrants was probably about three times higher than the official figures suggested.

Trade & Industrial Policy Strategies (Tips) researchers Thomas Höppli and David Kaplan, using official immigration and census data from the UK, the US, Australia, New Zealand and Canada, calculate that 568 395 South Africans were residents in these countries in 2010.

Given that these countries are thought to absorb about 75% of all SA emigrants, the researchers estimate that 758 000 South Africans were living abroad as of 2010. This represents a huge loss of expertise to the SA economy and to individual companies, especially as the bulk of emigrants are young and well educated.

According to the Organisation for Eco-

nomic Co-operation & Development (OECD), 47,4% of the SA expatriate population in OECD countries in 2008 had tertiary education.

Data from the US finds that 82% of SA emigrants to the US are white, 65% are English-speaking and 56% have a bachelor's degree or higher qualification. Their median age is 36.

Meanwhile in SA the supply of highly skilled people — especially those with financial management, accounting, auditing and engineering skills — is failing to keep pace with demand.

Thomas Höppli When highly skilled individuals emigrate, an economy loses out on many fronts



Russell Roberts

WHAT IT MEANS
 ▶ About 758 000 South Africans live abroad
 ▶ Almost 20 000 people emigrate a year

In a new Tips policy brief, Höppli notes that when highly skilled individuals emigrate, an economy loses out on many fronts. Not only is their positive impact on the performance of enterprises and institutions missed but also their contribution, especially in the case of teachers and health workers, to the provision of key public services. Often overlooked is their contribution

to a country's competitiveness through innovations, to the public purse through taxes, and to public debate.

In addition, he argues that as the scarcity premium attached to highly skilled people grows it exerts a negative effect on the wages of less qualified workers, leading to an increase in wage and income inequality.

On the other hand, the researchers conclude that while the brain drain is undoubtedly negative for the SA economy, there are advantages to having highly skilled expatriate communities in numerous countries.

"SA's diaspora is highly skilled and very well-resourced. Government should be looking at ways to tap into this resource for business, academic and artistic endeavours and training," says Kaplan. "This requires ongoing commitment — the returns can be great, but they are not immediate."

For instance, emigrants can facilitate the transfer of technologies and knowledge back to

their home countries; academics can improve collaboration between research institutions in their new and home countries; and business people are in a prime position to establish new business and trade networks, or to grow existing ones. In general, the presence of expatriates leads to increased opportunities for trade and exports of local products, says Höppli, citing rooibos tea and wine as just two examples.

One way to maximise these potential benefits is by creating a network where expatriates and people in the home country can interact to establish relationships in an easy and cost-efficient way, says Höppli. "It should, for example, allow companies or research institutions to ad-

STEADY FLOW

Average number of SA emigrants/year

	01/03	03/05	05/07	07/09	08/10
Emigrants	19 738	19 637	17 943	19 757	19 860

vertise projects, planned co-operations or even jobs on this platform."

However, establishing a network and mobilising expatriates is not easy, nor is its upkeep.

In the late 1990s SA had a functioning

SA'S BRAIN DRAIN

Number of SA residents abroad (2010)

US	77 985
UK	236 000
New Zealand	57 056
Canada	41 725
Australia	155 629
Total for these 5 countries	568 395
Total for all countries (estimate)	758 000

SOURCE: TIPS

network — the SA Network of Skills Abroad (Sansa) — a three-year project established by the University of Cape Town Science & Technology Policy Research Centre with donor funding.

Kaplan, who was involved in establishing Sansa in 1998, says 35 000 South Africans living abroad were contacted and of these, 2 500 indicated they

were willing to make a contribution to SA's development.

The then department of arts, culture, science & technology inherited the project but devoted very little effort to building network connections and providing

opportunities for linkages. "Without substantive and ongoing support, Sansa faded and government then withdrew its support altogether," says Kaplan.

The researchers find the pace of emigration is not picking up. Since 2001, just under 20 000 South Africans have emigrated on average each year to the five principal countries mentioned above.

Brigitte Britten-Kelly, managing executive of the Homecoming Revolution, an NGO that assists South Africans to return home, says she receives about 100 inquiries a month from South Africans abroad.

"We don't have concrete data on South Africans returning but over the past 18 months we've certainly seen a shift due to the global economic crisis and tighter employment and visa conditions, especially in the US and the UK," she says, "Car import agencies we work with report about a 30% increase in people wanting to bring their cars back over 2010."

She adds that there is much more optimism about growth opportunities in Africa, and about SA as the gateway to those opportunities, compared to 2003 when the NGO was founded and was "a lone voice" campaigning for the return of emigrants.

Claire Bisser