

Skilled Immigration in South Africa: Policy Challenges and Solutions

Development Policy Research Unit May 2023

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Acknowledgements: The DPRU provided input into Operation Vulindlela's comprehensive review of the regulatory framework and processes for the Critical Skills and General Work visas to improve the efficiency of the framework and processes. The <u>Report of the Work Visa Review</u> was published in May 2023 by the Department of Home Affairs. We summarise some of the findings related to the Critical Skills and General Work visas in this note.

I BACKGROUND

The immigration debate has shifted its focus recently, as countries explore the potential gains to be made by updating their immigration policies to attract additional high-skilled immigrants. However, South Africa's international migration policy has remained relatively protectionist since the implementation of Act 13 of 2002.

In the second half of 2016, critical skills visas made up just 6% of temporary residence visas issued in South Africa (DHA, 2017). This is despite the lack of skilled workers available to meet South Africa's labour market demands (Sulla & Zikhali, 2018). South Africa's current legislation relevant to highly-skilled immigrants seems nonstrategic in that it does not aim to address labour shortages – particularly those that are pressing in the short-term.

As Table 1 summarises, there are two possible visa types when discussing the immigration of

skilled labour into South Africa. These are the General Work Visa and Critical Skills Visa¹.

Understanding the operation of each of these visa programmes – and indeed the challenges they face for firms in hiring foreign skilled workers – lies at the heart of this briefing note. General Work Visas are a temporary visa issued to foreign workers - only if it can be proven beyond a reasonable doubt that South African citizens or permanent residents with the relevant qualifications, skills and experience are unable to be appointed to the position.

Prior to the application for the visa, the prospective employer must apply to the Department of Employment and Labour (DEL) for a certificate which confirms that a diligent search was performed, and that the employer is unable to find a suitable candidate with the relevant qualification, skills and experience.

¹ The Critical Skills visa is a combination of the previous Exceptional Skills and Quota Work visas.



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The DEL makes use of the Employment Services of South Africa (ESSA) database to check for an available South African candidate that is suited to the job vacancy. Should they be unable to find a match, they will provide the required certificate to the employer and a recommendation to the DHA to approve the visa application. However, once the employer receives the certificate from the DEL, the applicant must complete further requirements, which includes the gathering and submission of further documentation to the DHA, such as medical reports, police clearance certificates and proof of evaluation of the applicant's foreign gualification by the South African Qualifications Authority (SAQA).

The Critical Skills Visa in turn is issued in accordance with the critical skills list, which identifies occupations in high demand, as well as scarce skills. The visa is issued for a period of up to five years. To obtain this visa, applicants need to prove that the applicant falls within the critical skills category by specifically indicating the occupation or critical skill on the critical skills list for which the application is being made. In addition, the applicant will need to provide further documentation, which includes medical reports, police clearance certificates, and proof of evaluation of the applicant's foreign qualification by SAQA.

Table 1: Summary of Critical Skills and General Work Visa Applications in South Africa

Process/Visa Type	Critical Skills Visa	General Work Visa
Responsible Government Department	Department of Home Affairs	DHA with recomm. from DEL
Data Used	Critical Skills List	ESSA database
Number of Requirements	13	15

Note: The number of requirements include personal documentation required from the applicant, such as medical records and police clearance, as well as requirements related to the vacancy being applied for, such as proof of evaluation of the applicant's qualifications and undertakings by the employer to take on certain responsibilities for the applicant. The number of requirements can increase for each of the visa types. In the event of a spouse or child residing with them, applicants need to provide additional documentation, which can increase the number of requirements, but for a single applicant with no child or spouse moving with them the baseline number of requirements is 13 for the critical skills visa and 15 for the general work visa.

2 Operational Efficiency

As part of the DPRU's input to the report, a recent survey of 49 firms was designed and conducted by Business Leadership South Africa (note: after cleaning of the response data, only 44 valid firm responses are used). The survey provides insights into the issues that companies have been having with the current immigration policies and processes of South Africa. The survey provides feedback on various issues related to company needs for skilled labour from abroad as well as the current migration policies and procedures to bring a skilled immigrant into South Africa for work at a local company.

Respondents were asked to estimate the average time taken to complete each component of the visa application took on average. Firms' responses relate to their experience when applying for either one of or both the Critical Skills and General Work visas and the average and median times for each component of the application process are presented in Figure 1.²

The average time taken is around 2 months for each of the five potential components of the application process. However, some of these components can be done simultaneously, for example, the compilation of documents and obtaining the certificate from SAQA. In the event of a General Work visa, where the DEL component is included, this results in an estimated total average processing time of 6-8 months. In the event of a Critical Skills visa, this results in an estimated total average processing time of 4-6 months. However, it is critical to note that the final step in the visa process – namely 'Answers from the DHA' take a significantly higher time (at almost 4 months) than most of the other steps in the visa process.

This involves the DHA fulfilling additional requirements for the possible visa issuance – relating to for example the acquisition of various certificate from government departments – before either approving or rejecting the application.

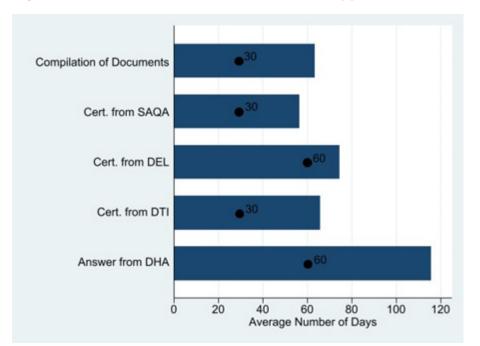


Figure 1: General Work and Critical Skills Visa Application Times: Mean & Median Days

Note: The average is represented by a bar, while the medians are represented by the dots. The average is calculated using the mid-point of each time category. For a period greater than 6 months, a full year is assumed to be the end-point of the range (that is, if a response was that a component took longer than 6 months, we took this to mean it took between 6 months and a year for the purpose of our calculation).

When asked to rate the application process in terms of difficulty, most responses ranged

from average to very difficult for all components of the application process³. The average rating

² Responses were grouped into time categories due to the differing nature of responses. Some respondents responded with an exact number of days, while others gave less precise answers such as a week, or up to a month, for example. The time categories were Up to 1 week, 1-2 Weeks, 2 Weeks – 1 month, 1-3 months, 3-6 months, more than 6 months.
³ Each level of difficulty is assigned a value from 1 to 5:1 - Very easy, 2 - Easy, 3 - Average, 4 - Difficult, 5 - Very Difficult.

of all components of the application was between 3.7 and 4 out of 5. Regarding the components involving the Department of Employment and Labour, the Department of Trade, Industry and Competition and the Department of Home Affairs – there were no companies recording that they had an 'easy' or 'very easy' experience. The only part of the process that had any 'very easy' responses was the compilation of documents, which is also the only step that is completely controlled by the applicant company.

When asked to suggest ways of improving the application process, the common themes within responses from respondents include:

- Simplifying the process
- Moving the entire process to an online system (currently the system is only partially online). Applicants can download the application form and make their visa appointment and payments online, but the bulk of the process occurs in person with applicants still needing

to take all documentation to the physical appointment. An e-visa system – where the system is completely online – would entail all forms being available online, all documentation scanned and uploaded by the applicant and, all communication and feedback provided online.

Clearer communication from the Department of Home Affairs. This is with regard to giving feedback to applicants as to why the visa application was unsuccessful. For unsuccessful visa applications, only 55% of businesses stated that they knew why their application was unsuccessful. According to the survey results, about half (48%) of the companies aware of why the visa application was unsuccessful have reported that it was due to administrative omissions or errors in the documentation. Just over one quarter (26%) of the companies have been informed that a South African would be able to occupy the position, and just over one quarter (26%) have been unsuccessful due to the occupation not being listed as a critical skill when a Critical Skills visa has been applied for.

3 Structural Challenges and Potential Solutions

Structural challenges in the current process of obtaining the Critical Skills and General Work visas can be observed at the macro and micro level.

At the macro level, the first concern is the efficiency levels and turnaround times of the government departments involved, which speaks to the broader, generic structural challenge of state efficiency. Second, the intrinsic assumption in the entire architecture of the granting of skilled worker visas for both programmes, is that the state can and should be the final decision-making authority in terms of matching labour demand and labour supply. This would assume perfect, granular and regularly updated labour market information from the state in relation to labour demand. It is not at all clear that we currently can claim this for South Africa or indeed for almost any developing country.

Micro level concerns revolve around the datasets currently being used as instruments for decision-making by the DHA and other government departments to grant or not grant skilled worker visas. The concerns around the various datasets and lists being used, such as the ESSA database or Critical skills list, include the following:

1. *Systems Challenges*. This relates to the current system or tools used by government departments during the application process. For

⁴ The ESSA database is used first, followed by other labour market datasets available to the Department of Labour and Employment.

example, the ESSA database is currently an incomplete, Excel spreadsheet-driven system which is manual in nature. This database consists of information in 2 parts. First, details of work seekers, including their locations, gualifications and previous work experience. Second, when an employer wishes to apply for a visa for a foreign worker, they are required to first register the vacancy with ESSA. ESSA is then tasked with searching for a suitable South African candidate within the work seekers database⁴, or confirming that there is no suitable South African candidate. A recommendation regarding the availability of a South African is then sent to the DHA, which in turn makes the final decision on whether the visa can be approved.

- 2. Relevance: For Critical Skills visas, the list of occupations and the quota attached to each can easily become outdated as skills needs continuously change. Furthermore, the process becomes more complicated and time-consuming for employers attempting to obtain visas for immigrants who do not match a critical skill occupation listed by the government, as they must perform a 'diligent search' for workers within the country and prove that they could not find a suitable match within the country⁵. For the DEL's ESSA database, the data can quickly become outdated, since it requires the individual who registered as a work-seeker to continuously update their profile. This includes gualification and occupation information, which then needs to be verified by SAQA or other relevant parties once entered into the system.
- 3. Accuracy. This relates to the lack of granularity of the databases and tools being used. For example, the data collected by the ESSA system is not granular and does not include the nuances and details of specific skills that each individual has acquired. For example, the work seeker information is self-reported by the work seeking individual and is regularly incomplete as individuals often do not provide detailed information about their work experience or the nature of their qualifications. This limits the matching capabilities of the system and hinders the effective importation of skills where they are required in the short term.

As part of the survey, respondents were presented with potential alternatives to the current immigration system structure: A quota system, an employer pre-authorisation process and finally a points system - and asked whether they would be in support of these alternatives. The quota system entails a system in which companies apply annually for a set quota of positions that could be filled. The pre-authorisation system is a two-fold process in which the employer submits a work authorization application in South Africa and, once approved, the applicant files a simple entry visa application in his current country of residence. The points system would be a system similar to other countries that already have a points immigration system in place, in which applicants are awarded a number of points for achieving certain criteria and should the requisite points be achieved - the individual is granted an immigration work visa.

Less than half (48 percent) agreed with the implementation of a quota immigration system where companies would apply annually for a certain quota of positions that are allowed to be filled by foreign workers. Of all options presented, respondents were more likely to have strong opinions on the proposed quota system.

Many of the respondents not in favour argued that each sector – and business – has its own skills needs and this changes frequently, which requires flexibility that a quota would work against. Many of these businesses were in favour of the granting of visas to foreigners on a case-by-case basis, noting that each application is unique.

One respondent in favour of such a system highlighted the need for skills transfer and suggested that the quota of foreign workers should be reduced over time in line with such a skill transfer.

The second and most preferred alternative was a system in which the employer applies for work authorization, and only once that

⁵ Act 13 of 2003.

DPRU Policy Brief 2023/57

is approved does the prospective employee apply for an entry visa. While the majority (38 out of 44 respondents) agreed with this proposed system, those who disagreed generally felt that it would lengthen the process and be duplicative.

The final and least favoured alternative was a points system, which 17 respondents supported.

However, a few employers refrained from answering this question, stating that they would require more information about how the system would work. Those who were not in favour of a points system were concerned about it being overcomplicated or were concerned that such a system would not necessarily solve the critical skills shortage.

4 Conclusion

A recent survey of firms has highlighted that the current processes of obtaining the Critical Skills and General Work visas for a foreign employee is both lengthy and complex, creating limitations for the supply of skilled labourers to meet market demands. Specifically, longer delays were noted in dealings with the Department of Employment and Labour and the Department of Home Affairs.

Suggestions from firms in terms of improving the visa application processes include the needtosimplifytheprocess, moveit completely online and finally to improve communication and feedback between government departments and the applicants. Structural challenges of the current Critical Skills and General Work visa application process can be broken down into systems challenges, relevancy, and accuracy at the micro level.

Systems in place and tools used for finding South Africans that are qualified to apply for job vacancies are well-intentioned, but the current data used to make such assessments is not available at a level that would ensure that firms can source their skills needs from the South African population efficiently, and can contribute to persistent skills shortages due to inefficiencies in matching local work-seekers with work opportunities.

Systems in place and data used for both the Critical Skills and General Work visa applications can quickly become outdated and lacks the granularity necessary for effective decision-making. Suggestions from firms in terms of improving the visa application system are that firms would be interested in a system where the employer obtains pre-authorisation for the visa, and this is followed by the prospective employee applying for a simple entry visa.

Employers appear open to a quota system in which they could obtain annual pre-approval for a certain number of visas for positions that can be filled each year, but are sceptical of how it would be implemented. A small percentage are open to a points system; however, some employers are unsure and have stated that they require more details of how the system would work before agreeing.

Overall, there is a clear need to either improve on the operational efficiency of the visa system in South Africa, or to structurally change the system completely in order to effectively import skills that are required in the country and address skills shortages in the short term. In essence the choices for government would include:

- 1. Reducing the role of the state or at least the manual components of the visa application process. This could involve moving to an e-visa system and/or improving the content and credibility of the ESSA and other databases.
- 2. Minimising the role of the state even further in trying to predict labour needs. For example,

through the issuing of quotas to firms, which would allow such firms to decide on their specific skills needs. Such a quota system would need far more detailed discussion and design to ensure that the ultimate aim of immigration policy is fulfilled. What is clear; however, is that the current system is viewed by the majority of firms as being inefficient, time-consuming and ultimately inaccurate in fulfilling their and the country's scarce skills needs.

5 References

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