EXPATRIATE PROFESSIONALS AS AN ENTRY POINT INTO GLOBAL KNOWLEDGE-INTENSIVE VALUE CHAINS: SOUTH AFRICA

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Introduction

The United Nations defines the brain drain as the “one way movement of highly skilled people from developing countries to developed countries that only benefits the host country”.¹ This notion of the mobility of skills is nothing new; people have always moved to take advantage of better political, social or economic circumstances. The definition however may be too linear and simplistic to adequately understand the nature of skills migration. There are complex forces that drive the cross-border movement of skills. For example a strong demand or pull for skills in the United Kingdom may result in an outflow of skills from South Africa, where skilled individual are being pushed to emigrate for socio-political reasons. The skills gap in South Africa is then, albeit only partially, filled by immigration from neighboring African countries such as Botswana, Lesotho, Malawi and Zimbabwe.

The traditional response of governments who have invested in providing skills, knowledge and expertise, and are now failing to see a return on this investment, has been to place barriers in the path of potential emigrants to mitigate this loss. These have included restrictive policies such as national service, incentive policies such as greater financial reward, and compensatory policies such as emigrant taxes.²

An alternative approach, loosely grouped under “brain gain” strategies, is to view these expatriate communities as a bridge from the host country to the home country. These skilled expatriates can be viewed as a potential resource that merely needs to be mobilized by the home country. The Diaspora approach is to organize these individuals into expatriate knowledge networks that can be accessed by the home country to provide skills transfer, technical knowledge, market access and local knowledge.

² M Brown, ‘Using the Intellectual Diaspora to Reverse the Brain Drain: Some Useful Examples’, University of Cape Town.
South Africa has suffered from extensive skills loss starting prior to the fall of apartheid. Current emigration data and statistics does not provide an accurate picture; both the SA Department of Home Affairs and Statistics South Africa acknowledge that they are only take into account emigrants who declare themselves as such, and that the actual number of emigrants could be as much as three times the official figures, but despite the data discrepancy there is little disagreement on the fact that skilled workers continue to leave South Africa. Of those workers who have the potential to emigrate, over two thirds state that they have considered the idea of emigration. Despite the perception that emigration of dominated by skilled White South Africans, research has shown that there is no difference between the desire to emigrate and various race groups.

Researchers have begun to rename the “brain drain” to the “brain exchange”; there is greater awareness today that many skilled workers leave for a period and then return to their home country with greater skill and ability. Those that choose to remain in their host country put down roots but remain connected with their country of birth. This realization has led to a global movement toward Diaspora networks; formal and informal networks that comprise expatriates and those concerned about home country development, that band together to invest, provide knowledge transfer or merely to remain connected with their homeland.

South Africa has initiated two such Diaspora networks; the South African Network of Skills Abroad (SANSA) was developed through collaboration between the University of Cape Town (UCT) and the French development agency The Institute for Research and Development (IRD). The SANSA network has concentrated on linking expatriate and South African based academics, researchers and practitioners in the field of science and technology. The second network, The South African Diaspora Network, was developed by the UCT Centre for Innovation and Entrepreneurship (CIE) through assistance from the World Bank Development Marketplace. This network focused on developing knowledge and entrepreneurial connections between local South African firms and well connected and placed individuals in the United Kingdom.
These networks are still in existence; SANSA is now managed by the National Research Foundations, a division of the Department of Arts, Culture, Science and Technology. The SA Diaspora Network is still operated by the UCT Centre for Innovation and Entrepreneurship.

These two initiatives are by no means enough. Greater support and involvement is required from the South African government, international development organisations as well as the various host countries that benefit directly from the movement of skilled South Africans.

**The South African Economic Context**

With South Africa’s movement to a democracy post the 1994 general elections, also came a period a greater economic development alongside the re-entry of South Africa into the global economy. The key economic issue for South Africa is one of growth and increasing foreign demand for South African exports; both through foreign investment and through local investment. The need to grow the South African economy is placed alongside important socio-economic issues. The HIV/AIDS pandemic, continued abject poverty, job losses, unemployment and the drain of skilled South Africans from the country of some of the social issues that the ANC government has had to face in its almost ten years in office.

Key to growing the South African economy has been a focus on efforts to increase export based revenue to the country. With a relatively weaker Rand (to the US Dollar), South Africa has remained price competitive. Increases in exports have a multiplying effect on the economy; they increases domestic incomes especially wages and profits which in turn leads to overall expansion and increased capital investment with increases demand and supply. With the relative strengthening of the Rand, to all major currencies but mostly to the US Dollar, South Africa has begun to suffer a dropping off of export revenue and these is seen as a threat to its export competitiveness. The roller coaster Rand/US Dollar exchange rate has stabilized at around R7:$1 after having reached levels of R13.50:$1 in December 2001. There has been a substantial impact on the SA economy over the last six
to nine month due to the continued strength of the Rand; this has impacted company profits which in turn has impacted tax revenues and public spending.

Giving South Africa’s integration into the international economy, continued sluggish growth and possible deflation could have a direct impact on South Africa’s ability to grow in 2004.
1 The South African Diaspora

The Forces of Migration

Push and Pull Factors
South Africa has long suffered from a migration of skilled people to developed countries. Reasons for this are varied but tend to fall into three broad categories; political, social and economic. While the migration of skilled professionals from South Africa has been prompted by certain push factors such as an oppressive political system, limited economic resources and opportunities and social problems such as crime and HIV/AIDS and declining health care and education standards, there are a number of factors that pull South African professionals to developed countries such as the United States of America, United Kingdom, Australia, New Zealand and Canada. These are often the reciprocal of the push factors; a democratic and stable political system, greater demand and reward for skills, better resources and opportunities, and a safer environment. These issues are mirrored throughout the world and many people, skilled and unskilled alike; want “the chance of a better life in stable, meritocratic economies of the rich (developed) world”.  

In addition, South Africa’s re-entry into the international economy and the continued growth of the knowledge economy means that skills move to where they are most valued or prized.  

Host countries, especially those with a growing aging population, recognize the benefit of immigration and have much to offer a younger, hard-working immigrant than the home country. Immigrants offer a “just-in-time” supply of needed skills, and are more likely to relocate to areas where those skills are needed. Research has shown that immigrants often pay more tax than they cost in public spending. The United Nations Population Division calculated that the EU would need an annual inflow of nearly 3 million immigrants to prevent the social support ratio dropping from 4 to 3 (the ratio measures the number of individuals aged between 15 – 64 against those aged 65 and over). The

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4 ‘Brain Drain to Brain Gain’, Mail & Guardian, January 22nd 2003.
United States would require approximately 1 million immigrants a year to stabilize at a ratio of 3:1.

Developed countries have the ability to choose the most skilled workers from South Africa and other developing nations. These developed countries realize that skilled, entrepreneurial individuals add huge value to the economy, are hard working, and provide a positive impact to national economic development.⁵

Research conducted by the South African Human Sciences Research Council (HSRC) showed that emigration is skills based rather than race based; Tracy Bailey, the author of the research says “information and knowledge are now the core features in the world, especially around scientific research. This means that anyone how is educated or highly skilled is also mobile”.⁶

While this paper is primarily concerned with the migration of skilled professionals from South Africa, and how best to mobilize them to serve their home country, the above discussion on global migratory forces gives context to the issues facing all countries, whether they are host or home countries. It is clear that there are strong forces that push and pull migrants to offer their skills on a broader global labour market. There are substantial gains for the host country, especially those that lack skills or are experiencing negative population growth rates. What is important is for home countries to access and mobilize these expatriate communities to provide skills, knowledge and network access.

⁶ ibid
The Migration of South African Skills

Immigration versus Emigration

A number of studies on official data have been done comparing migration to and from South Africa. This data shows that immigration has generally outpaced emigration. This holds true except for certain years where the pattern reversed. These were 1961, 1977, 1978, 1986 & 1993. Kaplan draws certain parallels between these years and political events in South Africa. Greater migration patterns in these years followed the Sharpeville uprising (1961), national unrest following the Soweto uprisings (1976), the declaration of a state of emergency (1985) and the period of political transition leading to South Africa’s first democratic election (1993). As mentioned earlier, migration is as much a result of pull factors as of push factors, and these four distinct socio-political events support the argument.

More recent data from Statistics South Africa for the year 2000 shows that 2439 skilled workers emigrated while 331 immigrated to South Africa. This gives a net loss of over 2100 skilled workers. South Africa has not made it easy to recruit much needed skills into the country. The Immigration Bill, passed through Parliament in May 2002, places a number of onerous barriers in the path of local employers. These include having to adhere to a quota system and having to train local workers to eventually replace foreign skilled workers. An argument that has been put forward is that immigrants will take jobs from local skilled workers, however a study by the Southern African Migration Project shows that immigrant skilled workers are not only needed to help the South African economy grow, but skilled workers often create new enterprises and jobs, pass on valuable skills and knowledge and help to develop and enhance existing businesses.

One of the key issues with studying the migration of South Africa is accessing accurate and meaningful data. The following section will illustrate some of the challenges with regard to this issue.

7 D Kaplan, ‘Reversing the Brain Drain: The case for Utilizing South Africa’s Unique Intellectual Diaspora’, 1996.
8 ‘Brain Drain to Brain Gain’, Mail & Guardian, January 22nd 2003.
Data Accuracy

Obtaining accurate data regarding the movement of skills out of South Africa has become a challenge for researchers. The key issue is that Statistics South Africa, the State run statistical service, relies on data collected at the three major International airports in South Africa (Cape Town, Johannesburg and Durban). This data is often inaccurate for two reasons; firstly emigrants may not fully disclose their reason for leaving the country and secondly South African citizens are not obliged to provide details or reasons for their international travel.

The South African Minister of Home Affairs, Dr. Buthelezi, acknowledged this data anomaly is a speech supporting the “Come Home Campaign”. He says; “In terms of the new law (Immigration Act), in order to protect our citizens privacy and recognize the right to travel internationally, the Department of Home Affairs will not have the power to keep track on the international movements of South Africans. Therefore either we have no figures in respect of those who have emigrated or we have figures of people who have left South Africa without us being in a position of differentiating between those who have done so for tourism and those who have done so for purposes of permanent relocation.”

This problem is not limited to the South African context, but is something that is experienced across all countries. Key to the lack of accurate skills migration data is the absence of agreed to international standards and agreements on terminology such as a universal definition of “skilled worker” or “temporary or permanent migration”, data collection, and information sharing and dissemination.

By way of illustration of this issue, when the South African emigration data for the period 1984 – 1993 is analyzed, it shows that 28 965 people left South Africa for the United Kingdom and 33 640 arrived from the UK. However if the data from the United Kingdom for the same period is scrutinized it lists the total number of South African arriving in the UK as 100 700, and the total leaving the UK for South Africa as 52 600.

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Thus the SA data shows a net gain in immigrants while the UK data shows a net loss for SA. Similar such discrepancies are reflected in data for migration to and from Australia. It would be fair to assume that data for migration to and from the United States and Canada would indicate a similar pattern.

If one compares official South African emigration data to that of the United Kingdom, United States of America, Canada, Australia and New Zealand for the period 1989 to 1997 the discrepancy is very marked. Data from Statistics South Africa showed that South Africa lost 82 811 people, whereas comparison with data from host countries shows that 233 609 people entered from South Africa. Skilled migration accounts for a smaller portion of emigrants but the data differential is as great; during the same period (1989 to 1997) 41 496 skilled South Africans emigrated versus the official figure of 12 949. These examples show an almost three times undercounting on migration of South Africans.

The chart below illustrates the data disparity for the periods 1989 to 1993 and 1994 to 1997 for the loss of professional skills from South Africa.11

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Size of the Skilled Workforce and Emigration Potential

Notwithstanding the preceding discussion on the lack of accurate skills migration data; various estimations have been made with respect to the number of skilled South Africans abroad. The Southern Africa Migration Project (SAMP) has done work to estimate the quantum of the skilled South African workforce and has also conducted research into the characteristics of those most likely to emigrate. A synopsis of their findings is as follows. 12

- The economically active population of South Africa was estimated at 17 million people. SAMP estimated, using various criteria, which the skilled population in South Africa accounted for 1.6 million people.
- Given the history of apartheid and the system of job and skill reservation (based on race), the skilled population is racially biased with Whites comprising 72%, Africans 18%, Coloureds 8% and Indians 3%.
- Of the pool of skilled people, 69% say they “have given the idea of emigration some thought”. Only 20% of respondents indicated that it would be “very likely” that they would leave South Africa.
- SAMP developed an index for determining the likelihood of skilled emigration; approximately 2% of the population is characterized as having “very high” potential to emigrate (defined as leaving South Africa for two years or more within the next two to five years). Those with “high” potential to emigrate account for 10% of the population and those with “moderate” potential to emigrate comprise 25%.
- If those people who have “very high” potential emigrate it will mean a loss of approximately 32 000 people, if those with “high” potential emigrate as well it could mean skills loss of up to 192 000 people.
- The five most mentioned destination for skilled migrants from South Africa were The United States of America (24%), Australia (22%) United Kingdom (15%), New Zealand (12%) and Canada (11%).

• Over 60% of the skilled population had a high school certificate and a tertiary qualification (Technikon or University degree). The survey estimated that 9% of skilled workers had an Honors degree, 5% a Master’s degree and 1% a Doctorate.\textsuperscript{13}

**The Extent of South African Skilled Emigration**

Given that data collected at ports of exit by the South African Department of Home Affairs is not a true or complete representation of the number of skilled workers leaving South Africa, the task of counting the number of skilled individuals in the South African Diaspora is a complex and difficult one.

The Southern African Migration Project (SAMP) undertook research to estimate the flow of skills out of South Africa.\textsuperscript{14} Data was obtained from Statistics South Africa (figures in blue below) for emigration to each of the five major destinations (United States, Australia, United Kingdom, New Zealand and Canada). This data was then compared to immigration statistics from each receiving country (figures in black below). Immigration categories were deemed to be comparable with limited difference in recording methods that was not regarded as significant on the data. The table below reflects the data collected by SAMP for South African emigration for the period 1987 - 1997.

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*Table 1: South African Emigration Data vs. Receiving Country Data; 1987 - 1997*

\textsuperscript{13} Brain Drain to Brain Gain’, Mail & Guardian, January 22\textsuperscript{nd} 2003.

Table 1 shows supports for the consistent underreporting of Statistics South Africa with regard to emigration. The data, while useful in as much as it reflects a trend of continued migration, does not shed sufficient light on the migration of skilled people. Calculations done by Kaplan have shown that, over the period 1989 to 1997, a total of 41,496 skilled professionals (excluding managerial, administrative and executive positions) left South Africa. The official figure for this same period and category of immigrant was 11,255 people. 

**Government Response to Skilled Migration**

There has been limited response from the South African Government in terms of addressing the migration of skilled South African’s. Government support has been offered to the ‘The Homecoming Revolution’, a non-profit organization that is aimed at encouraging South African’s living abroad to return to their homeland. The campaign is largely advertising and media based with no formal structure in place save for a website to promote and publicize South Africa. Efforts are being made to provide knowledge support (passport and visa queries, job opportunities, etc) via the website.

More recently, the SA Department of Health has initiated a special allowance program for some skilled health care professionals in a bid to stem the tide of the migration of qualified health-care workers. The program provides a fund of R500 million that will be used as incentives for 33 000 rural health-care workers as well as 62 000 workers classified as having scarce skills who are employed in the public sector. This appears to be a move by the Government from punitive to incentive based measures to control skills migration.

High level discussion between SA President Thabo Mbeki and his Nigerian counterpart, Olusegun Obasanjo have been held to find ways that the two countries can collaborate in

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16 G Lundy & W Visser, ‘South Africa: Reasons to Believe!’
17 ‘Health Sector will get more Money to stop Brain Drain’, South African Broadcasting Corporation, 29 January 2004.
encouraging African scientist, engineers, academics and professionals to return home. There has been no publicized outcome from these discussions. Given the large outflow of skilled South Africans, the response of the government has been minimal, and may well be due to more pressing socio-economic issues at home.¹⁸

**Characteristics of the SA Knowledge-Based Diaspora**

As the migration of skilled professionals continues, an overall increase in efforts to maximize these expatriate resources will be evident. Given the options open to home countries; restrictive measures, repatriation or mobilization, it is clear that the mobilization of Diaspora communities, especially those comprising skilled professionals, will become crucial to development planning.

The exact size of the South African Diaspora is not known, but various estimations have been made. The number of South Africans who left the country as tourists during the period 1945 to 1994 exceeded the number of returning tourist by over 500 000, indicating that the vast majority of those emigrating are doing so without declaring so.¹⁹ Many left South Africa post the political unrest of the 1960’s and 1970’s and as such are well established and settled in their host country. The British High Commission estimates that over 300 000 South Africans live in the United Kingdom at the resent moment. This figure is based on “anecdotal evidence”. In addition about 800 000 South Africans hold British passports. Not included in this figure are the South Africans who are eligible for work permits in the United Kingdom based on British ancestry.

So as to gain a deeper understanding of the characteristics of the South African skilled Diaspora community, During May 2003, an independent survey was performed for this paper.²⁰ A 39 question survey was designed to investigate attitudes toward homeland investment and professional contributions of US resident South Africans. A total of 500

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¹⁹ D Kaplan, ‘Reversing the Brain Drain: The case for Utilizing South Africa’s Unique Intellectual Diaspora’, 1996.
²⁰ The survey was conducted by R Devane and summarized in R. Devane, ‘South African Diaspora Survey’ (mimeo), 2003.
surveys were mailed to US-based expatriate alumni of the University of Natal. Forty-five responses were received, an amount which is consistent with typical cold mail surveys. This research showed that while the average age of respondents was 47 and the average tenure in the United States was 12 years, 37% of the sample had lived in the US for more than 20 years. This mean age is supported by research done on the SANSA network which showed that the average age of skilled emigrants in increasing; possibly implying that more South Africans are completing their studies prior to migrating.  

<table>
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Table 2: Average Age at emigration of skilled South African Migrants.

Data for South Africa, versus the rest of the African continent, shows that South African professionals tend to leave when they are older and better qualified; while on average African emigrants are more likely to enter the US as student migrants.

The group surveyed is highly educated with all having a bachelor’s degree and 73% of the sample group having a graduate degree or professional qualification. This data is supported by Brown who found that 40% of the members of the South African Network of Skills Abroad hold a Master’s degree and 30% a doctorate degree. A good sign for South Africa is that 35% of respondents to the World Bank Survey indicated that they are independent professionals or small business owners, rather than employees. Assuming

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these individual have some discretion over their activities, they will be valuable members of any Diaspora community.

An important aspect of mobilizing a Diaspora network is determining the degree of contact and travel that expatriates undertake with the home country. The World Bank Survey of South African professionals indicated that the majority traveled to South African every 1 – 2 years. Only 29% of respondents indicated that they rarely travel to South Africa. There is no correlation between tenure and frequency of travel leading one to hypothesize that the reason for travel is continued ties, family and business, with South Africa. This is supported by research done by Saxenian\textsuperscript{22} of 1500 first generation Chinese and Indian migrants, who found that 50% of them return to their home countries at least once a year. In addition she found that 74% of Indian respondents and 55% of Chinese respondents indicated that they hoped to start their own business in their home countries. A survey of high-tech businesses started in Taiwan’s Hsinchhu Science Based Industrial Park revealed that 40% of the companies were led by returning expatriates.

South African respondents to the survey retain contact with their home country through a variety a means. 31% kept contact with events in South Africa through the media, 22% of respondents have ongoing business contact with the country, and 20% maintain contact through academic exchanges and relationships. A further 7% make use of conferences and other professional activities to retain contact. This data supports the hypothesis that skilled South Africans living in the Diaspora wish to remain in contact with their homeland.

The survey data has shown that South African’s have substantial power and influence in the host country. 33% of respondents indicated that they have considerable or a lot of influence over the investment decisions of their organisations. 40% of respondents reported that their organisations have some international and developing market

\textsuperscript{22} A L Saxenian, ‘Silicon Valley’s New Immigrant Entrepreneurs’, 1999
activities, with 35% of organisations having business activities in South Africa. The majority of respondents, 54%, work in organisations of 1000 people or less. Only 13% of respondents reported working in large organisation over 1000 employees, and have considerable influence over their company’s investment decisions.

Respondents were asked what the key barriers to doing business in South Africa were. 50% of them listed the crime rate as the main issue. This is supported by the research conducted by SAMP which found that the issues that caused the most dissatisfaction among skilled South Africans were (a) the cost of living, (b) current levels of taxation, (c) safety and security, and (d) the standard of public and commercial services. These attitudes did not differ on racial lines except with respect to standards of services. The SAMP research did highlight the fact that skilled whites were less satisfied with their lives now than they were five years ago.

The World Bank survey found that 96% of respondents felt that their South African expatriate status and knowledge and experience of the country and its environment gave them a distinct advantage when doing business in South Africa. Most listed ongoing personal relationships and personal knowledge of the country as the reason for this. With respect to participation in general professional and business networks, 53% of respondents were involved in such networks with 78% of respondents reporting that these networks were formal with regular meetings. Half of the networks had formed contact with or had operations in South Africa. There was a positive response to the suggestion of extending professional network contact to South Africans.

Despite the experience of other developing countries South Africans are less positive about investing in their home country. Only 15% of respondents report any probability of doing business in South Africa within the next two years. This is contrasted against investment interest of other Diaspora communities in their home countries such as

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Armenia with 55% interest and Cuba with 82%. Over 65% of the South African sample group indicated that there was little or no probability that they would invest or do business in South Africa. While this may be an indicator of political feelings related to recent emigration, it does not explain the hardened attitude of those who have been away from South Africa for twenty years or more. The research showed that there was more interest in professional exchanges; 40% reported that it is possible that they would involve themselves in such exchanges with 11% of respondents indicating that they were already involved in such professional exchange relationships.

Finally, the survey population was asked what advice they had for South Africa. Respondents listed a number of issues such as improving the health and education system, addressing issues of cultural cohesion and tackling the high levels of crime. Some expatriates indicated a willingness to make a contribution to South Africa’s knowledge worker development through teaching, mentoring and coaching. What was clear from the survey was that a signal from the South African government that there is value placed on the Diaspora community will go along way to mobilizing the skills that reside outside the country.

**Existing SA Diaspora Networks**

Research conducted by Meyer and Brown\(^{25}\) at the University of Cape Town, identified forty-one expatriate knowledge networks around the world. This list is limited to networks that attempt to connect expatriates with each other as well as with the home country. Other non-knowledge based Diaspora networks do exist which lends support to the overall argument in favour of expatriate mobilization.

Prior research done by Brown indicated that only six expatriate knowledge networks are linked to African countries. Various initiatives have been undertaken to address the loss of skills from the African continent; post the ‘Regional Conference on Brain Drain and Capacity Building’ which was held in Addis Ababa in February 2000, the Ghanaian government initiated a ‘Homecoming Summit’ which brought together government officials, local professionals and expatriate professionals.

There are only two formal South African Diaspora networks that are working with skilled South Africans living abroad; these are the South African Network of Skills Abroad (SANSA) managed by the National Research Foundation, and the SA Diaspora Network managed by the UCT Centre for Innovation and Entrepreneurship.

**The South African Network of Skills Abroad\(^ {26}\)**

**Background**

The South African Network of Skills Abroad (SANSA), established in 1998, was a joint initiative of the University of Cape Town’s Science and Technology Policy Research Centre and a leading French agency for scientific co-operation, The Institute of Research for Development (IRD). SANSA was launched based on the knowledge that South Africa has a large pool of skilled expatriates and that if this resource could be harnessed it could play a meaningful role in South Africa’s development.

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The goal of SANSA is to connect highly skilled expatriates in the field of science and technology with their counterparts in South Africa to create an environment for collaboration and skills transfer. This provides the means for expatriates to play a role in the development of South Africa without having to uproot and return home. The network was formed through accessing the alumni networks of all major South African universities and Technikons. The aim of SANSA was to provide the opportunity for local academics, researchers and scientists to form connections with their counterparts in the Diaspora. No charge was levied for listing on and/or accessing the SANSA database.

SANSA developed a website as the main point of entry into the network. The website (www.sansa.nrf.ac.za) provides information about the network, the objectives and aims, information on how to join the network, information about South Africa as well as opportunities to network with other members. The site has a questionnaire that gathers demographic and biographic information about the applicant. Once the form has been completed and submitted that applicant becomes a member of SANSA.

The SANSA website also contains a number of electronic bulletin boards and discussion groups that have been instituted to facilitate exchange, networking and communication between the members. There are seven themed discussion groups covering the major areas of academic interest namely; arts, sports and related fields, engineering, technology and architecture, humanities and social sciences, managerial, executive and administrative occupations, natural sciences, health science and a discussion group on general issues. An analysis of the number of discussions between members indicated a low usage of this function. There is however greater use of the website bulletin board facility. The bulletin board allows for the posting of notes related to job offers, co-operative ventures, general announcements, services needed/offered and seminars and conferences.

SANSA is a “non-profit, independent, a-political association of highly skilled South Africans”, that is open to all people who are concerned with the socio-economic development of South Africa.
Key Attributes
Some key attributes of the SANSA network are as follows.

- Membership of the SANSA network, as at March 2002 was 2259 members. This increased from 2100 members in April 2001 showing an increase of approximately 7.6% over a one-year period. The majority (74.1%) of members are male.
- Members are located in over 60 different countries with South African citizens comprising 58.3% of the network. Other nationalities that are represented include Germany, Canada and America, to name but a few. The majority (40%) of members located in the United States and United Kingdom.
- Network members come from a range of professions with the majority being from managerial and administration positions (24%), followed by humanities and social sciences (23%), natural sciences (18%) and engineering and related fields (15%). The remaining members are made of if the earth sciences and arts, sport and recreation fields.
- The members of the SANSA network are highly qualified with most having at least a Bachelor’s degree (1860 members). There are 1072 members with a Master’s degree and 644 with Doctorate degrees. While 85% of members obtained their undergraduate degree in South Africa, approximately 50% obtained their Doctorate degree in their home country.
- The average age of network members is between 20 and 60 indicating that the network is professional rather than student based. This supports the professional position that most of the members hold and indicates that most South African skilled migrants leave after having been trained and established as professionals.
Current Status

The SANSA network project, initiated by the University of Cape Town, handed to the National Research Foundation (NRF) in October 2000. The NRF has taken on full responsibility for the ongoing management, administration and development of the network. The NRF forms part of the National Department of Arts, Culture, Science and Technology which is responsible for advancing South Africa’s research capabilities in the humanities, social science and natural science disciplines.

The handover of SANSA to the NRF met with some limited concern from network members who expressed a general distrust of government institutions managing such an initiative, this does not seem to have hindered the NRF’s management of SANSA or the continued involvement of the network members. The National Research Foundation underwent organizational restructuring which resulted in a lack of direction and guidance for the SANSA network. This was addressed with the appointment of a new director of research and information and a project manager who held specific responsibilities of the management and strategic direction of the network.

Research into the SANSA website statistics indicate that there is, albeit declining, usage of the search facility which allows interested individuals to search the member database to access specific skills or areas of member interest. The search system is designed to facilitate networking between members; however no means of tracking the outcomes of these connections exists.

A survey of the bulletin board and discussion forum facilities on the SANSA network indicate that there has been limited traffic over the last twelve months and that most activity and discussion is centered on the ‘general’ lists.
Recent discussions with the NRF indicate that the network is once again not directly managed but has been added to a broader community of practice area under the records and document management section. 27

**The Future of SANSA**

Discussions with the NRF indicate that they will continue to manage and develop the SANSA network and the appointment of new project manager is imminent. There are a number of trends, and from those lessons, that can be learned from the SANSA network.

- The SANSA network does not have any facility to track the outcome of exchanges and communications between network members. The result of this is that no data exists to provide evidence of the success of the network. To date the network has filled an information function by linking South Africans together; some future version of the SANSA network may include the ability to track and monitor these relationships to establish more accurate metrics related to the network’s success.

- The average age of the members of the SANSA network appears to be getting older; this is supported by general skills migration data that indicates an older, better skilled population that choose to emigrate. The most current data from SANSA shows the majority of members to be 31 and 55 years old. It is unlikely that those members in the Diaspora will return to South Africa, making the continued success of the network of utmost importance as these individuals will no doubt begin to make more significant contributions as time passes.

- The number of new members of the SANSA network has been diminishing year-on-year since its inception in 1998. This may be due to a number of factors; the initial passion and enthusiasm for the network that was shown by the initiators of the project will have waned and not necessarily been replaced by the NRF, the relatively low-key manner in which the SANSA network is promoted and marketed and the limited media coverage of the activities of the network and most importantly the lack of a driving force behind the network.

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• The majority of members (861 members) are located in the United States and United Kingdom; this may well be an unexpected bonus for the continuation of the networks’ aims to connect academics, researcher and scientists in the Diaspora to those in South Africa. It will also make the task of connecting with these individual on a more personalized based that much easier. Through organisation such as the South African Business Club, which operates in the US and United Kingdom, there is the possibility of giving a ‘on the ground presence’ to the SANSA network.

• Current statistical data from SANSA reflects that 34% of members are from the business sector with 38% from the academic sector. This may indicate that the network is becoming balanced between business interests and those of the NRF, namely science, academia and research.

The future of the SANSA network is as yet uncertain; there is obvious intent from the NRF to continue managing and developing the network, however it is clear that this is not the core business or focus. What will be needed is a more direct and active management of this important Diaspora asset.
The SA Diaspora Network

Background

A second Diaspora initiative in South Africa began in 2001 through funding from the World Bank Development Marketplace. This project is housed at the University of Cape Town’s Centre for Innovation and Entrepreneurship, and was initiated to develop a Diaspora network of South African expatriates and those interested in South Africa’s growth and development, particularly with regard to growing entrepreneurial ventures, links and relationships. This network utilized existing expatriate organisations such at University alumni associations and the South African Business Club, an organization with members in the United Kingdom and United States of America.

The key objectives identified for the project were:

- To facilitate networking between respected and influential ex-South African business people in key overseas markets and young, high potential South African based start-up ventures.
- To increase the quality of international market and competitor information available to high potential South African based start-up ventures.
- To reduce the cost, time and risk of obtaining reliable information from overseas markets by high potential South African based start-up ventures.
- To minimize the risk of the process compromising sensitive competitive information.

A choice existed at the start of the project to choose a path that would develop a network based on quality or one based on quantity. The decision was made to focus energy and resources on the development of a small network of high quality as it was felt that a greater material difference could be made, albeit to a smaller group of high potential South African based businesses.

The project was initiated as a pilot project during 2002/3 that addressed two main groups of people.

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• Local clients – these are represented by high potential South African based businesses that wish to expand into international markets and recognize the need for assistance, guidance and support in their endeavor to internationalize. Local clients were recruited via extensive press and media coverage in South Africa. Over 60 South African companies applied to be part of the Diaspora Project. These clients were interviewed, surveyed and/or visited to ascertain their suitability for inclusion in the Project. A smaller subset of the larger group was selected to participate in the Diaspora program.

• Overseas members – these are represented by well placed and highly connected ex-South Africans living in the greater London area. These members expressed a willingness to assist South African based businesses with their efforts to internationalize. Overseas members were recruited by way of presentations held at the South African Business Club in London as well as at a UCT Graduate School of Business Alumni Association London Chapter meeting held at Old Mutual the following evening. The latter presentation was given to the existing network of the Universities of Cape Town & Stellenbosch Graduate Schools of Business. Interest was received from over 40 well placed ex-South Africans who expressed a desire to assist young South African businesses and entrepreneurs.

The number of initial contacts made was as follows.

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<td>Local clients (Cape Town &amp; Johannesburg)</td>
<td>60</td>
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<tr>
<td>Overseas members (restricted to the London area)</td>
<td>40</td>
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Suitable local clients were introduced to overseas members and encouraged and supported in their discussions. An overseas member, current chairman of the UK chapter of the South African Business Club, visited South Africa and met with a number of the local clients. To date no trade has occurred, however, a number of parties are still in discussion, some at an advanced stage.
To provide a broader base for both including local clients and overseas members, contact was made with a number of potential alliance partners and collaborators from both the public and private sector.

The interest shown in the project given the limited amount of time, money and resources placed on promotion and marketing is a good indicator that there is a need and broad based support for a project of this nature. There is a little or no measurable impact from the pilot project and this may well be due to the fact that emphasis was placed on developing quality relationships rather than building a highly quantifiable network with a greater focus on volume.

Lessons Learned
The pilot phase of the SA Diaspora Project provided the following lessons.

- The network cannot be based purely on a few high quality local members and overseas members, but will rather need to comprise a greater number of participants so as to gain results across a broader base. Given that the network will be aimed at business people, better systems to manage greater numbers of participants and potential alliances with, for example, South Africans Worldwide and the South Afrianc Business Club may fill this requirement.
- A broader geographical base of overseas members will be required to ensure wider acceptance of the project. In addition, a nominal fee should be levied on local members to allow them access to the network. This will need to be supported by a substantially larger network that addresses three broad markets, namely North America, Europe and Australia.
- Greater support from the public and private sector as well as international development organisations will be needed to bolster fee-based income. The network will not be self-sustaining but may well achieve partial self sustainability. The need for broader involvement from all areas of the community will not only provide funding but will also serve to gain social and political support for Diaspora programs in general.
• The internationalization space is active and it is difficult to differentiate one service or initiative from another. There is a concerted effort within South Africa to develop a strong export-based economy and a number of programs, both private and public, exist to support and develop this. The SA Diaspora Network, while offering a unique service, did not have the ability or budget to clearly differentiate and articulate its benefits. Greater emphasis on marketing and promotion will be needed as the project rolls-out.

• There are low levels of collaboration among non-profit organisations assisting South Africans to export and internationalize. The CIE²⁹, through the Diaspora Project, has a key role to play in this regard, and would wish to empower existing NGO’s involved in similar work to use the Diaspora Project model in their initiatives. This represents an opportunity to expand the SA Diaspora Network to other major economic centers (Johannesburg and Durban) and to empower organisations similar to the CIE with the skills and contacts to continue the work in their geographical area.

• Overseas members represent a “moving target” as their interest level, time availability and commitment to the project waivers and shifts. This problem will be obviated through a larger network of overseas members.

• Local clients often have a short term view to exporting and internationalizing and many are not operationally ready to take advantage of export opportunities. The level of readiness and degree of commitment of local members will be further addressed under the next section of this document.

• A greater degree of sharing, collaboration and cooperation is required between both for-profit and not-for profit organisations working to increase South Africa’s export and internationalization capacity.

• The key lesson from the SA Diaspora Network is that the decision to follow a ‘mentoring model’ will take time to yield results. By its very nature, a mentoring model gives guidance, support and encouragement without any direct intervention in moving potential trade relationships forward. Essentially the mentoring model follows a passive path in terms of direct engagement with network members. There
is no onus on members to build relationships and engage in trade save for their own desire to do so. The mentoring model will be slow to show results but the enthusiasm from participants in the pilot project is a positive indication of being on the right track.

**Benefit for SA Businesses**

Based on the initial presentation at the SA Business Club in London, the chairman of the club undertook to travel to

The SA Diaspora Network pilot project is currently dormant given limited funding and personnel. A continued presence on the CIE website has been maintained and contact with key individuals within the SA Business Club in both the United Kingdom and United States has been maintained. There are continued request for assistance from SA businesses and an ongoing indication of support from South African’s in the Diaspora, what is required is a realistic and achievable business plan and sufficient funding to allow for a long-term commitment to a business model.

The high-level of interest in the pilot project, from both SA businesses and South African expatriates is a powerful indication of the interest, support and commitment that a project of this nature can engender. There is evidence, as illustrated above, that the pilot project has added value to SA businesses. The mentoring model, however, will take time to yield more results; this project is undoubtedly promising but it is too early to see tangible results.

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29 The University of Cape Town’s Centre for Innovation & Entrepreneurship (CIE) is an initiative jointly supported by government, the private sector and international development organisations to broadly
develop South Africa’s entrepreneurial capacity through teaching, research and business development.


2 Recommendations

This section will make various recommendations with respect to the path forward for ongoing Diaspora engagements with a view to tapping into the skilled population of expatriate South Africans. The recommendations will be presented through three cross-cutting themes, namely policy implications, future strategies and action plans, for three broad modes of engagement, namely high intensity interventions, occasional interventions and incentive schemes for returning expatriates.

By way of definition; a high intensity intervention refers to active and direct action that build South African institutions that have the capabilities to cooperate with the Diaspora community so as to transfer skills and knowledge back to South Africa. Occasional intervention refers to the opportunistic and serendipitous involvement of the South African Diaspora in the countries development. Incentive schemes for returning expatriates refer the actions and measures that entice or persuade expatriates to return to South Africa.

Policy Implications

Government policy needs to respond to a set of circumstances, often changing, and find a manner in which these can be addressed with a view on the future. Policy should be achievable and manageable without draining resources; either financial or human. The South African government has the task not only of formulating policy for the country in the 21st century, but also to address a number of post-apartheid social and economic issues.

In suggesting policy implications for the South African government with respect to Diaspora involvement, cognizance is therefore taken of the other roles the government will need to play in South Africa’s development, as well as the limited resources available for investment into Diaspora projects.

**High Intensity Interventions**

- Direct financial support for privately initiated Diaspora networks through the Departments of Trade and Industry, Education and Arts, Culture, Science and Technology.
- Initiation of Diaspora “hub point” within South African Trade Missions and Embassies around the world. These hub points would act as infrastructural bases expatriate Diaspora involvement.
- Adjustment of policy related to skills immigration to begin to address the shortage of skills in the country.

**Occasional Interventions**

- Continued support for the ‘Come Home Campaign’ and the ‘Homecoming Revolution’ to make South African expatriates feel welcome and a part of South Africa’s development.
- Vocal support from the political community for the involvement of skilled expatriates in the countries socio-economic development.

**Incentive Schemes for Returning Expatriates**

There is insufficient evidence to support a policy of financial incentives for returning expatriates. Attempts to lure skilled expatriates back to heir home countries began in the 1970’s, there was little success with these schemes save for a few countries such as India, Korea and Taiwan.\(^{31}\) For expatriates to return home, they would need to be offered similar salaries, standards of living, infrastructure and support as they now have in their host countries. A negative in bringing expatriates back home as that the process of “uprooting” them breaks many of the links and connections they have made in their host countries.

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\(^{31}\) M Brown, ‘Using the Intellectual Diaspora to Reverse the Brain Drain: Some Useful Examples’, University of Cape Town.
The role that government can play with respect to policy adjustment, across all modes of Diaspora activity, is minimal. At best the government can play a supporting role to private and public sector initiatives. There is undoubtedly a need for financial and political support from government to build capacity for Diaspora projects, however the two existing Diaspora networks illustrate that sufficient creativity and enthusiasm exists outside of government structures to develop and grow these networks.

**Future Strategies**

Not withstanding the role and responsibility that the South African government has toward addressing the skilled migration from the country, most efforts towards building Diaspora networks and harnessing this expatriate skill will be undertaking by a combination and private sector initiative and public-private partnerships. Some suggested future strategies for initiating Diaspora networks and activity are as follows.

**High Intensity Interventions**

- Ongoing long-term financial support for existing South African Diaspora networks. These networks will take time to bear fruit and often require dedicated human resources to ensure they run efficiently and consistently.
- A combination of virtual (Internet based) and relationship based networks is needed. The virtual network allows for greater ground to be covered for the lowest cost while a relationship based network creates a greater bond and sense of belonging.
- Continued use of University alumni associations as the entry point into existing informal overseas networks. Greater incentive need to be given for Universities to relinquish their alumni lists; there is some degree of distrust around a sharing this information and insufficient collaboration between academic institutions.
- Stronger alliances need to be formed among all organisations, both public and private sector, which are involved in some aspect of Diaspora activity. Be there networks such as SANSA or more informal organisations such South African’s Worldwide (www.thos.co.za).
• Alliances with expatriate business networks such as the SA Business Club will serve to provide additional overseas members as well as a greater presence for all the Diaspora networks.

**Occasional Interventions**
- An awareness and marketing campaign encouraging South Africans to “remain in touch” when living abroad will begin to create awareness around how expatriates can contribute to South Africa’s development.
- Greater publication of stories regarding successful Diaspora projects in South Africa will assist in creating awareness of what can be done and in creating a culture of “nothing is too little” so that all effort from abroad can be used and valued.
- The involvement of travel agencies and those involved in assisting South Africans to emigrate will provide access to emigrants and to provide knowledge about channels of communication once emigrants arrive in their host countries.

**Proposed Action Plan**
The proposed action plan takes a broad view on the various strategies and provides achievable and measurable actions that can be taken to bring these various initiatives to life.

**Policy Recommendations**
Representation should be made to government and NGO’s involved in the formulation of policy recommendations regarding emigration and skills migration. This activity would be best achieved through the provision of data around skills migration and the support of research projects into skilled migration.

**SA Diaspora Network**
This network, run by the UCT Centre for Innovation & Entrepreneurship, has the potential for being a blueprint for other such networks in South African and around the world. The network, unlike SANSA, has limited government involvement giving it a greater degree of a-political influence. Given that a pilot project has already been
undertaken, what is now required is a detailed and comprehensive ‘business plan’
document that will lay out a strategy for achieving the broad scale activation of the South
African Diaspora Network. The document will act as a road map and policy document
for practitioners as well as policy makers. It should detail potential business models,
strategies for sustainability, potential alliance partners as well as detailed cost and
financial projections.


3 Conclusion

The migration of skills is not a unique phenomenon and there will be continued stress placed on developing countries as their training and skilled workers submit to the pull of working and gaining experience abroad. The brain drain from Africa has a twin effect of depriving the country of much needed skill while having to spend limited resources training and educating people. Skilled workers leave their home country for many reasons; among these are local crime, low salaries, deteriorating infrastructure and limited prospects for career advancement. South Africa has not been exempt from this; an estimated 233 609 skilled people left SA during the period 1987 – 1997 which, it is estimated, cost the country US$7.8 billion in lost human capital.32

There has been a growing realization that skilled workers will continue to migrate and that properly managed and harnessed, they can be a powerful and useful asset for South Africa. By accessing the skilled Diaspora through formal and informal networks, the knowledge, skill and contact base of skilled South African expatriates can be utilized to add value to all spheres of life at home.

Two such networks have been instituted in South Africa; the South African Network of Skills Abroad (SANSA) was started by the University of Cape Town’s Science and Technology Policy Research Centre along with the French Institute for Research and Development. SANSA aimed to access the large pool of skilled South African living abroad and to provide a means for them to link with local scientists, academics, engineers and researchers and collaborate on projects that would help to boost South Africa’s development efforts. SANSA has enjoyed success through the creation of an online community of local and expatriate South African who share a concern and passion for the countries development. This network is now managed by the National Research Foundation, a government supported academic research organization.

The second Diaspora initiative was started with support from the World Bank Development Marketplace, who along with the University of Cape Town’s Centre for Innovation & Entrepreneurship ran a pilot project that sought to link local business people interested in internationalizing their businesses to well placed and connected expatriates in the Greater London area. This network, the SA Diaspora Network, followed a mentoring model based on a low volume of participants who were supported, encouraged and assisted through the process of forming connections and relationships. The network enjoyed support from academic alumni associations as well as less formal Diaspora networks such as the South African Business Club in London. The pilot project, while too short to yield transactional results, showed great promise and potential.

These two projects have highlighted the need for a concerted and integrated approach to accessing the SA skilled Diaspora community and using this to enhance and develop skills, opportunities and capacity at home. What is needed is a collaborative effort between government, private sectors, academia, the international community and expatriate South Africans that results in powerful networks being initiated that serve to act as entry points into the global economy.