

Competing Globally for Talent

By Nicholas Cifuentes, CTO, Marketing Consultant

...immigrants have always been, and always will be, one of our greatest economic and cultural assets.

—Michael Bloomberg, New York City Mayor,
at 2008 University of Pennsylvania commencement exercises.



Mayor Bloomberg is not the only advocate of more effective immigration policies to provoke the country's leaders to take action. The debate over immigrant worker systems has become heated, but many questions remain unanswered. For example, the H-1B visa classification system that allows highly skilled degreed workers into the United States is a process begging for reform.

Many argue that the legislative cap of 65,000 H-1B visas is reached too quickly. In 2008, the cap was reached by April 8, just seven days after filing applications began. Applications for advanced degree exemptions, capped at 20,000, were also filled by that date.

With more than 160,000 H-1B applications submitted, and the program disintegrating into what amounts to an annual lottery, concern and irritation with the program is growing.

Proponents of the system argue that increasing the H-1B quota would be in the vital interest of American principles and values. Creating jobs and keeping them here is a key objective in maintaining national economic competitiveness on a global scale. The scientific,

engineering and technology communities must maintain a position of global leadership rather than abandoning the opportunity to grow and conceding the best and the brightest talent, regardless of national origin, to other nations.

Google, eBay, Yahoo, and Sun Microsystems, familiar powers in the IT industry, have paved the way for the United States in global advancement—all were founded by immigrants. Many immigrant workers with H-1B status have contributed greatly to the development, design and implementation of many services that enhance the daily lives of Americans.

On the Other Hand

On the other side of the controversy, the H-1B visa program has been widely criticized for pushing more mature, experienced, and higher US wage earners out the door to be replaced by cheaper foreign workers.

Senators Dick Durbin (D-Ill.) and Charles Grassley (R-Iowa) are working to revise the system to ensure that the H-1B program is not abused in this manner. They fear the program could become a job killer, and worry that loopholes and abuse of the current H-1B and L-1 visa programs may well be at the expense of qualified US workers.

In a published interview, Sen. Grassley said that the bottom line is that "there are highly skilled American workers being left behind, searching for jobs that are being filled by H-1B visa holders. It is time to enact real reform."

Other Issues

It is not only the issue of H-1B visas that has caused a rift in preserving global competitiveness. Many individuals want to leave their native lands for more developed and democratic countries such as the United States. Many come from countries, ravaged by

war or civil disorder, lack of human rights, and political instability.

According to the 2007-2008 Global Competitiveness Report, published by the World Economic Forum in May, the United States leads industrialized countries in receiving new immigrants, refugees and asylum seekers every year. The cost of this generosity amounts to billions of dollars to the US economy.

The Organization for International Migration, reports that more than 1.6 million people immigrate to the United States and Canada each year, with most coming from developing countries. With this influx of immigrants, many individuals and groups assume discriminatory attitudes which negatively impact economic development.

With global capital on the rise, some nations (such as those in the Middle East) can afford the capital expense and labor involved with new immigrants. Therefore, many immigrants in those nations are reconsidering former plans to move to US shores.

Proposed Fixes

Some in the immigrant worker debate wish to overhaul the system entirely, specifically the H-1B specialty worker visa program. The current consensus in this quarter is to eliminate the system entirely and replace it with one similar to that of the UK, Canada and Australia.

A new system such as this would provide a more quality-selective system allowing employers to obtain visas for professionals with specialized skills without quota limitations. Many people do not realize that companies send operations offshore not only because of labor costs, but also because of a lack of qualified personnel in the United States.

Some in the debate, such as Norman Matloff, a computer science professor at the University of California, Davis, believes the H-1B visa cap destroys national competitiveness. He claims that the H-1B visa program is used to avoid hiring older, but more expensive, US



workers, many of whom are first-rate talent. He stated in the November 2004 issue of Communications of the ACM, that this has put a damper on the US economy by dumbing down the workforce with less demand for highly educated and skilled workers.

A number of studies cited by Matloff have found that H-1B visa holders are paid an average of 15–33 percent less than comparable US information technology workers.

Green Cards

Another immigration system holding back America's global competitiveness is the Employment-Based (EB) Green Card process. Each year, 140,000 EB green cards, spread across five preference categories based on education, skills and talent are allotted for foreign nationals seeking permanent US residence and sponsored by employers. The spouses and children also count against the 140,000 green card cap, which accounts for half the allotted number.

However, backlogs have resulted for individuals from high-demand countries, even when the quota has not been reached. This is because green cards are evenly distributed among all countries with a quota set for each. Once the quota is met, only those who applied before the

cut-off date are able to get green cards.

Problems with the EB Green Card program must be addressed so employers can hire the talent necessary for the American economy to remain competitive. With the aging of the Baby Boomers, the United States faces a massive shortage of registered nurses and physical therapists. Add to this the fact that half of all science, technology, engineering, and mathematics graduates of American universities are foreign born. It is counter-productive, then, to tolerate the departure of highly skilled US-educated foreign students, particularly in an economic downturn.

With the administrative delays and mandatory statutory limits surrounding the EB green card system, Americans need to seriously take notice that if we wish to maintain a vibrant and prosperous economy, the EB program urgently needs reform.

Legislative Proposals

A number of Senate bills have been proposed to recapture unused green cards from prior years, exempt spouses and children from the EB quotas, and exempt graduates of US institutions in the fields of science, technology, engineering and math (STEM occupations). For example:

The SKIL Bill (HR 1930/S 1083)—would raise the cap to 290,000 green cards

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a year and allow unused green cards to fall forward annually while recapturing unused cards from prior fiscal years. It would exempt the EB cap professionals who have earned at least a US Master's Degree, and those awarded a medical specialty certification based on post-doctoral training and experience. Spouses and minor children would also be exempted.

The STRIVE Act of 2007 (HR 1645)—proposed the most complete system, increasing the EB green card limit to 290,000 per fiscal year, exempting spouses and children, allowing unused green cards from previous years to be recaptured and making slight increases to the per-country limits for employment-based green cards.

With approximately 192 million people living outside their countries of

origin, migration has become a defining global issue in the 21st Century. Economic globalization will continue to exert pressure on multinational corporations to secure the employment and free movement of labor, especially skilled workers.

If we are to resolve the serious problems associated with immigrant workers in a meaningful and timely manner, it is imperative that Congress examine the problems concerning legal as well as illegal immigration. These issues should be dealt with as separate matters, and immediate, comprehensive legislative reform implemented to reform our total immigration system.

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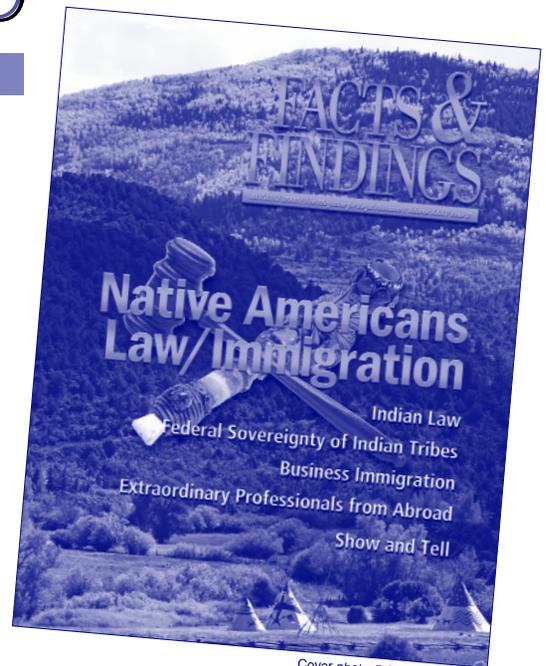
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