Immigration Reform’s ‘Path to Prosperity’

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“Immigration makes us stronger. It keeps us vibrant. It keeps us hungry. And if we want to keep attracting the best and the brightest that the world has to offer, then we need to do a better job of welcoming them.”

-President Barack Obama, remarks at a White House Naturalization ceremony March 25, 2013

It appears the immigration reform legislation put forth by the Senate’s so-called ‘Gang of Eight’ would extend this welcome mat by increasing the number of visas for high-skilled foreign workers allowed into the U.S. and granting permanent legal (‘green card’) status to more foreign students who earn graduate degrees from American universities in the STEM fields (science, technology, engineering and math).

While much of the congressional immigration reform debate is focused on a ‘path to citizenship’ for illegal immigrants, call this initiative the legislation’s ‘path to prosperity.’ There are a number of reasons why it should attract broad support.

Current U.S. immigration practices prevent U.S. companies and entrepreneurs from gaining access to talented, high skilled employees. Last month the chief executives of more than 100 high tech companies wrote President Obama and congressional leaders asking them to change this. According to former Michigan governor John Engler, now president of the Business Roundtable, and ITIC head Dean Garfield: “Tens of thousands of engineering jobs go unfilled, the companies say, because there is not enough skilled labor among Americans nor enough visas to hire people from abroad.”

A further incentive for increasing the number of high skill immigrant visas to the United States is the benefit that can come from the bilateral economic links the immigrant community maintains with their country of origin. Take India, for example. Indian Americans are one of the fastest growing minorities in the United States, and in addition to coming here for higher education, they increasingly have come to start companies and invest. The evidence that Indian immigrants and Indian businesses boost the U.S. economy is clear. Since 2006, Indian

What’s up on Capitol Hill?


With respect to high-skill immigration, it provides for:

• A higher quota for H-1B visas, raising the current base cap from 65,000 to 110,000. The new bill proposes that the cap can eventually increase to 180,000 based on a formula that includes whether the cap is met each year and the number of unemployed high-skilled workers.

• An alteration of the 20,000 person exemption of H-1B visas reserved for U.S. advanced degree holders to a 25,000 person exemption for U.S. advanced degree graduates in science, technology, engineering, and mathematics (STEM) fields.

• The creation of a start-up visa, providing entry to foreign entrepreneurs who create at least five jobs, raise at least $500,000 in investments, and have annual revenue of at least $750,000.

Indian immigrants are likely to be most affected by high-skilled immigration legislation. A number of congressmen have drawn attention to this issue, introducing numerous bills, over 25 bills in the 112th Congress, regarding immigrants with advanced degrees. Among the most prominent bills introduced in the past six months:

• On January 29, 2013, Senators Christopher Coons (D-DE.), Amy Klobuchar (D-MN), Marco Rubio (R-FL), and Orrin Hatch (R-UT) introduced The Immigration Innovation Act of 2013, or the I-Squared Act. The bill focuses on increasing the H-1B visa cap and granting visas and green cards for foreign students studying STEM fields in the United States.

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nationals have founded 33 percent of all engineering and technology companies founded by immigrants in the United States, which accounts for about a quarter of all companies launched. Indian companies support more than 250,000 jobs for locals in the United States. In addition, Indian companies have invested more than $4.9 billion and employ more than 27,000 Americans.

Moreover, if one looks beyond the borders of the United States at the many innovative solutions being created for a growing global market—in energy, transportation, healthcare, etc.—it is clear the United States should encourage similar innovative and entrepreneurial activity domestically. Of the United States’ Fortune 500 companies, roughly 40 percent were started by first or second generation Americans. One recent study found that in 2011, 76 percent of patents from American universities had at least one foreign-born inventor. The fact the many immigrants come to the United States to innovate, resulting in coveted patents, helps keep the United States on the cutting edge of global business. But today, as Vivek Wadhwa has found, immigrant entrepreneurship has stalled. His book, The Immigrant Exodus: Why America Is Losing the Global Race to Capture Entrepreneurial Talent, should be a ‘must read’ for congressional immigration reformers.

A significant part of this “immigrant exodus” is self-inflicted. While the United States is home to the lion’s share of universities with excellence in science and technology, too few U.S. citizens graduate from these programs to meet the needs of U.S. businesses and industry. According to the Congressional Research Service, in 2009 about one third of students in STEM advanced degree programs were in the United States on a temporary visa. They would be prime candidates to fill these unmet needs. But, as Congressman Ed Royce (R-CA) has pointed out “In our current system, we welcome foreign students to the U.S., provide them the world’s best education, and then send them home so that they can compete against us. This makes no sense.”

If U.S. policymakers continue to act as if they believe that quotas unrelated to demand are a good way to operate, then other countries will continue to take the excess talent that we turn away. Australia employs a skills matching system, granting entrance to high-skilled immigrants able to fill open positions in their job market. Chile and Canada offer ‘start-up’ visas to workers who come to begin businesses. A study by the Kauffman Foundation estimates that ‘start-up’ visas offered to foreign-born U.S. entrepreneurs would add roughly 1.6 million jobs to the U.S. economy in 10 years’ time. Prime Minister Cameron recently traveled to India with a specific message: the UK was revising its immigration policies in order to attract the world’s best and

*On the following day, Senators Mark Udall (D-CO), Jeff Flake (R-AZ), Kirsten Gillibrand (D-N.Y.), Mark Warner (D-VA), and Sheldon Whitehouse (D-RI), introduced the Startup Visa Act of 2013 to provide visas to immigrant entrepreneurs.

• A similar bill, the Startup Act 3.0, was introduced both in the Senate and the House on February 13 and 14, 2013, respectively. Senator Jerry Moran (R-KS), one of bill’s sponsors, commented “America has long been seen as the land of opportunity for innovators and entrepreneurs. I fear those days are coming to an end.” Senators Mark Warner (D-VA), Chris Coons (D-DE), and Roy Blunt (R-MO) also presented the bill in the Senate.

• The House bill was introduced by Representative Michael Grimm and nine cosponsors. Both bills in the Senate and House propose granting 75,000 visas for immigrant entrepreneurs. Other provisions include increasing the number of H-1B visas and revising per country limits.

• In November 2012, The STEM Jobs Act, passed in the House with a vote of 245-139, but stalled in the Senate. Introduced by Representative Lamar Smith (R-Texas), the STEM Jobs Act had 68 cosponsors, including Representative Peter Roskam and Representative Edward Royce. The Act proposed to grant as many as 55,000 worker visas for foreign students gaining their M.A.s and Ph.Ds. in the United States and to end the Diversity Visa, or “green card lottery.”

Democrats and Republicans alike acknowledge the benefits of attracting and retaining highly skilled immigrants. Each bill that offers different options to loosen restrictions and provide more opportunities on high skilled workers, in turn presents a path to economic prosperity in the United States.

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brightest minds. It used to be that the United States was the coveted place to emigrate to. That time has passed.

The United States is in a global competition for the best talent and our outdated immigration policies are interfering with our ability to prosper. As President Obama said in his last State of the Union, “Real reform means fixing the legal immigration system to cut waiting periods and attract the highly skilled entrepreneurs and engineers that will help create jobs and grow our economy.” Thoughtful and bold high skill immigration reform is needed now.

Persis Khambatta, Clare Richardson-Barlow, and Camille Danvers also contributed.

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