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**DO NOT READ IF YOU RUN BRAIN DRAIN** Uniqueness overwhelms the link: Saul 18 explains that a slew of factors are deterring foreign students from studying in the US a. There's an increasing lure of schools in English speaking countries like Canada and Australia b. Since Trump was elected, his rhetoric has made the US less attractive to international students. Calling countries shitholes will probably reduce the number of students from those countries c. The Trump administration is more closely scrutinizing visa applications, indefinitely banning travel from some countries and making it harder to get a green card. Overall, there was a 7% drop in foreign applications last fall. Simply throwing more visas out there won't bring any of these people back	44
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# GENERAL

## How Many?

**There are actually around 135,000 visas given out each year**

**Popper 17** Ben Popper, 4-20-2017, "The H-1B visa system has been broken for decades. Now workers want Trump to fix it," Verge, <https://www.theverge.com/2017/4/20/15370248/trump-h-1b-visa-reform-tech-worker-outsourcing-cap> //DF

**Over the decades, the number of H-1B workers allowed into the US each year has grown.** With the 1998 update, the visa cap lifted to 115,000. In 2000, the limit was boosted again, this time up to 195,000. That year, the law was also tweaked so that renewals no longer counted toward the cap. **In 2004, the cap was reset to 65,000, but an exemption was added for 20,000 students graduating from US institutions with master's degrees. Exemptions were also added for workers affiliated with academic institutions, which can include schools and teaching hospitals.** According to Ron Hira, a professor of Public Policy at Howard University who has studied the H-1B issue and testified about it before the Senate, **the actual number of visas handed out each year has been around 135,000 over the last five years.** But it's how H1-B visas are being used by applicants that's really changed. Data from the 2016 batch of H-1B petitions show that the top 10 sponsors of H-1B visa workers in the US are all corporations with large outsourcing businesses: Indian companies like Infosys, Tata, and Wipro, which pioneered the business, and US-based firms like IBM, Accenture, and Cognizant, which saw the success of the Indian contractors and began offering their own competing outsourcing programs. Those 10 firms have more workers currently employed through the program than the next 90 companies combined, a group that includes all of America's largest tech companies and banks.

## History

### Cap

**The cap was raised at the turn of the century, and then was decreased in response to lower market demand, caused by the bursting of the tech bubble**

**Kerr 10** William R. Kerr, Harvard Business School and NBER, 2-2010, "The Supply Side of Innovation: H-1B Visa Reforms and US Ethnic Invention," William Davidson Institute Working Paper, <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/133068/wp978.pdf?sequence=1> //DF

Since the Immigration Act of 1990, there has been an annual cap on the number of H-1B visas that can be issued. The cap governs new H-1B visa issuances only; renewals for the second three year term are exempt, and the maximum length of stay on an H-1B visa is thus six years. While most aspects of the H-1B program have remained constant since its inception, the cap has fluctuated significantly. The largest amount of controversy about the H-1B program focuses on this cap. Indeed, a search of Lexis-Nexis finds more than three thousand news articles about the visa from 1995-2006. Executives of high-tech firms often argue that higher H-1B admissions are necessary to keep US businesses competitive, to spur innovation and growth, and to keep firms from shifting their operations abroad. Detractors, on the other hand, argue that the program displaces American workers, lowers wages, and discourages on-the-job training. Figure 4 uses fiscal year data from the United States Citizenship and Immigration Services (USCIS) to plot the evolution of the numerical cap.<sup>11</sup> The 65,000 cap was not binding in the early 1990s but became so by the middle of the decade. Legislation in 1998 and 2000 sharply increased the cap over the next five years to 195,000 visas. The language contained in the 1998 legislation argued that "American companies today are engaged in fierce competition in global markets" and "are faced with severe high-skill labor shortages that threaten their competitiveness." These short term increases were allowed to expire during the US' high-tech downturn, when visa demand fell short of the cap. The cap returned to the 65,000 level in 2004 and became binding again, despite being subsequently raised by 20,000 through an "advanced degree" exemption.<sup>12</sup> These adjustments to the H-1B cap are large enough to be economically important. Back-of-the-envelope calculations using the CPS suggest that raising the H-1B cap by 65,000 visas would increase the US SE labor force by about 1.2%, holding everything else constant. This increase would be about half of the median annual growth rate of SE workers, calculated at 2.7% during the period. Thus, while the H-1B program does not have the size to dramatically alter aggregate levels of US invention in the short run, it does have the size to substantially influence the growth rate of US innovation, which is what our empirical specifications test. These effects on the growth of innovation can have very significant impacts on economic growth and aggregate welfare when compounded over time.

# OFFENSE

## Doctor Brain Drain

### Link – Lowering Supply

**Increases in available H-1B visas push Indian doctors, who are crucial to improving the country's ramshackle healthcare system, to leave.**

**Baptiste 14** Nathalie Baptiste, Foreign Policy In Focus, 2-26-2014, "Brain Drain and the Politics of Immigration," Nation, <https://www.thenation.com/article/brain-drain-and-politics-immigration/> //DF

The increase of available H-1B visas allows for highly educated foreigners to pursue a more prosperous career in the United States. But what does it mean for the countries they leave behind? In India, home to the large majority of H-1B visa recipients, many medical students opt to study abroad because of rising costs and limited capacity at their public institutions. The medical brain drain in India not only reduces the number of doctors available for care, but it also removes the people needed to push for healthcare reforms. Considered the most privatized health system in the world, India's public health system is made up of mainly rural health centers that lack basic infrastructure, medicines and staff. India spends only 0.9 percent of its GDP on healthcare, which promotes a large private healthcare industry that remains inaccessible to the poor. The wealthy can afford to be treated at a state-of-the-art hospital for a stomach ache, while the poor must walk long miles to receive treatment for sicknesses and sometimes discover that the medicine they need is unavailable. The shortage of doctors is staggering: there are only six doctors for every 10,000 patients. People in need of medical attention may spend days waiting in line for tests or drugs because there are simply not enough doctors

and nurses available to tend to their medical needs. India is not the only country that suffers from brain drain, and the loss of human capital does not only affect the medical industry. Zimbabwe is struggling to keep its education sector from collapsing after losing 45,000 teachers in 2010 alone. Haiti has lost more college graduates than any other country in the world. Brain drain is occurring in every region of the developing world.

## Exploitation

**After being fired from an H1B job, workers lose their status immediately. They have 10 days to apply for a non-immigrant visa (Webmaster - American Technology Consulting)**

What Happens if I get fired while H1B status? What are my options? 09/11/14, American Technology Consulting,

<http://american-technology.net/blog/options-for-employees-fired-on-h1b-status/> (NK)

H-1B visa permits foreign nationals to work and stay in the U.S. with a sponsoring employer. Once H1B visa is approved and the foreign nationals step in the U.S., they acquire a H1B status. They are considered to be legally working for the sponsoring employer until the 6-year period expires. However, there are instances where workers under H1B status are let go before the set duration expires. If you wish to continue living legally in U.S after being let go on H1B status, you will need to insure the following. **When the employer dismisses you from employment, your H1B status is no longer valid. However, USCIS will allow H1B visa holders whose status has been terminated to change status to another nonimmigrant visa. This means that you may apply for B-1 or B-2 nonimmigrant visa to continue staying in the U.S. The petition for change of status should be applied for within 10 days after you have been let go.** If you still wish to maintain your H1B status, you will need to find a new sponsoring employer who can offer you a position relevant to your field of education. The new employer will then need to file a H1B visa transfer. You can also

## Uniqueness – Wage Theft

**H-1B workers are (literally) criminally underpaid by their employers, sometimes for tens of millions of dollars**

Hira 15 Ron Hira, 2-19-2015, "New Data Show How Firms Like Infosys and Tata Abuse the H-1B Program," Economic Policy Institute,

<https://www.epi.org/blog/new-data-infosys-tata-abuse-h-1b-program/> //DF

**The principal reason that firms use H-1Bs to replace American workers is because H-1B nonimmigrant workers are much cheaper than locally recruited and hired U.S. workers.** As Table 1 shows, Infosys and Tata pay very low wages to their H-1B workers. The average wage for an H-1B employee at Infosys in FY13 was \$70,882 and for Tata it was \$65,565. Compare this to the average wage of a Computer Systems Analyst in Rosemead, CA (where SCE is located), which is \$91,990 (according to the U.S. Department of Labor). That means Infosys and Tata save well over \$20,000 per worker per year, by hiring an H-1B instead of a local U.S. worker earning the average wage. But at SCE specifically, the wage savings are much greater. SCE recently commissioned a consulting firm, Aon-Hewitt, to conduct a compensation study, which showed that SCE's IT specialists were earning an average annual base pay of \$110,446. That means **Tata and Infosys are getting a 36 to 41 percent savings on labor costs—or saving about \$40,000 to \$45,000 per worker per year.** Adding insult to injury, **Infosys and Tata have a history of getting in trouble for paying even lower wages than they are already legally allowed to pay. In 2013 Tata paid \$30 million to settle a wage theft dispute involving 13,000 foreign workers,** and Infosys paid a record \$34 million to settle a visa fraud case after it committed "systemic visa fraud and abuse of immigration processes." As a general principle, companies that behave like this should not be allowed to benefit from the U.S. temporary foreign worker programs, much less be the top two beneficiaries of them.

**Wage theft is common practice – 40% of visas occupy the lowest wage tiers**

Chen 17 Michelle Chen, 4-13-2017, "Silicon Valley Sweatshops," Nation, <https://www.thenation.com/article/silicon-valley-sweatshops/> //DF

In vilifying "white collar" workers from Asia, Trump opportunistically courted struggling lower-middle-class professionals, playing on lower-bourgeois protectionist anxieties. But beyond the political arena, whatever piecemeal reforms Trump presents will fail to hold

accountable the real corporate giants driving Silicon Valley's modern-day "shape-up." Advocates say the system encourages abuse by mega-staffing firms like Infosys and Accenture, who acting as labor brokers that feed low-cost workers to employers, leaving many individual smaller companies unable to tap into a labor pool that is monopolized by the biggest players. While huge multinationals and staffing agencies dominate the market for this perma-outsourced workforce, they can harvest masses of applications in order to claim as many visa spots as possible, creating an epic backlog that the government tries to manage by issuing visas through a lottery system. Bosses insist there simply "aren't enough" STEM-field graduates in the United States to match the job-market demand. But the labor mismatch is less about workers' qualifications than whether the job fits for workers. Why would an American STEM graduate take a job that won't earn her enough to repay student debt, in a field where promotional opportunities are often reserved for white men? So companies find it more profitable to bring in lower-wage migrants, often highly trained specialists frustrated by economic barriers in their own home countries. But their career pathways are constrained by debt, restrictions on changing employers, and severely limited access to green cards. And they're still poor. About **40 percent of H-1B visas approved in 2015 occupied the lowest-wage tiers, which the Economic Policy Institute estimates could undercut a sector's prevailing wages by 40 percent**. Tracking career progress over time, EPI found that out of roughly 460,000 H-1B visas imported in recent years, the ratio of immigrant Mark Zuckerbergs to rank-and-file coders was heavily skewed, despite Big Tech's youthful entrepreneurial promise: [T]he top H-1B employers have been using the program for temporary labor—and as a vehicle to outsource jobs to overseas locations—rather than as a bridge to permanent immigration, which could keep skilled workers in the US labor market for the foreseeable future.

### **They're paid very low wages**

**Ontiveros 17** Maria L. Ontiveros [Professor of Law, University of San Francisco], 3-1-2017, "H-1B Visas, Outsourcing and Body Shops: A Continuum of Exploitation for High Tech Workers," BERKELEY JOURNAL OF EMPLOYMENT & LABOR LAW, <https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=1499&context=bjell> //DF

In a typical scenario involving an individual complainant, Cherry Chiu,<sup>46</sup> a female engineer, arrived from China to work on an H-1B with CGI-AMS as a JAVA programmer. At first there were no problems. She enjoyed her work, received positive performance reviews, had her visa renewed at the three year mark and was working with the company to get a green card. Eventually, however, two problems emerged. First, her supervisor changed. Whereas she had a positive working relationship with her previous boss, her new one treated her poorly, criticizing her personality and English ability. Second, she found out that she was paid less than were other JAVA programmers, and complained that she was not paid the prevailing wage. In response to complaints about her supervisor and her salary, she was fired and progress on her green card also came to a halt. Without a job and without her green card process completed, she became "out of status" and feared going to court because of the possibility that she would be deported.<sup>47</sup> Many H-1B workers experience similar problems with substandard pay. Although the statute says that visa workers should be paid on par with regular workers, surveys consistently show H-1B workers earning less than their non-visa counterparts. One expert testified before Congress that H-1B workers averaged about \$13,000 less than the median wage for U.S. workers in the same occupation and state; **most H-1B workers were paid wages in the bottom 25th percentile of U.S. wages controlled by occupation and state; and just 16% of H-1B workers earned wages that were above the median U.S. wage for occupation and state.**<sup>48</sup> **As a result, companies using H-1B workers have reported wage savings of between 20 and 40 percent after switching from using U.S. workers.**<sup>49</sup>

Several reasons explain the ability of companies to pay relatively low wages to H-1B workers. First, because employers may choose among wage surveys or use their own wage surveys to set the prevailing wage, they have control over the wage that will be set and have an incentive "to select the lowest of many widely varying figures."<sup>50</sup> The ability of private wage surveys to effectively protect the interests of the American workforce was recently criticized and struck down in the context of a parallel guest worker program (the H-2B visa program).<sup>51</sup> In that case, the Third Circuit found that the Department of Labor's shift in policy to allow the use of private wage surveys instead of government surveys violated the Administrative Procedures Act because it did not provide a reason for its change in policy.<sup>52</sup> Although this procedural defect may not invalidate the use of private surveys for the H-1B program, the finding by the court that allowing the use of private wage surveys was an "arbitrary and capricious act"<sup>53</sup> is significant. The court found the Department of Labor's decision faulty because the private surveys resulted in wages that were consistently lower than those found in government surveys and because "this authorization creates a system that permits employers who can afford private surveys to bring H-2B workers into the country for employment at lower wages than employers who cannot afford such surveys and who therefore must offer the higher OES prevailing wage."<sup>54</sup> These criticisms of private wage surveys are equally applicable to the use of private wage surveys in the H-1B program.

**Companies can pay workers less in several ways a. By using their own wage surveys to set a low prevailing wage b. By defining a worker's job as low-skilled, and thus, low pay c. The oversight process that would prevent this manipulation is no more than a rubber stamp**

**Ontiveros 17** Maria L. Ontiveros [Professor of Law, University of San Francisco], 3-1-2017, "H-1B Visas, Outsourcing and Body Shops: A Continuum of Exploitation for High Tech Workers," BERKELEY JOURNAL OF EMPLOYMENT & LABOR LAW, <https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=1499&context=bjell> //DF

Many H-1B workers experience similar problems with substandard pay. Although the statute says that visa workers should be paid on par with regular workers, surveys consistently show H-1B workers earning less than their non-visa counterparts. One expert testified before Congress that H-1B workers averaged about \$13,000 less than the median wage for U.S. workers in the same occupation and state; most H-1B workers were paid wages in the bottom 25th percentile of U.S. wages controlled by occupation and state; and just 16% of H-1B workers earned wages that were above the median U.S. wage for occupation and state.<sup>48</sup> As a result, companies using H-1B workers have reported wage savings of between 20 and 40 percent after switching from using U.S. workers.<sup>49</sup> Several reasons explain the ability of companies to pay relatively low wages to H-1B workers. First, because employers may choose among wage surveys or use their own wage surveys to set the prevailing wage, they have control over the wage that will be set and have an incentive "to select the lowest of many widely varying figures."<sup>50</sup> The ability of private wage surveys to effectively protect the interests of the American workforce was recently criticized and struck down in the context of a parallel guest worker program (the H-2B visa program).<sup>51</sup> In that case, the Third Circuit found that the Department of Labor's shift in policy to allow the use of private wage surveys instead of government surveys violated the Administrative Procedures Act because it did not provide a reason for its change in policy.<sup>52</sup> Although this procedural defect may not invalidate the use of private surveys for the H-1B program, the finding by the court that allowing the use of private wage surveys was an "arbitrary and capricious act"<sup>53</sup> is significant. The court found the Department of Labor's decision faulty because the private surveys resulted in wages that were consistently lower than those found in government surveys and because "this authorization creates a system that permits employers who can afford private surveys to bring H-2B workers into the country for employment at lower wages than employers who cannot afford such surveys and who therefore must offer the higher OES prevailing wage."<sup>54</sup> These criticisms of private wage surveys are equally applicable to the use of private wage surveys in the H-1B program. Second, once a survey has been selected, employers can use a variety of mechanisms to set the lowest possible wage. Employers choose a prevailing wage based on a location, a job title, a job description and a job level. Each of these designations allows the employer discretion that can result in a lower wage. In setting a job title, for example, someone who works in the computer software field could be considered a "software engineer," a "systems analyst," or a "programmer." An employer can choose the job title with the lowest average salary and use it on the LCA.<sup>55</sup> The job description often includes the bare minimum education and experience requirement, which leads to a lower rate of pay.<sup>56</sup> The employer is also able to determine the level of the job and will routinely list the job as an entry-level position, which again drives the wage rate down.<sup>57</sup> In 2010, 54% of the H-1B visas issued were for "entry-level" positions which, according to the statute, only require a "basic understanding of duties and perform routine tasks requiring limited judgment."<sup>58</sup> Only 6% of the H-1B visa recipients were categorized as Level IV employees who receive the highest level of compensation.<sup>59</sup> There have also been reported instances of an employer misrepresenting the location of a job in order to set the prevailing wage based on a lower cost region.<sup>60</sup> Finally, there is very little oversight of the information provided on the LCA regarding the job and its associated prevailing wage. Currently, the Department of Labor only reviews the LCA for completeness and looks for glaring inaccuracies.<sup>61</sup> As long as the application looks reasonable on its face, there is no independent verification.<sup>62</sup> For example, in order to be subject to additional questioning, an employer would have to do something as obvious as putting a prevailing wage rate below the federal minimum wage or putting a wage rate on the application that is below the range it has submitted in its survey.<sup>63</sup> As a result, "The DOL's Office of Inspector General has described the LCA certification process as merely a 'rubber stamp' of the employer's application."<sup>64</sup> Taken as a whole, these practices result in H-1B visa workers routinely working at a pay rate below what most people would consider the true prevailing wage rate.

## Uniqueness – Power Imbalance

### **Employers can exploit H-1Bs and subject them to poor working conditions, since they, not the worker, hold the visa. There is little oversight and enforcement**

Ron Hira (Economic Policy Institute). "THE H-1B AND L-1 VISA PROGRAMS Out of Control." October 14, 2010.

<https://secure.epi.org/files/page/-/pdf/bp280.pdf>

For several years, Congress has debated revising high-skill immigration policies as part of larger comprehensive immigration reform legislation. An important consideration is what to do about two major high-skill guest worker programs, the H-1B and L-1 visa programs, which account for an estimated 1 million guest workers. Both of these visa programs need immediate and substantial overhaul. The goals of the H-1B and L visa programs have been to bring in foreign workers who complement the U.S. workforce. Instead, loopholes in both programs have made it too easy to bring in cheaper foreign workers, with ordinary skills, who directly substitute for, rather than complement, workers already in the country. They are clearly displacing and denying opportunities to U.S. workers. The loopholes also provide an unfair competitive advantage to companies specializing in offshore outsourcing, undercutting companies that hire American workers. For at least the past five years nearly all of the employers receiving the most H-1B and L-1 visas are using them to offshore tens of thousands of high-wage, high-skilled American jobs. Offshoring through the H-1B program is so common that it has been dubbed the "outsourcing visa" by India's former commerce minister. H-1B and L-1 visa use has become antithetical to policy makers' goals due to four fundamental flaws: 1. Neither visa requires a labor market test. Employers can and do bypass American workers when recruiting for open positions and even replace outright existing American workers with H-1B and L-1 guest workers. 2. Wage requirements are too low for H-1B visas, and they are non-existent for L-1. The programs are extensively used for wage arbitrage. Employers have told the GAO that they hire H-1Bs because they can legally pay below-market wages. The Department of Labor has certified wages as low as \$12.25 per hour for H-1B computer professionals. The arbitrage opportunities for L-1 visas can be even greater because employers pay home-country wages. In the case of workers from India—the largest source country for L-1 visas—this can mean a 90% discount for importing an L-1 guest worker compared to hiring an American. 3. **Visas are held by the employer rather than the worker. H-1B and L-1 visa workers can be easily exploited and put into poor working conditions but have little recourse because the working relationship is akin to indentured servitude.** 4. **Program oversight and enforcement is deficient. Department of Labor review of H-1B applications has been called a "rubber stamp" by its own Inspector General. A DHS IG report found that one in five H-1Bs were granted under false pretenses.** The L-1 visa program has not been reviewed for more than four years even though the last DHS IG report found that there were "significant vulnerabilities to abuse." By closing the H-1B and L-1 visa loopholes described above, we would create and retain tens of thousands of good quality American jobs and ensure that our labor market works fairly for American and foreign workers alike. Bipartisan legislation, the H-1B and L-1 Visa Reform Act of 2009, would accomplish that. The United States benefits enormously from high-skilled permanent immigration, especially in the technology sector. When we need foreign workers with truly specialized skills, we should rely on permanent immigration rather than guest worker visas.

### **H-1Bs are defined by dependency – tying a worker to their employer**

Banerjee 14 Payal Banerjee, [Department of Sociology, Smith College], 2014, "THE INSECURITIZATION OF IMMIGRANT LABOUR: ASIAN INDIANS IN THE UNITED STATES," Man In India, <http://www.serialsjournals.com/serialjournalmanager/pdf/1401262969.pdf> //DF

The shift in the method of inducing immigrants — from a more permanent basis to their incorporation into the economy in previous decades followed by an emphasis on temporary work-visa based short-term entry into the country starting in the 1990s — is paralleled by another significant contemporaneous trend: flexible hiring. Employment patterns in the so-called high-skilled and high-wage services sector, including IT, have been rapidly changing in response to companies' desire for flexible and temporary hiring (Barley and Kunda 2004; Benner 2002; Smith 2001). To minimize operations costs and respond without delay to the rapid demands of the market without sustaining the cost of maintaining permanent employees, companies started to externalize their labour needs to a wide array of intermediaries: e.g., staffing agencies, subcontractors, in-house service providers, consulting companies, web-based labour brokerage firms, as well non-employee consultants and independent contractors. Subsequently, flexible, contingent, and short-term contractual work arrangements in the high-skill services sector increased accompanied by cycles of joblessness and underemployment, insecurity, deskilling, lack of career mobility, and reductions in income and benefits (Barley and Kunda 2004; Benner 2002; Carnoy, Castells, and Benner 1997; Smith 2001). The move toward recruiting IT workers on the H-1B on a temporary basis complements the mandate of flexible hiring under neoliberal labour regimes in general. **The defining feature of the H-1B is that it is an employment and employer dependent visa.** An employer seeking to hire a skilled worker who is not a permanent resident or citizen has to petition to the government to approve an H-1B visa on the company's behalf to enable this employee to work in the U.S. for that specific employer only. Therefore, **these employees' eligibility to work and stay in the U.S. depends entirely on being employed by the company authorized by the state to hold**



their visas. Without their visa-holding employer, these immigrants have no independent legitimacy to either work or live in the U.S. Consequently, if fired, these workers lose their status and become liable to deportation unless they find employment with another company willing to transfer their work visa. The H-1B is issued for three years initially and may be renewed for three more following a petition for extension. An immigrant on the H-1B, however, may lose work and immigration status at any given point during this time if faced with a lay-off.

### **Because the visa gives the employer control over the worker's job and legal status in America, it subordinates the worker to them**

**Banerjee 14** Payal Banerjee, [Department of Sociology, Smith College], 2014, "THE INSECURITIZATION OF IMMIGRANT LABOUR: ASIAN INDIANS IN THE UNITED STATES," Man In India, <http://www.serialsjournals.com/serialjournalmanager/pdf/1401262969.pdf> //DF

These visa stipulations have impacted immigrant IT workers on the H-1B in critical ways. The H-1B visa's requirement that non-U.S. workers be hired directly by U.S. employers has partly contributed to their disproportionate concentration as contract workers employed by labour vendors in the lower tiers of subcontractual work (Banerjee 2006). Increasingly, U.S. companies are accessing IT labour through consulting companies and labour vendors who manage projects and also supervise contract workers. Consulting firms, like their clients, have minimized direct hiring given the appeal of flexible hiring. This lack of interest in direct hiring creates a dilemma for those individuals who are required by law to have an employer to process and hold their H-1B visas. The corporate sector in the U.S. has resolved this impasse: the time-consuming and expensive process of large-scale recruitment and subsequent employment of non-U.S. workers is delegated to a subset of companies or labour-vendors (sometimes referred to as Bodyshops). It becomes the responsibility of these subcontractors to aid entry and hiring of skilled workers from India in need of an employer and employment-based work authorization in the U.S. such that the entire range of businesses can benefit from their labour without assuming any responsibilities. Moreover, given the fact that the terms of the H-1B have equated employment, work authorization, and legal status, the visa has created a unique equation of employer-dependence for immigrants at various levels (Banerjee 2008). Nitin, an Indian immigrant on the H-1B working for a client in banking, highlighted how the visa has been instrumental in making distinctions based on legal status and work eligibility. The biggest difference we feel as H-1B workers compared to green card holders or citizens is that they do not need to rely on a company for their legal status in the U.S. or to work. We do. Without the H-1B, we have no status. So, before we think of anything else, we have to think about staying in status which immediately means being employed with a company who will hold my visa. Like Nitin, other research participants used words such as "bound," "tagged," and "governed by employers" to express their sense of restriction, subordination, and general inability to negotiate the labor market independently without being tied to employers. As a result of being dependent on employers for legal status, immigrant IT professionals were often forced to accept unfavourable terms of payment, take on the responsibility of searching for client projects in order to generate revenue for their labour-vendor employers, and relocate frequently to new project locations in different parts of the country to ensure their employed status. This form of socially constructed dependence on employers has severely compromised these immigrants' bargaining power and heightened their vulnerability in an employment regime already fraught with chronic job insecurity and transience associated with flexible hiring.

### **This dependency creates numerous routes to exploitation**

**Banerjee 14** Payal Banerjee, [Department of Sociology, Smith College], 2014, "THE INSECURITIZATION OF IMMIGRANT LABOUR: ASIAN INDIANS IN THE UNITED STATES," Man In India, <http://www.serialsjournals.com/serialjournalmanager/pdf/1401262969.pdf> //DF

We see the manifestation of comparable socio-structural dynamics in the context of how work and legal status are organized for Indian IT professionals placed as temporary and contingent workers. The neoliberal economy's preference for flexible hiring, in particular the incorporation of immigrants in flexible terms, along with the nuances of the H-1B visa have made immigrant IT workers especially vulnerable to exploitation in numerous ways (Banerjee 2006). First, Indian IT professionals are far more likely to find themselves at the bottom tiers of the subcontracting hierarchy than their U.S. counterparts.<sup>3</sup> Second, large portions of their salary are deducted as commissions by the various subcontractors. A study based on data from the U.S. Department of Labor concluded that although workers on the H-1B visa are supposed to be paid the prevailing wages of the market, IT workers on this visa earn about \$13,000 less per year on average than their U.S. counterparts in similar occupational categories and geographic areas (Miano 2005). Third, interviewees felt the

**H-1B placed them in a relationship of dependence to their employers and greatly compromised their autonomy. Fourth, employers routinely exploit their visa-dependent workers:** arbitrary demands for higher commissions, rent, and other hidden fees and charges in the name of health care or visa sponsorship are not uncommon. **Fifth, Indian IT workers on the H-1B described their recurrent “bench” periods — the time between consecutive projects, often characterized by salary-cuts and the fear of an imminent lay-off — as one of the most demoralizing and anxiety-ridden aspects of their experience.** In order to preserve their livelihood and legal status, these workers assume the responsibility of finding their own projects and in general feel the pressure to act in ways that would not risk their employment. **Sixth, immigrants subject themselves to considerable hardships and unstable work conditions.** Interviewees outlined the difficulties of their lives informed by, for instance, **frequent relocations, frugal lifestyles to recompense episodic unemployment, keeping possessions minimal to ease the burden of repeated unreimbursed moving, deferring the establishment of long-term households, delaying marriage or having children, and separation from family.** These conditions illustrate the far reaching consequences of the ways in which the mandate of flexible accumulation, temporary hiring, and the terms of the H-1B visa have co-produced a very specific category of vulnerable and subordinated workers out of immigrants in the era of neoliberal globalization.

## Abuse

## FDI Bad

### IL – Monopolies

#### 80% OF FDI is mergers

Geng Xiao, Asian Development Bank “ People’s Republic of China’s Round-Tripping FDI: Scale, Causes and Implications July 2004

Most of global FDI, especially FDI among developed countries, is in the form of **mergers & acquisitions** rather than through green-field investment. In 2001, M&A **amounted to as much as 80% of global FDI (little in the form of productive investment that creates jobs and exports).** Among all the M&A in 2001, 83.5% conducted in the developed countries, 31.1% in U.S. alone and only 5.8% in Asia and the Pacific region. But cross-border M&A are very similar to round tripping FDI except that they are not intended to get around of the regulation. Instead, they are for the purpose of getting the services of global financial markets since the mergers and acquisitions involve more in changes of ownership and control than in net transfers of capital across borders. As 80% of the global FDI are in the form of mergers and acquisitions, we should not be surprised to see global round tripping FDI to reach a level as high as 40% if we account the cross-border ownership swaps as in the mergers & acquisitions deals as round tripping FDI. Global FDI stock increased from \$636 billion in 1980 to \$6258 billion in 2000, an increase of almost ten folds. During the same period, world trade volume increased only about three folds from \$4 trillion in 1980 to \$12.5 trillion in 2000. This is mainly due to the increasing importance of mergers and acquisitions related FDI, which could be regarded as a kind of round tripping FDI.

#### Massive Deals; this is some gilded age shit.

World Trade Organization, “Trade liberalisation statistics” 2/13/15

In 1980-1996 only 33 of 130 developing countries increased growth by more than 3% per capita, while the GNP per capita of 59 countries declined. Around 1.6 billion people are economically worse off today than 15 years ago. (UNDP Human Development Report, 1999, p. 31.) FDI rose by 13 times in the 1990s compared with the 1970s, but GDP growth was 50% lower. One of the reasons is that foreign investment has concentrated on purchasing assets rather than creating new sources of production (in the period 1995-98, transfers of property accounted for nearly two-thirds of total FDI flows); over 80% of FDI is in the form of mergers and acquisitions (97% of which are acquisitions); **most of the FDI is in the form of massive deals (50% comes from deals of over \$1 billion);** 41% of FDI in developing countries

(excluding China) is in the form of mergers and acquisitions; EU multinationals have taken over from the US as the biggest buyers in developing countries; cross-border mergers and acquisitions have increased by over 25 times since 1980 (as a proportion of world GDP).

## Hurts Local Business

Brian Aitken, American Economic Review, "Do Domestic Firms Benefit from Direct Foreign Investment? Evidence from Venezuela"

<http://siteresources.worldbank.org/INTRADERESEARCH/Resources/544824-1282767179859/Venezuela.pdf>

"Using a panel of more than 4,000 Venezuelan plants between 1976 and 1989, we identify two effects of foreign direct investment on domestic enterprises. First, we find that increases in foreign equity participation are correlated with increases in productivity for recipient plants with less than 50 employees, suggesting that these plants benefit from the productive advantages of foreign owners. Second, we find that **increases in foreign ownership negatively affect the productivity of wholly domestically owned firms in the same industry**. These negative effects are large and robust to alternative model specifications. Although previous studies generally found positive effects, we show that these results can be explained by the tendency for multinationals to locate in more productive sectors and to invest in more productive plants."

## FDI's linked with Higher Poverty

Paolo Figini, University of Bologna, "Does Globalization Reduce Poverty? Some Empirical Evidence For The Developing Countries," <http://www2.dse.unibo.it/wp/459.pdf>

A few concluding remarks can be outlined. First, although many caveats exist, trade openness and the "size of the government" seem to be associated with lower poverty levels. Conversely, financial openness, although not statistically robust, tends to be linked to more poverty. Second, there is a substantial difference between absolute and relative poverty analysis. Trade openness tends not to significantly affect relative poverty, while **financial openness tends to be linked with higher relative poverty**.

## Reduces number of local businesses created and increases their failure rate

Koen de Backer, "DOES FOREIGN DIRECT INVESTMENT CROWD OUT DOMESTIC ENTREPRENEURSHIP", <http://www.econ.upf.edu/docs/papers/downloads/618.pdf>

"The results in table 3 support the hypothesis that international competition hinders the formation of domestic entrepreneurs. The negative and

significant coefficients of IMPGROWTH and FORENTRY clearly suggest that **import competition and the inflow of FDI have a negative effect on the entry of domestic entrepreneurs. Strong import competition causes prices to fall on product markets and discourages domestic entrepreneurs to enter the shrinking the domestic market**. The immediate negative effect of import competition on domestic entry is -0.091 (-0.099\*0.921) while the total effect through the partial adjustment process is -0.131 (-0.099\*0.921/0.695). The negative effect of foreign entry is significantly larger, **suggesting that the inflow of FDI impedes the entry of domestic entrepreneurs because of stronger competition on the product market as well as skimming off the (best) workers on the labor market**. The immediate effect of foreign entry is -0.214 (= -0.237\*0.921), while the total response of domestic entry on foreign entry is -0.702 (= -0.237\*0.921/0.305). As the coefficients can be interpreted as elasticities, **an extra FDI inflow of 10% would then cause, ceteris paribus, the entry rate of domestic firms to fall with 7% in the long run**. The insignificant coefficient of FOREXIT suggests that new domestic firms do not easily replace foreign firms leaving Belgium. The results for the domestic exit-equation also support the crowding out effect of domestic firms by foreign firms and to a lesser extent by import competition. The positive coefficient of FOR ENTRY demonstrates that **the inflow of FDI forces domestic entrepreneurs to exit, because of lower prices on product markets and/or higher wages on the labor market** (encouraging domestic entrepreneurs to become wage workers). The positive albeit insignificant coefficient of FOREXIT in this equation may reflect that the exit of foreign firms directly results in the exit of domestic supplying/buying firms, however further evidence is necessary in order to validate this explanation"

## Global Companies take shape as an oligopoly - results in less competition

Bruce Upbin @ Forbes "The 147 Companies That Control Everything" 2011

<http://www.forbes.com/sites/bruceupbin/2011/10/22/the-147-companies-that-control-everything/>

Three systems theorists at the Swiss Federal Institute of Technology in Zurich have taken a database listing 37 million companies and investors worldwide and analyzed all 43,060 transnational corporations and share ownerships linking them. They built a model of who owns what and what their revenues are and mapped the whole edifice of economic power. **They discovered that global corporate control has a distinct bow-tie shape, with a dominant core of 147 firms radiating out from the middle. Each of these 147 own interlocking stakes of one another and together they control 40% of the wealth in the network. A total of 737 control 80% of it all.** The top 20 are at the bottom of the post. This is, say the paper's authors, the first map of the structure of global corporate control.

## International Brain Drain

### UQ – Indian Gov't Tax Breaks

**The Indian government is creating tax breaks to encourage Indian workers to return to India.**

### UQ – R/T Workers Will Just Go to Other Countries

**Workers can't just go to other countries because each country has a cap. For example Canada caps high skilled immigration at 67,800 immigrants.**

Nicholas Keung (The Star). "Canadian government to raise annual immigration intake by 13% by 2020." November 1, 2017.

<https://www.thestar.com/news/immigration/2017/11/01/canadian-government-to-raise-annual-immigrant-intake-by-13-by-2020.html>

However, the 2020 target still falls far short of the 450,000 level recommended by the federal government's own economic advisory council as the Liberals carefully manage the often sensitive and divisive immigration file. Under its 2018 immigration plan, the government will phase in the increase over three years by raising the intake initially to 310,000 next year and 330,000 in 2019 before reaching the 340,000 target in 2020.

The economic class immigrants include federal high-skill workers and those brought in by provinces based on local labour market needs. **The quota for the provincial nominee program will go up by 32 per cent to 67,800 from the current 51,000 in the next three years.** "The increase is to meet Canada's ever-growing demand for skilled labour. We will continue to wisely use immigration as a tool to power our economy," Hussen said. "The multi-year planning will ensure predictability and stability for provinces and cities to plan ahead and do their parts."

**Impacts to brain drain are scalar, any loss of human capital triggers our impact.**

### Link – Wages

**Immigrants are not just only drawn by the higher wages themselves, but what they represent – status, dignity, and power in relationships**

Ernst 15 Stephen Ernst, 8-2015, "The Paradox of High-Skilled Migration: Is the Brain Drain the Best Antidote to the Brain Drain?," Graduate School of Arts and Sciences, Brandeis University, Graduate Program in Global Studies,

<http://bir.brandeis.edu/bitstream/handle/10192/31111/ErnstThesis2015.pdf?sequence=1&isAllowed=y> //DF

The assumption that integration with the global economy is something to be sought after has received much criticism throughout the 20th century. Advocates for import substitution industrialization (ISI), who are many, argue that the global south is underdeveloped precisely because it is dependent on foreign imports from the global north or that at the very least, barriers to trade and migration would be beneficial for developing nations (Massey and Capoferro 2006; Potter 2007; Rodrik 2007). The ISI theory contends that global southern nations can foster development only by reducing imports from the global north and increasing domestic production, for local consumption as well as for export to other global southern nations. There are good arguments to support this theory, not least of which is the nationalist aim of reducing dependence on former colonial powers. While ISI might produce growth in the short run, however, in the long run it is likely not to yield the robust growth afforded by integration into the global economy, which brings the benefits of comparative advantage through specialized production. Instead of manufacturing products that countries have not relative or absolute advantage in, instead they should produce only what they are best positioned to (Schoenerwald and Vernengo 2007, 81; Investopedia 2015). Concerning motives for migration, the idea that high-skilled workers, in particular, migrate for profit is simplistic (Haas 2005, 1269). Yet **while economic profit alone is not the reason why migrants leave their countries of origin, it is often tied closely to status, increased dignity, and relationships**. It seems reasonable to assume that **a higher wage provides people with many of these core abstract goods or that people sometimes pursue abstract goods** (relationships) **for the economic profit they can bring**. Thus, speaking in economic terms does not diminish the importance of the varied ways in which migration intent expresses itself.

**Wages are far higher in the US, so more opportunities to work there will cause Indian workers to leave**

**H-1B visas are the way that workers can permanently stay – 220k never came back once they left**

D'Vera Cohn. (Pew Research Center). More than half of new green cards go to people already living in the U.S. 7/6/17

<http://www.pewresearch.org/fact-tank/2017/07/06/more-than-half-of-new-green-cards-go-to-people-already-living-in-the-u-s/>

Trump administration officials also have discussed restricting the number of temporary work visas – for example the **H-1B visas for high-skilled workers**, which **is the main pathway for high-skilled workers to gain permanent residency**. **From fiscal 2010 to 2014, about 36% of employment-related green cards – more than 222,000 – were granted to H-1B visa holders**, according to a [report by the Bipartisan Policy Center](#) that used Department of Homeland Security data obtained under a Freedom of Information Act request. According to its findings, a majority of people who receive employment-related green cards were in the U.S. on temporary worker visas. New arrivals who receive green cards, on the other hand, are far more likely to be sponsored by family members – fully 85% are, compared with 46% of those who adjusted their status in 2015. Only 4% of new arrivals came in an employment category.

## Link – Foreign Students

**A higher cap incentivizes foreign students to leave India study in the US. India loses most of this talent because 7/10 of them stay in America.**

## Link – R/T Foreign College Grads

**The increase in foreign college grads is too low to overcome the human capital loss from skilled migration**

Jose L. Groizard. (Universitat de les Illes Balears). Skilled migration and sending economies. Testing brain drain and brain gain theories. October 2007. <http://pareto.uab.cat/jllull/Papers/BrainDrain.pdf>

This paper investigates the relationship between the migration of individuals with a higher education and the outcomes for sending economies by examining cross-country evidence. In particular, we focus on human capital, openness to trade, FDI inflows, worker remittances and GDP per capita growth. We contribute to the existing literature by estimating the effect of skilled migration probability on human capital post migration. We also contribute to the business network literature, by isolating the effect of skilled migration on trade from the overall migration effect, a channel relatively unexplored in the literature. Similar disaggregation was considered when measuring FDI and remittance channels. Finally, we investigate the overall effect of brain drain on GDP per capita growth. Results suggest that **brain drain harms human capital in**

the home economy. More precisely, our estimates suggest that **the incentive to education is too low to overcome the human capital loss from skilled migration**, not only when migration probability is very high, but also at lower levels. This paper takes some steps towards understanding the consequences of crosscountry variations in brain drain rates on migrants' home economies. It provides empirical evidence on the consequences of brain drain on sending economies; in particular, it analyzes the effect of skilled worker migration on human capital, trade, FDI, remittances and growth. **Human capital stock (ex-post) appears to be reduced as a consequence of increased skilled emigration rates; brain drain predominates over brain gain,** at least during the period studied. This result is compatible with Beine et al. (2007) findings which suggest that skilled migration generates significant incentives to acquire higher education, and it reconciles that evidence with Schiff (2006), who argues that net brain gain has been greatly exaggerated.

## IL – Loss of Talent

### **When corporations take the cream of top from developing the countries they cause massive human capital flight**

Ralph Nader. (Al Jazeera). Why US brain drain harms developing countries. 1/19/14.

<https://www.aljazeera.com/indepth/opinion/2014/01/why-us-brain-drain-harms-developing-countries-201411553847358568.html>

1. Bringing more such workers from abroad, says Eisenbrey, "would obviously darken job prospects for America's struggling young scientists and engineers" trying to find jobs commensurate with their skills. In fact, reflecting the surplus, the pay is so low that of the nine million Americans who have degrees in a science, technology, engineering or math (STEM) field only three million have a job in their speciality. All these facts do not stop *New York Times* columnist, Thomas Friedman, and many other pundits and politicians, from demanding many more H-1B visas and immediate permanent residence for foreign students earning US advanced degrees. But there is a more stunning indifference by corporate lobbyists, pundits and members of Congress to the consequences of the brain drain on developing countries. While **the US Agency for International Development (USAID) is stressing the need for developing countries to build up their "human capital", back in the US, the corporate powers-that-be and their political allies are undermining this tenet of US foreign economic policy. If "human capital" means anything in the poorer areas of Africa, South America and Asia, it means civil engineers, scientists, physicians, nurses, computer and communications specialists, logistical experts, architects and entrepreneurs. They all are in short supply in these regions that have already lost so many skilled people to the West. When a wealthy nation like the United States allows its giant corporations to turn their backs on the American labour force, impoverished societies overseas are also exploited unconscionably, often with deadly results.** In Africa, human beings die or become seriously sick for lack of physicians, nurses and indigenous scientific laboratories searching for ways to prevent or deal with infections and other diseases ignored by Western nations. Moreover critical public services are not maintained for the necessities of life. Look at this problem from another perspective. Isn't it fortunate for the people of Bangladesh and others that a young Muhammad Yunus was not lured away to Wall Street and stayed in Bangladesh to start the now famous micro-credit movement in thousands of villages? Or wasn't it better for Brazil that Paulo Freire was not lured to Berkeley but instead remained in Brazil to create and apply his brilliant world-famous literacy programme for impoverished rural Brazilians? Wasn't it better that an aggressive brain drain did not bring Hassan Fathy to our land instead of him becoming Egypt's "people architect" to show poor Egyptian peasants how to build small homes from the soil beneath their feet and stimulate architectural counterparts in other developing countries? A quick glance at the annual report of the [Ashoka](#) Community of Fellows, founded by Bill Drayton, showcases the kind of skilled people from developing countries who became "change makers" because they remained in their own countries where they learned their many talents and refined their motivations. Sure, **nobody is forcing skilled workers from less developed countries to come to the US other than dictators, but if the US wants peace, stability and better livelihoods to have a chance, it has to tell its giant corporations to pull back on their gluttonous appetite to recruit the "cream of the crop" from these countries and invest in American skills.** These companies should display a little American patriotism by getting off Congress's back, hiring or training more Americans and finding some "cognitive empathy", in the words of Drayton, towards other far less privileged societies.

## **Lowens human capital and skill from the sending country**

Nadeem Ul Haque. (Pakistan Institute of Development Economics). Brain Drain or Human Capital Flight. May 2007.

[https://www.researchgate.net/publication/228220834\\_Brain\\_Drain\\_or\\_Human\\_Capital\\_Flight](https://www.researchgate.net/publication/228220834_Brain_Drain_or_Human_Capital_Flight) In a growth model with heterogeneous agents and a Lucas externality of education, **human capital flight (i.e. loss of skills from the upper tail of the skill**

**distribution) generates a permanent reduction of per capita growth in the home country and that the magnitude of this reduction is proportional to the fraction of the population that has migrated** [see

Haque and Kim (1995)]. Because of brain drain there may be no convergence in incomes. **Not only are permanent differences in growth likely to result but so in a permanent difference in level of incomes across countries. The more skill poor the country the greater the impact of human capital flight on its growth since growth depends on the cumulative human capital distribution**.<sup>9</sup> The experiment here is maintaining the assumption of openness and comparing the

## **Skilled migration creates a knowledge gap that leads to poor countries becoming poorer and rich countries becoming even more powerful.**

Raveesh S. (International Journal of Humanities and Social Science Invention). "Brain Drain: Socio-Economic Impact on Indian Society." May 2013. [http://www.ijhssi.org/papers/v2\(5\)/version-3/C251217.pdf](http://www.ijhssi.org/papers/v2(5)/version-3/C251217.pdf)

The term brain-drain was introduced by observing the emigration of the various technologists, doctors and scientists, from various developing countries to more developed nations like USA, UK, Germany, England etc. Now this phenomenon of brain drain has a conversed effect for a country in which people are getting migrated and brain-drain of a nation becomes brain-gain for that particular country. Usually all developing countries including India are suffering from brain drain and developed countries like USA are having brain gain from this phenomenon. **More**

**or less, all the backward countries are suffering from this problem. India is also one of the major nations in the world which is suffering from this brain drain seriously at the present moment. The UNDP estimates that India loses \$2 billion a year because of the emigration of computer experts to the U.S. Indian students going abroad for their higher studies costs India a foreign exchange outflow of \$10 billion annually. Thousands of Indian scientists, doctors, engineers and other qualified persons have migrated and are staying in other countries.** Every year hundreds of our best brains make frantic efforts to leave India.

The demand for passports is increasing every year, even though more and more employment opportunities are being created within the country. The steady outflow of our nation's talent, especially those educated, at the cost of the taxpayers' money, has caused concern to the government. Due to high salary and facilities Indian youth is moving abroad. **One reason as to why the developed countries prosper is because of the high intellectual migrants from the poor developing countries. This „knowledge gap“ is increasing and the poor countries are becoming poorer and rich countries are emerging as knowledge countries and they are ruling the world.** In one other way globalization has helped in retaining the skilled people within the country, because a person can work for a foreign company sitting at home in India. But in reality he is working for an overseas country not for his own nation.

## **Under the current cap, 65,000 H-1B visas are allotted each year. However, recent policies have proposed raising the cap to nearly 200,000.**

Sara Ashley O'Brien. (CNN Tech). H-1B reform bill seeks to expand annual quota. 1/25/18.

<http://money.cnn.com/2018/01/25/technology/hatch-flake-h1b-bill/index.html>

Republican Senators Orrin Hatch and Jeff Flake introduced legislation on Thursday that aims to increase the annual quota of H-1B visas from 65,000 to 85,000. The H-1B is a common work visa granted to high-skilled foreigners to work at companies in the U.S. It's valid for three years, and can be renewed for another three years. In addition, the Immigration Innovation Act, or I-Squared, legislation would also provide work authorization for spouses and children of H-1B visa holders. An Obama era rule made it possible for spouses of certain H-1B holders to apply for work authorization but the [Trump administration said in December](#) that it is seeking to do away with it. The H-1B program is one that [President](#)

[Trump has eyed](#) for reform, saying abusers can use it to replace American workers. **But the program is particularly near and dear to the tech community with many engineers vying for one of the program's 65,000 visas each year.** Demand often exceeds the supply -- in which case, a lottery system is activated. **The bill proposes to add a**



**"market-based escalator" so the supply can better support demand. That means granting up to 110,000 additional visas (a total of 195,000),** and prioritizing visas for those with master's degrees, foreign Ph.D.'s or U.S.

STEM bachelor degrees. Reform of the high-skilled visa system has been a goal of Hatch and other lawmakers for years, but has had a difficult time passing Congress. The bill, originally introduced in the Senate in January 2015, seeks to placate the Trump administration's concerns. For example, by specifying that employers may not use the visa with intent to substitute an American worker. Moreover, it seeks to remove per country limits for green cards sponsored by employers, which contributes to a backlog for citizens from countries like India and China.

**There are 500,000 thousand high skilled immigrants from India are currently in the US on H-1B visas.**

The News Minute. Change in the H-1B visa regulations: Over 5 hundred thousand Indians in the US may be forced to return home. 1/3/18.

<https://www.thenewsminute.com/article/change-h-1b-visa-regulations-over-5-lakh-indians-us-may-be-forced-return-74122>

**Visa issues continue to pile up for workers in the US on an H-1B visa, as a new proposal may force upwards of 5,00,000 Indians to return home.** As per regulations that are currently being considered by the US Department of

Homeland Security (DHS), workers will not be able to get extensions on their H-1B visas, which is typically issued for a period of three to six years. Many apply for a Green Card – which grants permanent residency – based on which their work visas are indefinitely extended till their applications are in process. If this proposal comes into force, [that won't be the case anymore](#). There are thousands who have been waiting for years for their Green Card application to be processed. Quoting two US sources, [McClatchy](#) reported that the proposal is part of US President Donald Trump's 'Buy American, Hire American' initiative. "The idea is to create a sort of 'self-deportation' of hundreds of thousands of Indian tech workers in the United States to open up those jobs for Americans," a source told McClatchy.

**The potential for India in terms of human capital is unlimited**

Rajashi Ghosh. (University College London). EMERGING TRENDS, CHALLENGES AND OPPORTUNITIES FOR HRD IN INDIA. 10/8/14

Over the last decade or so, India has emerged as a major player in the global market and organizations in India have undergone a transformation in their HRD processes and practices. **With a headcount of 1.2 billion people, and half of its residents**

**between 20 to 30 years of age, India is being considered an emerging talent powerhouse, predicted to be among the world's five largest economies and viewed by investors, businesses, and tertiary**

**education providers as a land of opportunity** (Budhwar and Varma 2011, Pio 2007, Rao and Varghese 2009). Clearly, this transition calls for a closer look at how global competitiveness and the changing Indian economic scenario have interplayed to transform the value of human capital and hence the perception of HRD in India. While the rapid growth of the Indian economy is unparalleled in its scope and impact on HRD in India, a closer look will also inform us about the key HRD challenges and opportunities still needing urgent attention in the current political and economic context of the country.

**High skilled migration takes away from innovation**

Sunil Mani. (Center for Development Studies). HIGH SKILLED MIGRATION FROM INDIA, AN ANALYSIS OF ITS ECONOMIC IMPLICATIONS. September 2009.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3134/wp416.pdf;jsessionid=08541076357C5804809F64ECA15F2F9B?sequence=1>

The purpose of the paper is first to quantify the extent of **high skilled migration from India** and then to distil out two of its economic implications to her home economy. First the high skilled migration has resulted in larger amount of remittances: India is now the largest remittance receiving country in the world. Although during the period up to the mid 1990s, the source of this remittances were largely the result of low skilled migration to the middle east, since that period nearly half of the remittances are emanating from the US alone and it is not difficult to argue that this trend in the shift in source is very much tied to high skilled migration. The availability of these remittances has helped the country to reduce its deficits in the current account of its Balance of Payments even if these remittances have not always found expression in productive investments in the home economy. Further the increased consumption smoothening that these remittances have contributed to have had a positive effect in spurring and maintaining the high growth performance of her services sector. The second implication is that it **has had a deleterious consequence on the supply of high skilled personnel especially for R&D: in fact India has one of the lowest densities of scientists and engineers engaged in R&D.** Although



there are quantitative evidences (based on an analysis of both input and output indicators of innovation) to show that India has become significantly more innovative in the period since 1991, her **ability to sustain and improve this performance crucially depend on the availability of highly skilled manpower of certain acceptable quality.** Although a small number of such manpower is turned out by the higher education system, they do not find an expression in the core human resource on science and technology and part of this **“lack of expression” may be attributed to the increased high skilled migration.**

### **the annual net fiscal impact to India of high-skilled emigration to the U.S. is 2.5% of total fiscal revenues**

Sunil Mani. (Center for Development Studies). HIGH SKILLED MIGRATION FROM INDIA, AN ANALYSIS OF ITS ECONOMIC IMPLICATIONS. September 2009.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3134/wp416.pdf;jsessionid=08541076357C5804809F64ECA15F2F9B?sequence=1>

Among the three the least explored is the last one. Economic implications are multi dimensional in nature. One implication that has attracted some systematic inquiry is the fiscal implication. In the global context Hanson (2008), selectively discuss recent empirical work on the consequences of global labor mobility. He examines how international migration affects the incomes of individuals in sending and receiving countries and of migrants themselves. Within the specific Indian context, an important work in this area is by Desai et al (2009). In this study in order to calculate the fiscal losses associated with these emigrants, estimates of their counterfactual earnings distributions are generated using two distinct methods and integrated with a model of the Indian fiscal system to calculate fiscal consequences. **Conservative estimates indicate that the annual net fiscal impact to India of high-skilled emigration to the U.S. is one-half of 1% of gross national income (or 2.5% of total fiscal revenues).** In the light of this the present study seeks to fill in gaps with regard to the first issue of putting some numbers on the number of skilled workers moving from India, the routes of such migration and the effect of these migration on India's economy

### **More than 50% of all H-1B workers will adjust to permanent employment based status in the long term**

Sunil Mani. (Center for Development Studies). HIGH SKILLED MIGRATION FROM INDIA, AN ANALYSIS OF ITS ECONOMIC IMPLICATIONS. September 2009.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3134/wp416.pdf;jsessionid=08541076357C5804809F64ECA15F2F9B?sequence=1>

Of late, Indian's with university degrees (primarily in engineering and business management) have been securing jobs abroad through campus and open recruitments conducted by MNCs and by other foreign entities. An industry where most of these kinds of recruitments have been made is the IT industry where the H-1B visa3 procedure of the US has come in very handy. According to Jachimowicz and Meyers (2002) , the top ten countries of origin for H-1B recipients were: India, China, Canada, the United Kingdom, Philippines, Taiwan, Japan, Korea, Pakistan, and Russia. Almost half of the H-1B petitions approved were granted to individuals born in India, eclipsing the eight percent from China, the second leading country of birth. The largest percentages of all immigrants who adjust to permanent resident status from a temporary worker status come from Asia, specifically China, India, and the Philippines. **H-1B workers in particular often adjust to permanent legal status through employment based visas. By one estimate, more than 50 percent of all H-1B workers will adjust to permanent employment-based status by 2010. H-1B workers are not required to demonstrate that they intend to return home, and therefore the law implicitly encourages a transition to permanency. Thus the argument is that most of the high skilled Indians who have migrated to the West are in the US through the H-1B route.** Consequently they are, technically speaking, temporary migrants. The implications of this could be seen in the quantity of remittances by these skilled workers- a point that will be elaborated in one of the subsequent sections.

### **There are low incentives to pursue science in India. Those that do likely move to the US and those that don't migrate to different professions**

Sunil Mani. (Center for Development Studies). HIGH SKILLED MIGRATION FROM INDIA, AN ANALYSIS OF ITS ECONOMIC IMPLICATIONS. September 2009.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3134/wp416.pdf;jsessionid=08541076357C5804809F64ECA15F2F9B?sequence=1>

There are supply side problems as well caused by mismatch between what is supplied by the higher education sector and what is demanded by the industry. This is perhaps due to the quality of tertiary education in science and engineering. Of the three, the one that is most relevant for us is the second hypothesis. **Given the low incentives for science as a career a large number of highly skilled Indians have always migrated to the West and especially to the United States as the previous discussion of estimates of high skilled migration had shown us. The ones remaining have 'migrated' to non-engineering professions within the country.** The recent growth performance of knowledge-intensive industries in India is prompting many commentators to feel that India is transforming itself into a knowledge-based economy.

**There is currently a shortage of STEM workers in India; those who migrate to US could be gainfully employed in India but aren't**

Sunil Mani. (Center for Development Studies). HIGH SKILLED MIGRATION FROM INDIA, AN ANALYSIS OF ITS ECONOMIC IMPLICATIONS. September 2009.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3134/wp416.pdf;jsessionid=08541076357C5804809F64ECA15F2F9B?sequence=1>

The recent growth performance of knowledge-intensive industries in India is prompting many commentators to feel that India is transforming itself into a knowledge-based economy. The copious supply of technically trained human resource is considered to be one of the most important reasons for this growth performance. However, of late, the industry has been complaining of serious shortages in technically trained manpower. For instance a recent study (2007) conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) has revealed that the rapid growth in the globally integrated Indian economy has led to a huge demand for skilled human resources. However, lack of quality in the higher education sector has become a hindrance in filling the gap. The survey, based on a study conducted in 25 sectors, also showed that currently there is a shortage of about 25 per cent skilled manpower in the Engineering sector. **In addition successive R&D surveys conducted by the Department of Science and Technology has shown that the number of scientists and engineers engaged on a full time equivalent basis on R&D is only about 295000 thus working on a density basis of just 8 R&D scientists and engineers per 10, 000 labour force** (Department of Science and Technology, 2006). This shortage in skilled personnel is, once again expressed by National Knowledge Commission (2007). Although the outturn of engineering and technology students in India (Figure 2) has increased from about 45,000 in 1991 to about 100, 000 in 2002 (latest year for which such data are available), it is seen that only about 60 per cent of those graduating every year are added to the stock of engineering and technology graduates (Table 5). At least part of the unaccounted graduates has migrated to foreign countries either for higher studies or for employment. **Consequently this migration, referred to as brain drain can have a consequence to the availability of skilled manpower within the country and also for the country to take up R&D projects in certain key technology areas where these skills could have been gainfully employed.**

**Flight of high skilled immigrants exacerbates poverty and underdevelopment**

Mario Alberto Aráuz Torres. (University of Cordoba). Brain Drain across the Globe: Country Case Studies. 2010.

[https://www.israel-braingain.org.il/Uploads/Attachments/6675/brain\\_drain\\_gain\\_by\\_country\\_studies.pdf](https://www.israel-braingain.org.il/Uploads/Attachments/6675/brain_drain_gain_by_country_studies.pdf)

Although the mobility of the skilled can be considered to be a positive phenomenon from the point of view of global innovation, on the contrary **on the national level the migration of the skilled, in specific conditions, is an obstacle to local development and may even aggravate underdevelopment, depriving poor countries of their scarce human resources.** The characteristic attribute of international migration of workers is its selectiveness. Countries receiving the largest numbers of immigrants have introduced selective policies favouring educated people. In effect, **the world's poorest countries are trapped in unending cycles of deprivation: the lack of education, healthcare, and economic opportunity perpetuates these same conditions for future generations. A society's collective inability to foster positive change leads to passivity and deepening problems. The technological gap between countries at various stages of development continues to grow.** Of all the talent lost from developing countries, the loss of medical professionals is perhaps of the greatest concern; this topic has been widely studied, and is commented on in other parts of this publication.

**Lacks critical mass of high skilled workers**

Annalee Saxenian. (Dalhousie University). Transnational Communities and the Evolution of Global Production Networks: The Cases of Taiwan, China and India. 7/14/10.

As a result, the industry remains dominated by a small number of large export-oriented corporations which serve as an important node in GPNs, but that have minimal ties with each other, local entrepreneurs, or the science and technology base in India (Parthasarathy 2000). **India still lacks a critical mass of returnees or transnational entrepreneurs, and there are few Taiwan-style “astronauts” or US-educated Indian engineers who have their feet sufficiently in both worlds to transfer up-to-date information and know-how about markets and technologies or to build the long-term relationships that would accelerate the upgrading of India’s technological infrastructure.** This would include not simply transforming the software industry, but also developing a viable hardware and manufacturing sector. Communication between the technology communities of India and the USA continue to grow. Alumni associations from the Indian Institutes of Technology are starting to organize events in Silicon Valley. Some of the large software companies have established subsidiaries and alliances in the USA, and venture capital firms are emerging to invest in firms that link Silicon Valley’s technology and market access with India’s software skills. So while reversal of the “brain drain” is not yet on the horizon, there is a small but fast growing professional community linking Silicon Valley and regions like Bangalore—one that could play an important role in upgrading the Indian IT sector in the future.

## Basic intro shit

Samina Gan. (Boston College). Brain circulation A Case Study of High-Skilled Migration from India. Spring 2017. <https://ejournals.bc.edu/ojs/index.php/elements/article/viewFile/9606/8848>

Due to the major economic impacts “brain drain” and “brain circulation” have had on India and the U.S., we decided to evaluate the beneficial and adverse of impacts these phenomena have had on the countries between 1990 and 2010. The term “**brain drain**” was first coined in by the British Royal Society in the 1950s and 1960s to describe the phenomenon of highly skilled science workers leaving the UK to pursue opportunities in the United States.<sup>22</sup> In contemporary times, the term **has been transformed to mean the flight of human capital from less developed to more developed countries.** This flight exacerbated global income inequality, presenting an additional challenge to developing countries. According to a 1985 textbook in Economic Development: “**The people who migrate legally from poorer to richer lands are the very ones that Third World countries can least afford to lose, the highly educated and skilled.**”<sup>23</sup> One example of the stark trajectory of this human capital flight is the career paths of students who go to the Indian Institute of Technology. With an acceptance rate of just over two percent, this prestigious university sends over two-thirds of its graduates abroad each year, with a majority of those graduates leaving for the U.S.<sup>24</sup> **There is undoubtedly a flight of human capital happening throughout the world, especially in India.** According to World Bank data, between 1990 and 2010, high-skilled migration from non-OECD countries rose 185 percent from 6.2 million to 17.6 million.<sup>25</sup> Indian emigrants are the largest population of these high-skilled workers. Between 1990 and 2000, the UK was the largest origin country for skilled laborers, but in 2010, India surpassed the UK with a stock-count of over 2.1 million high-skilled emigrants to the OECD, increasing its emigrant count by 370 percent since 1990.<sup>26</sup> It is important to note here that, because of India’s population size, at 4.3 percent, this is still a relatively low percentage of the total Indian population, ranking relatively low on the list of countries losing high-skilled workers. Indian-Americans make up the third-largest immigrant population in the United States, with over 2.8 million residing in the U.S.<sup>27</sup> Based on their median household income level, as well as their compositional education level (over 70 percent hold tertiary degrees), it is evident that there is a large number of high-skilled Indian immigrants to the United States.

## Lose .5% of GDP in tax revenue

Samina Gan. (Boston College). Brain circulation A Case Study of High-Skilled Migration from India. Spring 2017. <https://ejournals.bc.edu/ojs/index.php/elements/article/viewFile/9606/8848>

As for India, there are counteracting impacts from this human capital flight. The growth of trade, investments, and shared ideas from Indian immigrants in the U.S., remittances, as well as potential high human capital emigrants that return all serve to benefit India.<sup>39</sup> Yet, **the flight of some of the country’s most high-skilled workers can make the country less appealing for direct foreign investment thus hindering the growth and development of “high technology clusters” and institutions, especially universities.**<sup>40</sup> Further, **those still residing in India will feel the negative effect of higher taxes and lower spending on them. This fiscal burden is harmful on a macroeconomic level because of a lost addition to India’s potential GDP from innovation and hard work at home,**<sup>41</sup> **as well as a documented loss in tax revenue for the government at .5 percent of GDP.**<sup>42</sup> A study on the fiscal impact of high-skilled emigration from India to the U.S. by Desai et al. visualizes the impact on the Indians that did not leave, referred to “those left

behind" (TLBs). Figure 6 demonstrates that when the number of skilled workers decreases from S0 to S1 due to emigration, and national income is lowered because of the net fiscal loss (shaded green) and lost basic surplus (shaded grey). The total loss depends on the current tax rate,  $t$ , the skilled wage,  $w$ , the benefit level,  $b$ , and the number of emigrants,  $E$ .<sup>43</sup> Although this simple model cannot explain the entire impact that emigration has on India, it is clear that based on this model and the assumptions of Desai, there is a loss to the national income when high-skilled immigrants leave the country.

### **Emigration of computer experts costs india 2 billion each year. Emigration of students cost 10 billion each year.**

Raveesh S. (International Journal of Humanities and Social Science Invention). Brain Drain: Socio-Economic Impact on Indian Society. May 2013. [http://www.ijhssi.org/papers/v2\(5\)/version-3/C251217.pdf](http://www.ijhssi.org/papers/v2(5)/version-3/C251217.pdf)

**The UNDP estimates that India loses \$2 billion a year because of the emigration of computer experts to the U.S. Indian students going abroad for their higher studies costs India a foreign exchange outflow of \$10 billion annually. Thousands of Indian scientists, doctors, engineers and other qualified persons have migrated and are staying in other countries. Every year hundreds of our best brains make frantic efforts to leave India. The demand for passports is increasing every year, even though more and more employment opportunities are being created within the country. The steady outflow of our nation's talent, especially those educated, at the cost of the taxpayers'**

money, has caused concern to the government. Due to high salary and facilities Indian youth is moving abroad. One reason as to why the developed countries prosper is because of the high intellectual migrants from the poor developing countries. This „knowledge gap" is increasing and the poor countries are becoming poorer and rich countries are emerging as knowledge countries and they are ruling the world. In one other way globalization has helped in retaining the skilled people within the country, because a person can work for a foreign company sitting at home in India. But in reality he is working for an overseas country not for his own nation.

### **Some generic brain drain shit**

Jose L. Groizard. (Universitat de les Illes Balears). Skilled migration and sending economies. Testing brain drain and brain gain theories. October 2007. <http://pareto.uab.cat/jllull/Papers/BrainDrain.pdf>

This paper investigates the relationship between the migration of individuals with a higher education and the outcomes for sending economies by examining cross-country evidence. In particular, we focus on human capital, openness to trade, FDI inflows, worker remittances and GDP per capita growth. We contribute to the existing literature by estimating the effect of skilled migration probability on human capital post migration. We also contribute to the business network literature, by isolating the effect of skilled migration on trade from the overall migration effect, a channel relatively unexplored in the literature. Similar disaggregation was considered when measuring FDI and remittance channels. Finally, we investigate the overall effect of brain drain on GDP per capita growth. Results suggest that **brain drain harms human capital in**

**the home economy.** More precisely, our estimates suggest that **the incentive to education is too low to overcome the human capital loss from skilled migration,** not only when migration probability is very high, but also at lower levels

This paper takes some steps towards understanding the consequences of crosscountry variations in brain drain rates on migrants' home economies. It provides empirical evidence on the consequences of brain drain on sending economies; in particular, it analyzes the effect of skilled worker migration on human capital, trade, FDI, remittances and growth. **Human capital stock** (ex-post) **appears to be reduced as a consequence of increased skilled emigration rates; brain drain predominates over brain gain,** at least during the period studied. This result is compatible with Beine et al. (2007) findings which suggest that skilled migration generates significant incentives to acquire higher education, and it reconciles that evidence with Schiff (2006), who argues that net brain gain has been greatly exaggerated.

### **A huge portion of H1-B workers never go back to their original country. Between 2010 and 2014, 220,000 H1-B workers were granted green cards.**

D'Vera Cohn. (Pew Research Center). More than half of new green cards go to people already living in the U.S. 7/6/17 <http://www.pewresearch.org/fact-tank/2017/07/06/more-than-half-of-new-green-cards-go-to-people-already-living-in-the-u-s/>

Trump administration officials also have discussed restricting the number of temporary work visas – for example the **H-1B visas for high-skilled workers,** which **is the main pathway for high-skilled workers to gain permanent residency.**

**From fiscal 2010 to 2014, about 36% of employment-related green cards – more than 222,000 – were granted to H-1B visa holders,** according to a report by the Bipartisan Policy Center that used Department of Homeland Security data obtained under a Freedom of Information Act request. According to its findings, a majority of people who receive employment-related green cards were in the U.S. on temporary worker visas. New arrivals who receive green cards, on the other hand, are far more likely to be sponsored by family members – fully 85% are, compared with 46% of those who adjusted their status in 2015. Only 4% of new arrivals came in an employment category.

## **When corporations take the cream of crop from developing the countries they cause massive human capital flight**

Ralph Nader. (Al Jazeera). Why US brain drain harms developing countries. 1/19/14.

<https://www.aljazeera.com/indepth/opinion/2014/01/why-us-brain-drain-harms-developing-countries-201411553847358568.html>

1. Bringing more such workers from abroad, says Eisenbrey, "would obviously darken job prospects for America's struggling young scientists and engineers" trying to find jobs commensurate with their skills. In fact, reflecting the surplus, the pay is so low that of the nine million Americans who have degrees in a science, technology, engineering or math (STEM) field only three million have a job in their speciality. All these facts do not stop *New York Times* columnist, Thomas Friedman, and many other pundits and politicians, from demanding many more H-1B visas and immediate permanent residence for foreign students earning US advanced degrees. But there is a more stunning indifference by corporate lobbyists, pundits and members of Congress to the consequences of the brain drain on developing countries. While **the US Agency for International Development (USAID) is stressing the need for developing countries to build up their "human capital", back in the US, the corporate powers-that-be and their political allies are undermining this tenet of US foreign economic policy. If "human capital" means anything in the poorer areas of Africa, South America and Asia, it means civil engineers, scientists, physicians, nurses, computer and communications specialists, logistical experts, architects and entrepreneurs. They all are in short supply in these regions that have already lost so many skilled people to the West. When a wealthy nation like the United States allows its giant corporations to turn their backs on the American labour force, impoverished societies overseas are also exploited unconscionably, often with deadly results.** In Africa, human beings die or become seriously sick for lack of physicians, nurses and indigenous scientific laboratories searching for ways to prevent or deal with infections and other diseases ignored by Western nations. Moreover critical public services are not maintained for the necessities of life. Look at this problem from another perspective. Isn't it fortunate for the people of Bangladesh and others that a young Muhammad Yunus was not lured away to Wall Street and stayed in Bangladesh to start the now famous micro-credit movement in thousands of villages? Or wasn't it better for Brazil that Paulo Freire was not lured to Berkeley but instead remained in Brazil to create and apply his brilliant world-famous literacy programme for impoverished rural Brazilians? Wasn't it better that an aggressive brain drain did not bring Hassan Fathy to our land instead of him becoming Egypt's "people architect" to show poor Egyptian peasants how to build small homes from the soil beneath their feet and stimulate architectural counterparts in other developing countries? A quick glance at the annual report of the [Ashoka](#) Community of Fellows, founded by Bill Drayton, showcases the kind of skilled people from developing countries who became "change makers" because they remained in their own countries where they learned their many talents and refined their motivations. Sure, **nobody is forcing skilled workers from less developed countries to come to the US other than dictators, but if the US wants peace, stability and better livelihoods to have a chance, it has to tell its giant corporations to pull back on their gluttonous appetite to recruit the "cream of the crop" from these countries and invest in American skills.** These companies should display a little American patriotism by getting off Congress's back, hiring or training more Americans and finding some "cognitive empathy", in the words of Drayton, towards other far less privileged societies.

## **Brain drain is bad as fug**

Nadeem Ul Haque. (Pakistan Institute of Development Economics). Brain Drain or Human Capital Flight. May 2007.

[https://www.researchgate.net/publication/228220834\\_Brain\\_Drain\\_or\\_Human\\_Capital\\_Flight](https://www.researchgate.net/publication/228220834_Brain_Drain_or_Human_Capital_Flight)

In a growth model with heterogeneous agents and a Lucas externality of education, **human capital flight (i.e. loss of skills from the upper tail of the skill distribution) generates a permanent reduction of per capita growth in the**

**home country and that the magnitude of this reduction is proportional to the fraction of the population that has migrated** [see Haque and Kim (1995)]. Because of brain drain there may be no convergence in incomes. **Not only are permanent differences in growth likely to result but so in a permanent difference in level of incomes across countries. The more skill poor the country the greater the impact of human capital flight on its growth since growth depends on the cumulative human capital distribution.**<sup>9</sup> The experiment here is maintaining the assumption of openness and comparing the

## Shit's bad

Idahosa Osaretin. (University of Benin). Reversing brain drain in Africa by engaging the diaspora: contending issues. 2012.  
<https://www.ajol.info/index.php/ijhss/article/viewFile/80066/70329>

**Firstly, long-term emigration of skilled personnel amounted to a loss of the huge amounts of public funds directly or indirectly invested in training such professionals.** For instance, South Africa claims to have spent 1 billion US Dollars on the education of health workers who emigrated, which is about 30 percent of all development aid received by the country between 1994 and 2000 (Hass 2005). In Ghana and Zimbabwe, 70 percent of all doctors leave within a few years of graduating from medical college (Financial Times 2004). Nigerian professionals in the US alone were estimated at about 300,000 (Chacha 2007). The full picture of the financial losses in training these professionals cannot easily be seen, but the gains to the receiving countries have been put in perspective. The United Nations Conference on Trade and Development (UNCTAD) **estimated that for each developing country, professionals aged between 25 and 35 years, 184,000 US Dollars in training cost is saved by developed countries.** Taking into consideration that the 27 members of the Organization for Economic Cooperation and Development (OECD) countries have a workforce of approximately 3 million professionals educated in developing countries, this could result in a huge 552 billion US Dollars savings for the OECD (Myburgh 2004). 22 Inkanyiso, Jnl Hum & Soc Sci 2012, 4(1) **Secondly, skill emigration or brain drain depletes the tax revenues of countries of origin, but boosts that of the countries of destination. By implication, developed countries aggravate global inequality through their selective immigration policies aimed at draining scarce and expensively-trained human resources from developing nations.** For instance, the **one million Indians living in the US accounted for 0.1 percent of India's population but earned the equivalent of 10% of India's national income.** In India, their income would have been less, but they would still have been in the bracket of the highest tax payers (IOM 2005). **Thirdly, brain drain exacerbates poor workforce planning, by encouraging shortages in critical areas of human resources in the economy. The shortages throw up challenges in different sectors, creating imbalances in the deployment of professionals in countries of origin for skill emigration** (Zuru 2002). Fourthly, the countries of origin of brain drain could benefit indirectly from remittance sent home by these emigrated professionals to their siblings and other dependants at home. Despite the difficulty in tracking the scale of remittances through informal channels, some of the remittances have contributed to the national income of some major countries like India (11.5 billion US Dollars), Mexico (6.5 billion US Dollars) and Egypt (3.5 billion US Dollars), among others (IOM 2005)

1. Turn: Countries are competing on the market for more high skilled immigrants. This mean when one country begins to open its doors more, another country also open up. This essentially creates a bidding war which adversely effects developing countries. **After the US passed the American Competitiveness in the 21st Century Act of 2000 several countries followed suit. For example Germany liberalized high skilled immigration Norway initiated policy reforms, the United Kingdom made it easier for specialists in "shortage occupations" to get work permits, and Ireland has put a fast track system in place to meet labor shortages in a number of occupations.** Thus, if the US increases the cap it will set off a chain reaction, exacerbating brain drain. (Desai 2001)



Mihir Desai. (Harvard University). Sharing The Spoils: Taxing International Human Capital Flows. September 2001.

<https://pdfs.semanticscholar.org/2022/716a4c31420f154ff5f48b32537d327f5d70.pdf>

The success of the U.S. IT sector in the 1990s, and the perceived importance of immigrants and workers targeted by the H-1B program as an important factor shaping this outcome (Saxenian, 1999), has played an important role in putting corresponding pressures on European countries to change immigration policies as well.<sup>10</sup> Germany has begun to change its immigration policies, introducing separate flexible quotas (based on a Canadian-style point system) for economic immigrants based on the needs of the labor market even as it is clamping down on asylum seekers, a traditional source of immigration. In introducing the bill, Germany's Interior Minister Otto Schily argued that "There's competition among the industrialized countries for the best minds. That's why we have to direct our immigration law more strongly toward our own economic interests."<sup>11</sup> According to the new policy, an immigrant can stay up to five years provided he or she has adequate IT competence. Norway has recently initiated policy reforms, and the new policy is expected to be in place by January, 2002. The United Kingdom has made it easier for information technology specialists and others in "shortage occupations" to get work permits, and Ireland has put a fast track system in place to meet labor shortages in a number of occupations. **While there is large variation in the nature of immigration policies and their attention to skills, the preceding brief review shows that even those countries that don't explicitly account for skills through a points system appear to be shifting toward recognizing the importance of attracting skilled migrants. In effect, countries are becoming more skill-focused as they compete in the market for migrants.** We now turn to some forces that suggest this nascent targeting of skilled migrants by developed countries will accelerate over the next half century. The following subsections examine three long-term developments: i) the fiscal impact of demographic shifts on public pension provision, ii) chronic manpower shortages in

## India must focus on human capital development

Dhruv Mukerjee. (People Matters). The state of human capital in India. 11/13/17.

[https://www.peoplesmatters.in/article/strategic-hr/the-state-of-human-capital-in-india-16795?utm\\_source=peoplesmatters&utm\\_medium=instagram&utm\\_campaign=learnings-of-the-day](https://www.peoplesmatters.in/article/strategic-hr/the-state-of-human-capital-in-india-16795?utm_source=peoplesmatters&utm_medium=instagram&utm_campaign=learnings-of-the-day)

**The World Economic Forum recently came out with its Global Human Capital Report.** Although generic sounding, the report paints an in-depth picture of the current talent landscape in the world. **The report presented a comprehensive ranking of the 130 nations on the basis of an Index that measured the preparedness of the nation's talent to contribute to economic growth and productivity. A list in which India finds itself in the 103rd position** as Norway takes pole position. The index measured the country's investment in developing talent across the lifecycle—through vital parameters like education and employment—that form a key part of what enhances a country's human capital. Even with similar levels of robust educational investment, the study looked into how well secondary factors like on-the-job learning are being tapped into as they are often critical in ensuring that the initial investments in education are able to sustain as well as ensuring that people's skills grow and appreciate in value over time. The growing importance of Human Capital **Human capital is a key factor for growth, development, and competitiveness. More so in recent times, within the modern context of development, human capital forms the base of economic growth. This link works through multiple pathways at the individual, firm and national level.** Learning and skill building provide people with livelihoods, an opportunity to contribute to their societies. They also contribute vitally to the formation of one's meaning and identity in life. **Technological and corporate innovation can only be fostered**, in a decentralized manner, **by a skilled talent pool.** This puts an onus on many developing countries that, at the various levels, equality of opportunity in education and employment is necessary. Necessary as a skilled and educated population doesn't just contribute to economic development but also towards positive social and political outcomes. **That is why developing human capital is often vital to develop countries with increasing working population.** But before we delve further, it becomes important to define the human capital.

## Economic decline causes India/Pakistan conflict

### Schaffer, 2

(Director South Asia Program, CSIS and Former U.S. Ambassador, Washington Quarterly 2002)

**Mediocre growth will extract a high price in terms of political and foreign policies. Without reforms, India's economy will sag, leading to competitive subsidization and spiraling fiscal deficits. A more worrisome issue for the United States, however, is that this situation could tempt India's government to take an unusually strident line toward Pakistan and its other neighbors, which, in turn, would increase the risk of some kind of miscalculation or desperate move by Pakistan.**

Continues... Particularly striking about the building blocks for the new Indo-U.S. relationship is how little Pakistan figures in them. Yet, the long-standing dispute between India and Pakistan remains the greatest obstacle to the role India wants to play in the world, and the possibility of unintended Indo-Pakistani conflict is still the single greatest potential danger the United States perceives in South Asia. Leaving Pakistan out of a discussion of Indo-U.S. ties would be disingenuous, particularly in the aftermath of September 11. India's unresolved problems with Pakistan start with Kashmir, the subject of conflicting claims by India and Pakistan and the object of two wars between them as well as a continuing insurgency, supported by Pakistan, in the Indian-held parts of the state. The list of problems between the two countries also includes a group of secondary issues related to Kashmir, such as the status of the world's most desolate, disputed military installation on the Siachen Glacier in the high Himalayas, as well as a number of other "normalization" issues, including trade and visa regulations. Since September 11, the level and frequency of violence has increased within Kashmir and across the "Line of Control" that separates India and Pakistan. Statements coming from both governments provide no encouragement that the leadership of either country is close to a sustainable formula for resuming talks about the situation. India's most recent initiative for beginning talks with Kashmiri political leaders also seems to be going nowhere. Even worse, high-profile terrorist incidents, including suicide bombings of the State Assembly building in Srinagar (capital of the part of Kashmir administered by India) and more recently at the Indian parliament in New Delhi, have raised tensions between India and Pakistan dramatically. The most likely culprits in both cases are militant organizations that also appear on the U.S. government's list of terrorist organizations, active in Kashmir but headquartered in Pakistan. U.S. actions since that latest incident have made clear that the freedom of action these groups have enjoyed in Pakistan is incompatible with the relationship Pakistan is now trying to establish with the United States.

**The regional military buildup that followed the bombing demonstrates how easily such incidents can provoke a cataclysmic set of reactions and how**

**vulnerable regional peace is to another violent incident.** Resolving these problems will require a high level of Indian and Pakistani leadership. Both countries, as well as Kashmiri representatives, urgently need to start a process that will eventually lead to an arrangement that is comfortable for all three parties and that addresses the issue of the Indo-Pakistani relationship and the problems of governance within Kashmir. Any such process would be slow and crisis-ridden; finding a solution is a marathon effort, not a quick fix. The obstacles to the success of such an endeavor are daunting. In India, coalition politics and broad popular resentment against Pakistan make it difficult for a leader to push even in the best of times for a reasonable settlement of India's problems with Pakistan. If India's economic performance is mediocre, this task will become more difficult. For Pakistan, Kashmir has powerful popular appeal. The political compromise required for a settlement would be very painful, and the strength Pakistan's government has gained by confronting militant groups over their activities in Afghanistan will not easily carry over to Kashmir. Without such an effort, however, the likelihood of new and dangerous confrontations over Kashmir is unacceptably high. Despite the new issues that unite India and the United States, this all-too-familiar one remains at the top of U.S. foreign priorities and cries out for a sustained and sophisticated U.S. diplomatic strategy.

## Impact: GDP Loss

**A 10 percentage points of human capital flight reduces per capita growth rates by 0.8%.**

José L. Groizard and Joan Lull (University of the Balearic Islands). "'Brain drain', aid and growth." November 2004.

**During the 90s several OECD economies established especial programs to attract qualified workers from developing countries. The effect of such policies supposes an external shock for most developing countries that are trying to retain their better human capital at home. We present evidence that brain drain has a direct negative effect in next decade growth, once we control for institutions, initial GDP per capita and aid.** Early models of brain drain in the 60s and 70s predicted adverse consequences for sending economies. **Our estimates suggest that an increase of ten percentage points in human capital flight is reducing per capita growth rates in about 0.8 percent each year.** But also, this paper suggests that official development assistance is a

helpful policy tool to compensate the detrimental growth effects of the brain drain. **That is, countries with higher brain drain rates tend to growth less;** however, the more proportion of a country's human capital is living abroad the more effective is external aid to spur growth once we take into account institutions and other factors. In the past aid has been allocated following criteria not closely related to growth. Over the past decade new evidence has launch a new debate whether aid must be allocated to countries with good



institutions. Our paper supports this view, but we have considered a new criterion to allocate aid among developing countries. Aid may compensate brain drain detrimental effects on mid-term growth by two channels. One is by replacing emigrated highly educated workers financing the education of new highly educated workers. This seems to be a necessary condition to make neutral the human capital flight. But, aid per se is not able to avoid the flow of tertiary educated workers in a world where labor markets are increasingly integrated. Countries may reduce the brain drain through adopting high quality institutions that increase income levels and retain workers at home. This way aid may act as a second channel on negative brain drain effects on growth by conditioning the aid allocation to countries that pursue sound institutions and policies. Finally, OECD countries that face a shortage on certain skilled categories and promote migration policies to attract qualified workers from developing countries should be more concerned about the consequences of the brain drain for sending economies. Hence, aid donors with migration policies more open to highly qualified workers in the past should weight brain drain rates in aid allocation.

## Internal Brain Drain

**US workers are much better. American workers are much more valuable and produce twice as much as their foreign counterparts**

Harley Lippman. (The Hill). H1B visa reform could encourage companies to hire more American workers. 12/09/17.

<http://thehill.com/opinion/immigration/364099-h1b-visa-reform-could-encourage-companies-to-hire-more-american-workers>

**Even when putting these considerations aside, there is the productivity factor. It shouldn't come as a surprise that American workers — who from a young age, have learned the importance of creative problem-solving, teamwork and initiative — create more value. In fact, American workers produce up to twice as much output as their foreign counterparts.**

The idea that foreign IT workers are cheaper is a fallacy. At a time when we're seeing a sea-change in the nature of IT work, from rote repetitive task-oriented assignments to automated programming and data management, we're also seeing a profound need for workers who are flexible and embrace challenge. This need will only grow as technologies such as blockchain, Internet of Things, artificial learning and 3D printing become ubiquitous and central to a company's ability to compete.

## UQ – H1B Wages Low

**The principal reason that firms use H-1Bs to replace American workers is because H-1B nonimmigrant workers are much cheaper than hired U.S. workers. Major visa companies like Tata and Infosys save 36-41% on labor costs**

Hira 15 Ron Hira, 2-19-2015, "New Data Show How Firms Like Infosys and Tata Abuse the H-1B Program," Economic Policy Institute, <https://www.epi.org/blog/new-data-infosys-tata-abuse-h-1b-program/> //DF

**The principal reason that firms use H-1Bs to replace American workers is because H-1B nonimmigrant workers are much cheaper than locally recruited and hired U.S. workers.**

As Table 1 shows, Infosys and Tata pay very low wages to their H-1B workers. The average wage for an H-1B employee at Infosys in FY13 was \$70,882 and for Tata it was \$65,565. Compare this to the average wage of a Computer Systems Analyst in Rosemead, CA (where SCE is located), which is \$91,990 (according to the U.S. Department of Labor). That means Infosys and Tata save well over \$20,000 per worker per year, by hiring an H-1B instead of a local U.S. worker earning the average wage. But at SCE specifically, the wage savings are much greater. SCE recently commissioned a consulting firm, Aon-Hewitt, to conduct a compensation study, which showed that SCE's IT specialists were earning an average annual base pay of \$110,446.

That means **Tata and Infosys are getting a 36 to 41 percent savings on labor costs—or saving about \$40,000 to \$45,000 per worker per year.** Adding insult to injury, Infosys and Tata have a history of getting in trouble for paying even lower wages than they are already legally allowed to pay. In 2013 Tata paid \$30 million to settle a wage theft dispute involving 13,000 foreign workers, and Infosys paid a record \$34 million to settle a visa fraud case after it committed “systemic visa fraud and abuse of immigration processes.” As a general principle, companies that behave like this should not be allowed to benefit from the U.S. temporary foreign worker programs, much less be the top two beneficiaries of them.

**Large companies like Microsoft use H-1B visas to increase profits by paying their immigrant employees less than natives; 80% of H-1B holders are paid lower wages than US citizens in comparable positions**

**Baptiste 14** Nathalie Baptiste, Foreign Policy In Focus, 2-26-2014, "Brain Drain and the Politics of Immigration," Nation, <https://www.thenation.com/article/brain-drain-and-politics-immigration/> //DF

The US immigration structure operates on a visa system. The government issues H-1B visas to foreign workers with specialized skills in science, technology and medicine, among many other fields, allowing them to legally reside and work in the United States. **This particular visa is popular among large corporations with the resources to pay the visa fees for their foreign applicants. By spending a little extra on the hiring process for these workers, they can net higher profits by paying their immigrant employees less than their US-born counterparts. More than 80 percent of H-1B visa holders, in fact, are paid lower wages than US citizens in comparable positions.** The tech industry in particular is notorious for its abuse of H-1B visas. In 2012, after claiming that it could not fill 6,000 domestic jobs due to a lack of available visas and qualified American workers, Microsoft proposed a solution. If the US government would increase the number of visas available by 20,000, Microsoft said, the company would agree to pay \$10,000 for each applicant—nearly four times the usual fee. The revenue earned would go toward funding STEM education programs in the United States. Microsoft's bid garnered support from the STEM Coalition, an organization made up of corporations, educational nonprofits and some labor advocates that Microsoft is a member of. The coalition signed a letter expressing support for the visa increase as Microsoft approached a group of senators to craft the bill. It was a noble solution to the alleged problem, but the final draft of the legislation turned out to be vastly different from what Microsoft had initially described. In what was billed as a "classic bait and switch," the bill ended up calling for an increase of 300,000 available visas—some fifteen times what Microsoft had proposed—with Microsoft only paying a paltry fee of \$1,825 per visa, or less than 20 percent of what the company had promised.

**AND – Employers are not required to test for a shortage, but simply declare that one exists**

**Ruiz 12** Neil G. Ruiz [Senior Policy Analyst and Associate Fellow, Metropolitan Policy Program], 6-2012, "The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas," Metropolitan Policy Program at Brookings, <https://www.brookings.edu/wp-content/uploads/2016/06/18-h1b-visas-labor-immigration.pdf> //DF

The process of applying for an H-1B visa involves several steps, the first of which is submitting the Labor Condition Application (LCA) to the Department of Labor (see Figure 1).<sup>26</sup> The information from these LCA forms comprises the primary dataset analyzed in this paper. LCA forms can reflect requests for one or more workers and must contain information about the employer and the occupation. **In order for LCAs to be approved, salaries for H-1B workers must be certified at or above measured levels for the occupation in nationally recognized surveys.**<sup>27</sup> This regulation was put into place to prevent the visa program from depressing wages. However, **employers who submit H-1B applications are not required to perform labor market tests to ensure there are no available native-born workers, but only submit an attestation that no U.S. worker has been displaced at their company as a result.**<sup>28</sup> **This oversight process facilitates the speed at which requests are approved, but relies on post-admission site visits to prevent fraud and abuse.**<sup>29</sup> Once the LCA has been approved by the Department of Labor, it is sent to the United States Citizenship and Immigration Services (USCIS) within the Department of Homeland Security, along with the I-129 form that proves the worker's qualifications and the required visa fees. USCIS grants I-129 approvals in the order that they are received up to the day that the cap is reached for employers subject to the cap. At the final stage, the prospective visa holder submits their H-1B package including their I-129 receipt number and supporting documentation to the Department of State. The Department of State conducts interviews with the H-1B applicant and verifies that the required documentation is consistent. If the applicant meets all legal requirements, the Department of State then issues the visa.

**H-1B employees are paid significantly less than natives in the same jobs in specifically science, computer science, and engineering fields because they are less skilled than Americans**

**Will Sperry. (Bryn Mawr).** Are H1B Visa Workers Paid Less than Similarly Employed Natives? 2017.

<https://scholarship.tricolib.brynmawr.edu/bitstream/handle/10066/19254/2017SperryW.pdf?sequence=1>

Because of the limited nature of the data, the only conclusion that can be drawn for certain from the regressions comparing native and H1B salaries is **that H1B employees make significantly less than natives in the same occupation and state in computer science, sciences and architecture and engineering**, but make more money in banking. Additionally, H1B dependent employers pay their employees significantly less than nondependent employers in banking, computer science, and architecture and engineering, with the effect particularly visible in banking and computer science. Most of this difference is due to dependent employers paying less of a premium above the prevailing wage, but some comes from dependent employers hiring lower skilled H1B workers, and some comes

from H1B employers having a lower prevailing wage in general. Any of these differences could be due to the crucial omitted variable, skill level. However, there is some evidence in the computer science jobs that some of the difference between H1B employees and native employees is due to another reason besides skill level. Comparing h1b dependent prevailing wages with all h1b prevailing wages showed that accounting for skill level, occupation and location, h1b dependent employees still had lower salaries of \$1500. This means that some other explanation besides skill, occupation and location is making the dependent observations lower than the other H1B observations, and thus lower than the native observations. Since the total H1B coefficient for computer science was negative, and it was negative entirely because of the dependent observations, I can conclude that skill level is not the only reason natives were paid less than h1b employees in the computer science data. However, the difference between dependent and H1B employers did subside a lot when I used prevailing wage instead of salary as the dependent variable and included skill level as a variable. Therefore, **much of the difference in salary in that dataset is caused by skill**, and the fact that h1b employers pay more of premium above the prevailing wage than dependent employers. **This is a significant finding because many employers claim that the h1b visa is used to recruit top talent from around the world and that it is integral to innovation in American industries. In fact, H1B visa holders are actually paid less than natives in the STEM fields I studied, and that most of this pay differential is likely due to being lower skilled than natives.**

## UQ – US Education

### **Low H-1B visa cap can provide the incentive to improve American education systems and training**

Vernon Briggs, Jr., Emeritus Professor of Labor and Human Resource Economics at Cornell University, "Immigration Policy in Free Societies: Are There Principles Involved or Is It All Politics?" November 2009, <http://www.cis.org/immigration-principles>

By the same token, xenophilic demagoguery also serves no useful purpose for public discussions of immigration reforms. Immigration is, as mentioned earlier, fundamentally an economic issue in terms of its societal impacts. Exaggerated and uncritical assertions that proclaim the merits of more immigrants while ignoring their fiscal and opportunity costs on the receiving countries does little to further public debate. **The mere existence of labor shortages**—locally, regionally or nationally—**does not mean that more immigration is necessary or desirable as a policy response**. **Tight labor markets can provide opportunities to direct public attention to the inadequacies of domestic training, education, and labor mobility programs, as well as being chances to re-examine the state of prevailing anti discrimination efforts that assure that available human resource reservoirs are fully tapped**. Furthermore, such efforts at human-resource development can reduce the tendency of expanded immigration to "brain-drain" skilled labor from developing nations where such supplies are always chronically short. Increasing the level of immigration is one way to meet real labor shortages; but it is not the only one or necessarily the preferred first option.

**This is empirically true. The Independent Computer Consultants Association reports that the use of cheaper foreign labor has forced down the hourly rates of U.S. consultants by as much as ten to 40 percent.**

**FAIR 08 4-2008 "H-1B Visas: Harming American Workers,"** Federation for American Immigration Reform, <https://fairus.org/issue/workforce-economy/h-1b-visas-harming-american-workers> //DF

The advocates for increasing the admission of H-1B workers suggest that our ability to compete internationally depends on being able to employ the 'best and the brightest' professional workers from around the world. This claim is belied by the fact that nearly half of all of the approved petitions are for persons with undergraduate degrees rather than advanced degrees (see chart below). In addition, the rate of conversion of H-1B workers to green card holders indicates that most employers are not keeping their temporary workers after their temporary visa expires. Workers—Or Cheap Workers? **Simply having a large influx of workers into the industry oods the labor market and drives down wages.**<sup>2</sup> Study after study shows that H-1B workers are paid lower wages than their American counterparts, driving down the prevailing wage: A UCLA study found that H-1B engineers were paid 33 percent less than comparable U.S. citizens. <sup>3</sup> A Cornell University study found that H-1B programmers and engineers were underpaid by 20 to 30 percent.<sup>4</sup> An INS report found that the computer-related H- 1B employees were paid a median salary 25 percent less than the national median for their eld. <sup>5</sup> A National Research Council report found that "H-1B workers requiring lower levels of high tech skill received lower wages, less senior job titles, smaller signing bonuses, and smaller pay and compensation increases than would be typical for the work they did."<sup>6</sup> It also found that H-1Bs have an

adverse impact on overall wage levels.<sup>7</sup> **The Independent Computer Consultants Association reports that the use of cheaper foreign labor has forced down the hourly rates of U.S. consultants by as much as ten to 40 percent.** <sup>8</sup> The effect of depressing wages by increasing the available pool of qualified workers is not an innocent by-product of the H-1B visa program. Statements by Alan Greenspan, former Chair of the Federal Reserve Board make the point that this wage lowering effect is intended.

### **The H-1B influx has historically depressed wages for CS workers by between 2-5%**

John Bound. (NBER). UNDERSTANDING THE ECONOMIC IMPACT OF THE H-1B PROGRAM ON THE U.S. February 2017.

file:///C:/Users/domin/Desktop/10.0000@[www.nber.org/generic-F1DDF2928FC5.pdf](http://www.nber.org/generic-F1DDF2928FC5.pdf)

Over the period of study, wages grew for computer science workers, but this growth would have been higher if immigration was restricted

(Figure 5b). **An influx of foreign CS workers depresses the CS wage, and shifts some US workers into non-CS occupations. At the end of the decade, our model implies wages for CS workers would have been between 2.6%-5.1% lower under the open economy** (Table 5). With an increase in the foreign CS workforce, college educated US CS workers shift into non-CS occupations, and this tends to lower the non-CS wage. At the same time, however, as the equilibrium amount of total CS workers increases, so does the marginal product of non-CS college educated workers. This increases the demand for non-CS workers, and tends to increase their wage making the net effect positive (Figure 5c). Overall, Table 5 shows an increase in the non-CS wage due to immigration, of about 0.04%-0.28% in 2001. As expected both the changes in CS wage and the non CS wage for college graduates are sensitive to what value of  $\lambda$  we choose, but qualitatively our results do not change across specifications. Since the labor supply of non-college graduates is assumed to be fixed and inelastic, only changes in the demand for non-college graduates determine the difference in their wages under the real and counterfactual scenarios. When the economy is open to immigration, the equilibrium number of total college graduates employed increases due to immigration. This raises the marginal product of non-college graduate labor, and shifts out the demand for non-college graduate workers, raising the overall wage for non-college graduates (Figure 5d). Under the open economy, wages for non-college graduates would have been between 0.43%-0.52% higher by the end of this period (Table 5).<sup>35</sup>

## Link – Changing College Careers

### **An influx of H-1Bs drives down STEM wages, causing American college students to switch out of STEM and to higher paying fields**

Norman Matloff (Economic Policy Institute). "Are Foreign Students the 'Best and Brightest'? Data and implications for immigration policy."

February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

The diversion of educated workers due to the foreign influx is not at all limited to the lab sciences. A team of Berkeley economists identified this same problem in the CS/EE context in 1998 and elaborated on the point in a 2009 book (Brown and Linden 2009): ...high-tech engineers and managers have experienced lower wage growth than their counterparts nationally. ...Why hasn't the growth of high-tech wages kept up?

...Foreign students are an important part of the story. ...Approximately one-half of engineering Ph.D.s and one-third of engineering MSs were granted to foreign-born students in the mid-1990s. (Brown, Campbell, and Pinsonneault 1998, emphasis added) **The H-1B-caused**

**internal brain drain was actually anticipated, if not actually planned, in the government's central science agency back in 1989. The Policy Research and Analysis (PRA) division of the National Science**

**Foundation (NSF) complained that Ph.D. salaries were too high. In an unpublished report, PRA proposed a remedy in the form of importing a large number of foreign students,** stating: These salary data show

that real Ph.D.-level pay began to rise after 1982, moving from \$52,000 to \$64,000 in 1987 (measured in 1984 dollars). One set of salary projections show that real pay will reach \$75,000 in 1996 and approach \$100,000 shortly beyond the year 2000. ... [To] the extent that increases in foreign student enrollments in doctoral programs decline or turn negative for reasons other than state or national policies it may

be in the national interest to actively encourage foreign students. ... **A growing influx of foreign Ph.D.s into U.S. labor markets will hold down the level of Ph.D. salaries. ...[The Americans] will select alternative career**

**paths...by choosing to acquire a "professional" degree in business or law, or by switching into management as rapidly as possible after gaining employment in private industry...[as] the effective**

**premium for acquiring a Ph.D. may actually be negative.** (Weinstein 1998; emphasis added) It is not clear whether the

PRA report represented official NSF policy. **However, the report did correctly project that the H-1B and related**

**programs would drive American students away from doctoral study, i.e., would cause an internal**

**brain drain in STEM. Significantly, the PRA accurately forecast that the STEM wage suppression would cause American students to shift to business and law.** As seen earlier, the PERM data show that Microsoft pays its financial analysts and lawyers much more than it pays its engineers.

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Norman Matloff (Economic Policy Institute). "Are Foreign Students the 'Best and Brightest'? Data and implications for immigration policy." February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

Note that diversion cannot be viewed as a failure of the American K-12 educational system, as is often claimed. True, some students are weak in STEM or are disinterested in it, but the points made above apply to students who are skilled at STEM, and who do specialize in STEM in college. As remarked above, the issue of diversion concerns workers who have bachelor's degrees in STEM but who, either immediately after attaining their degrees or later on, are working outside of STEM. Indeed, in the NIH study discussed above, the workers have doctorates in STEM, plus years of postdoctoral work. As noted, the NIH fretted that the H-1B visa is resulting in loss of career to many Americans in lab science. In addition, **the stagnant salaries caused by the foreign influx discourage young people from pursuing a career in STEM. Young people see these market signals and respond accordingly.** Even many Indian immigrant engineers' children see the tech field as unstable, subject to outsourcing to India (Grimes 2005). **The talents STEM students have been applying—keen quantitative insight, good problem-solving and analytical skills, and so on—are much more highly rewarded outside STEM,** as exemplified by the Microsoft salary analysis above. Georgetown University researcher Anthony Carnevale has remarked, **"If you're a high math student in America, from a purely economic point of view, it's crazy to go into STEM"** (Light and Silverman 2011). A Forbes Magazine article cites the troubling effects of stagnant salaries and offshoring: **Between 2003 and 2006 the percentage of graduates from MIT going into financial services rose from 13 percent to almost 25 percent. ...One can hardly blame these young hires. Financial firms offer considerably higher pay, better career prospects and insulation against offshoring, than traditional science and engineering companies.** ... (Schramm 2011) Gavin (2005) summarized the connection made by Richard Freeman of Harvard: In his paper, Freeman argues that **fewer American-born workers pursue science and engineering not only because they have more career choices than foreign workers, but also because some choices offer better wages.** Average annual salaries for lawyers, for example, amounted to more than \$20,000 above those for doctoral-level engineers and \$50,000 more than those for life scientists with doctorates, according to Census data that Freeman cites in the paper.... **U.S. companies,** he added in an interview, **have been quite willing to encourage a foreign supply of technical workers. This has allowed them to pay lower wages, but it has also created conditions that make science and engineering less attractive to Americans.** "You can't say, 'I want more visas' and 'I expect more Americans to enter the field,'" Freeman said. "The thing that always strikes me about these business guys is they never say, 'We should be paying higher salaries.'" **20 This internal brain drain might have been justified if the foreign workers were of higher caliber than the Americans, but, as shown earlier, this is not the case. The consistent theme in the results here has been that the immigrant engineers and programmers who first come to the United States on student visas—the group the industry lobbyists claim are most talented—are quite similar to the Americans in talent, or are of lesser talent than the Americans,** contrary to the "genius" image projected by the industry.

## Link – College Acceptance Rate

**Less foreign students now because Trump is making it more difficult to get a job in the US**

Sean Higgins (Washington Examiner). "Trump administration considers ending H-1B visa extensions." January 3, 2018.

<https://www.washingtonexaminer.com/trump-administration-considers-ending-h-1b-visa-extensions>

**The Trump administration is considering rules for the H-1B visa program for high-tech workers that would prevent the visas from being extended. The change is apparently intended to force the recipients, which number in the hundreds of thousands, to return to their country of origin before**

**they could complete green card applications to stay in the U.S.** The proposed change was reported by the McClatchy newspaper chain, citing two anonymous sources briefed on the plan, which is being prepared by officials at the Department of Homeland Security. "The idea is to create a sort of 'self-deportation' of hundreds of thousands of Indian tech workers in the United States to open up those jobs for Americans," one source told McClatchy.

### **Raising the cap brings back more foreign students, which crowds out US students**

**Anderson 16** Nick Anderson, 12-21-2016, "Surge in foreign students may be crowding Americans out of elite colleges," Washington Post [https://www.washingtonpost.com/local/education/surge-in-foreign-students-might-be-crowding-americans-out-of-elite-colleges/2016/12/21/78d4b65c-b59d-11e6-a677-b608fbb3aaf6\\_story.html?utm\\_term=.25f5f33ac58b](https://www.washingtonpost.com/local/education/surge-in-foreign-students-might-be-crowding-americans-out-of-elite-colleges/2016/12/21/78d4b65c-b59d-11e6-a677-b608fbb3aaf6_story.html?utm_term=.25f5f33ac58b) //DF

**A major increase in international enrollment in recent years has intensified the competition for entry to America's top private colleges and universities, as ever-growing numbers of applicants angle for the limited supply of seats.** That tension is particularly evident in the eight prestigious Ivy League schools: Federal data shows that their freshman classes grew slightly from 2004 to 2014 — 5 percent — while the number of incoming foreign students rose 46 percent. At the same time, applications to the schools shot up 88 percent. At Yale University, where just 6 percent of 30,000 applicants are accepted, the foreign share of the freshman class has grown from single digits to 11 percent. As Yale's undergraduate enrollment has edged upward since 2004, foreigners have accounted for almost all of the growth, reflecting a deliberate strategy to deepen Yale's engagement with the world. "We want to bring together an incredibly diverse student body — diverse in every way," said Jonathan Holloway, dean of Yale College. "If we want to train the next generation of global leaders, we better have the globe here." Foreign and domestic demand grew so high that Yale has embarked on its biggest expansion since its undergraduate college opened to women in 1969. Next fall Yale will open two new residential complexes, a \$500 million project to lift enrollment capacity 15 percent.

## **Link – Supply and Demand**

**A higher supply of H-1B workers will drive down pay because employers have more employees to choose from, so they don't have to offer high salaries or raises to attract staff**

**Kellogg Insight.** Does the H-1B Visa Program Hurt American Workers? 9/7/16  
<https://insight.kellogg.northwestern.edu/article/does-the-h1-b-visa-program-hurt-american-workers>

**In theory,** the visa program rules should prevent companies from paying H-1B workers less than their American counterparts. **Employers are not allowed to offer an H-1B applicant a salary that is lower than similar employees' pay or the "prevailing wage" for that job in that location. But the standards for determining prevailing wages are shaky, and companies can take advantage of loopholes, such as hiring the person through a third-party service. In addition, increasing the supply of workers might drive down everyone's pay over time because employers have more potential employees to choose from and thus do not have to offer high salaries or raises to attract and retain staff.** Aobdia, who teamed up with [Anup Srivastava](#) of Dartmouth College and independent researcher Erqiu Wang, wanted to understand the true effect of highly skilled immigrant workers. They turned to the auditing industry, which allowed them to combine three sets of publicly available data—audit documents, which include information regarding the auditing office that performed the work and its fee; the characteristics of that audit office's clients; and the details of the H-1B applications that office submitted. They examined 16,997 H-1B applications from dozens of offices belonging to the six biggest public accounting companies in the U.S. from 2001 to 2012. To find out which types of offices hired H-1B workers, the researchers looked for links between "immigration intensity" within an office—the number of applications submitted or in progress, adjusted for the estimated size of the office—and other characteristics of individual offices, such as the types of clients they served, the quality of life in their city, and the office's reputation. To find out whether hiring more immigrants drove down the entire office's wages, the team analyzed the starting salaries offered to the H-1B workers, as reported in the visa applications. The researchers investigated whether offices that hired more H-1B immigrants offer lower salaries, while controlling for other factors affecting wages. Filling Gaps in the Workforce The team found that H-1B workers tended to play two roles. First, they were more likely to be hired by offices that might have difficulty attracting U.S. workers—for example, offices that were smaller, served fewer prestigious clients, or were in less desirable locations. Along the same lines, H-1B applications were more common among offices that had recently made mistakes on an audit, which likely damaged their reputation. "Those offices start hiring more immigrants," he says. Secondly, the companies hired H-1B applicants for specialized work. Offices whose clients required complicated accounting or had higher foreign income tended to apply for more visas, perhaps because these employees offered skills such as speaking another language. And more H-1B workers



were hired in areas of the country with a relatively high proportion of immigrants. This pattern might have arisen because companies in those areas are more welcoming of immigrants or local foreign-born clients want to interact with other immigrants.

## IL – US CS Workforce

### **The increase in the H1-B cap decreased the amount of us native CS workers by 9%**

Guarav Khanna. (Center for Global Development). The IT Boom and Other Unintended Consequences of Chasing the American Dream. August 2017. <https://www.cgdev.org/sites/default/files/it-boom-and-other-unintended-consequences-chasing-american-dream.pdf>

Our results indicate that US immigration policy did play a significant role in the spread of the IT boom from the US to India. The possibility of migrating to the US under the H-1B program incentivized students and workers in India to choose CS degrees and occupations. Those that returned after the expiration of their visas contributed to this growing CS workforce and enabled the increases in technological productivity in India. We show that the H-1B program led to an increase of 21% in the size of the non-migrant Indian CS workforce in 2010. However, **the migration led US native CS workers to switch to non-CS occupations and is therefore associated with a fall in the US native CS workforce by as much as 9% in 2010.**

## Impact – innovation

### **Americans CS workers are far more likely to be in R&D than foreign CS workers**

Norman Matloff (Economic Policy Institute). “Are Foreign Students the ‘Best and Brightest’? Data and implications for immigration policy.” February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

The results of the logit model for both computer science and electrical engineering, looking at the probability of working in R&D while controlling for age (and the square of age18) and education level, are presented in Table 6. The estimated coefficients from a logit regression are interpreted as the rate of change in the “log odds” of (in our case) working in R&D, as the independent variables change. As is common practice in discussions of logit regression results, here we discuss the more intuitive “marginal effect” of being a foreign former student for specific values of the other independent variables. The data indicate that in both computer science and electrical engineering, the foreign former students are significantly less likely to work in R&D, compared to Americans of the same age and educational background.

For example, consider 30-year-old workers with master’s degrees. **In computer science, substitution into the logit formula shows that the Americans are about 10 percent more likely to be working in R&D than are comparable foreign former students** (a 0.89 probability versus 0.81) **In electrical engineering, the difference is dramatic—the Americans are 68 percent more likely to be in R&D than the foreign former students,** with the probability of R&D work being 0.76 for the Americans but only 0.46 for the foreign former students. These are interesting results. One might take the view that considering patents or dissertation awards is setting the bar too high: A worker might be quite innovative without necessarily having the work patented, and the bar for the dissertation awards is extremely high. **These latter findings, however, address the industry’s core source of innovative work, its R&D units, and the data show that these units are staffed disproportionately by Americans rather than by foreign former students.**

### **As a result of filling the jobs that innovate, American workers are also more likely to innovate, as shown by slightly higher patenting rates**

Norman Matloff (Economic Policy Institute). “Are Foreign Students the ‘Best and Brightest’? Data and implications for immigration policy.” February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

In column 1, the coefficient for computer science workers who were former foreign students, -0.439, is significantly different from zero at the 5 percent level. In other words, among computer science workers, on average, the former foreign students are producing about half a patent application fewer per person than are Americans of the same age and education level. On the other hand, in electrical engineering (column 3), the former foreign students’ patenting activity is not significantly different from the Americans. The NSCG data also tally commercialized patents, so Table 5 presents analyses of the propensity to procure commercialized patents by computer science (column 2) and electrical engineering (column 4) workers. **The results are similar to those for all patents. Former foreign students in computer science produce 0.118 fewer commercialized patents than their American counterparts of**

**the same age and education level.** On the other hand, former foreign students in electrical engineering produce a comparable number of commercialized patents to their American counterparts. In summary, the former computer science students apply for somewhat fewer patents than do their American peers, and also are awarded fewer patents that are eventually commercialized. In the case of electrical engineering, the foreign and American groups have the same mean numbers of patent applications, both general and commercialized. Again, the data do not show a best and brightest tendency among the former foreign students. Rates of working in R&D Presumably much (though by no means all) of the innovation in the tech industry comes from those working in research and development positions. It is thus of interest to investigate the proportions of U.S. versus immigrant workers who hold such jobs. Fortunately, the NSCG data include a variable for this status.

# Outsourcing

## UQ – Most Visas

### Indian Outsourcing firms like Tata and Infosys receive the most H-1B visas

**Economist 17** 2-9-2017, "H-1B visas do mainly go to Indian outsourcing firms," Economist, <https://www.economist.com/news/united-states/21716630-not-good-argument-against-them-h-1b-visas-do-mainly-go-indian-outsourcing> //DF

MOST of the debate about immigration in America concerns the illegal sort. But legal immigration can be controversial too, even when the migrants in question have either an unusual talent for writing computer code or improbably long legs. The H-1B visa programme is aimed at skilled workers in "speciality occupations", mostly medicine and information technology (though fashion models can also qualify). Currently the programme is limited to 85,000 visas a year, with 20,000 carved out for those who earn postgraduate degrees from American universities. Most workers must make a minimum of \$60,000 a year to qualify. Critics argue that the programme has strayed from its original purpose and is now being abused by firms to replace Americans with cheaper labour. Three bills to curtail H-1Bs have already been introduced to the new Congress.

Reports suggest that an executive order may also be in the works. Demand for the visas far exceeds the 85,000 cap, meaning that the government has to ration them to firms by lottery. Indian outsourcing firms like Tata

Consultancy Services (TCS), which provides low-cost back-office services, are now the biggest employers of H-1B workers.

Analysing data compiled by Théo Négri of jobsintech.io, The Economist found that between 2012 and 2015 the three biggest Indian outsourcing firms—TCS, Wipro and Infosys—submitted over 150,000 visa applications for positions that paid a median salary of \$69,500. In contrast, America's five biggest tech firms—Apple, Amazon, Facebook, Google and Microsoft—submitted just 31,000 applications, and proposed to pay their workers a median salary of \$117,000.

**They get the most visas because they can file several applications for the same employee, crowding out smaller firms without those capabilities; no way to know how widespread because USCIS doesn't examine each case before the lottery**

**Wang 16** Xiang Wang, 12-1-2016, "Why A Trump Crackdown on Visa Programs Could Benefit Foreign Students," Forbes, <https://www.forbes.com/sites/xiangwang/2016/12/01/why-a-trump-crackdown-on-visa-programs-could-benefit-foreign-students/#5bfe795be0ac> //DF

In the past, Indian IT outsourcing firms have been the top recipients of H-1B visas. According to Economic Policy Institute, the top 10 sponsors received more than 25,000 visas, accounting for nearly 30% of the total quota in 2014. Among these firms, half of them have their headquarters in India. Some companies have been exploiting policy loopholes by filing several applications for the same employee to increase the chance of getting visas—squeezing out small firms who do not have the capacities to do so. So why would a crackdown on visa programs be good news for international students? A tougher investigation or possible reforms could provide more spots for international students who come to the U.S. to study and then find a job here, where these spots have been largely taken by Indian-educated workers who come to work for Indian outsourcing companies based in the U.S. Indian companies could be the biggest loser India has the second-largest number of international students in the U.S, some 165,000—half the number of Chinese international students last year—but it dominates H-1B visas, winning more than all other countries combined. Among the top 10



H-1B sponsors, six of them are Indian IT outsourcing companies, while only one U.S. company, IBM at No.3, ranked among the top 5 sponsors. While U.S. Citizenship and Immigration Services received 236,000 applications this year, it does not necessarily mean there are actually 236,000 candidates in the pool. Companies have found creative ways to beat the lottery system in the past. It is no secret to people familiar with H-1B visas that some companies have been sending multiple applications for the same employee through different subsidiaries. Such practice is illegal, according to USCIS. Its 2008 ruling says “employers may not file multiple or duplicative H-1B petitions for the same employee.” But the current system does not track each case before the lottery, which means the agency is not sure of how many petitions are duplicates, a loophole that may need further government scrutiny. Before Trump’s criticism of visa-program abuse, companies such as Infosys and Tata Consultancy Services were already on the Department of Labor’s radar. In 2015 the department investigated Southern California Edison’s replacement of more than 500 American tech workers with cheaper foreign workers on H1-B visas through Infosys, but the agency found no evidence of wrongdoing.

### **They can file multiple applications if the visa holder will work in more than one location**

**Bhattacharya 18** Ananya Bhattacharya, 4-4-2018, “This year, the H-1B visa will find fewer takers among India’s big IT companies,” Quartz India, <https://qz.com/997172/you-can-thank-the-h-1b-visa-programme-for-the-it-boom-in-india/> //DF

Tesla applied for 200% more H-1B workers in 2017 than in 2015. “The rise in requests appears to match growing workforces,” the Chronicle writes. “Tesla, for example, had 40,000 employees in 2017, up from 13,000 in 2015.” Applications do not map one-for-one into the number of visas requested. More than one LCA can be issued for a single position if the visa holder will work in more than one geographic location. And one LCA could be filed for multiple positions. Still, LCAs are a reliable measure of H-1B visa applicants in the country. Why Indian companies are H-1B shy Silicon Valley faces severe skill shortages it can plug by bringing in talent from abroad. “Every reputable data source in the US has documented a growing shortfall between the supply and demand for computer science majors in the US workforce, especially in cutting-edge fields such as cloud, big data, and mobile computing,” Indian IT trade association Nasscom said in April last year.

### **This crowd-out is huge – the top 10 visa-using companies receive more than the next 90 combined**

**Popper 17** Ben Popper, 4-20-2017, “The H-1B visa system has been broken for decades. Now workers want Trump to fix it,” Verge, <https://www.theverge.com/2017/4/20/15370248/trump-h-1b-visa-reform-tech-worker-outsourcing-cap> //DF

But it’s how H1-B visas are being used by applicants that’s really changed. Data from the 2016 batch of H-1B petitions show that the top 10 sponsors of H-1B visa workers in the US are all corporations with large outsourcing businesses: Indian companies like Infosys, Tata, and Wipro, which pioneered the business, and US-based firms like IBM, Accenture, and Cognizant, which saw the success of the Indian contractors and began offering their own competing outsourcing programs. Those 10 firms have more workers currently employed through the program than the next 90 companies combined, a group that includes all of America’s largest tech companies and banks. That means that the annual lottery for H1-B visas is now overwhelmed by companies that have built

businesses based on foreign labor and business that are fostering a massive outsourcing industry. It used to take months for the program to reach its annual cap. This year it took five days. And the adoption of H-1B workers can be just the start of a longer off-shoring process. At Toys “R” Us in New Jersey, Abbott Labs in Illinois, and Disney Parks in Florida, entire departments staffed by American citizens were forced to train H-1B workers hired as their replacements. Those replacements were then tasked with training individuals outside the country. Diangelo says that along with training the worker who shadowed him at the office, he was forced to train 10 workers back in India on the intricacies of his job. The daily lessons were conducted remotely using web conferencing software.

## **IL – Job Loss**

**Increases in the number of foreign CS workers in the 90s decreased US scientists by 6-10% – for every 100 foreign CS workers that enter the US, between 33 to 61 native CS workers are crowded out from computer science to other college graduate occupations**

John Bound (National Bureau of Economics). “UNDERSTANDING THE ECONOMIC IMPACT OF THE H-1B PROGRAM ON THE U.S.” February 2017. <http://www.nber.org/papers/w23153>

Figure 4a describes the restriction under the counterfactual exercise. It shows how, under the real scenario where the economy is open to H-1B immigration, there is an increase in the stock of foreign computer scientists, whereas under the counterfactual scenario where the economy is 'closed,' the stock of foreign computer scientists is restricted to the 1994 level. How this restriction affects the stock of US computer scientists in our model can be seen in Figures 4b-4c. Over this period **there is an increase in the total number of computer scientists when we allow for immigration, but the number of US computer scientists actually decreases with respect to the closed economy every year as the number of immigrants increases.** In 2001, **the number of US computer scientists was between 6.1%-10.8% lower under the open than in the closed economy (Table 5).** These numbers imply that **for every 100 foreign CS workers that enter the US, between 33 to 61 native CS workers are crowded out from computer science to other college graduate occupations.** When the economy is open to immigration under the H-1B program, some US computer scientists switch over to non-CS occupations, shifting out the supply of these workers. This can be seen in Figure 4d. While over time there has been a rapid increase in the number of non-CS college educated workers, this increase would have been lower if the number of foreign CS workers were restricted. In fact, the growth rate between the open and closed economies plotted in Figure 4d mirrors the decrease in Figure 4c as US workers switch from CS to non-CS occupations. Since students in our model choose their college major in their junior year, a change in the wages for computer scientists will affect these choices. Under the open economy scenario the fraction of CS degrees in 2001 would be between 1.3 - 2.6 percentage points lower than in the closed economy as can be seen in Figure 4e.

### **More succinct summary of Bound; 5% lower wages and up to 11% higher employment**

**Kopf 17** Dan Kopf, 2-15-2017, "New research shows who will be hurt—and helped—if America's tech industry can't hire the world's best talent," Quartz, <https://qz.com/910630/new-research-shows-who-will-be-hurt-and-helped-if-americas-tech-industry-cant-hire-the-worlds-best-talent/> //DF But not everyone wins from the program. Recently published research by economists John Bound, Gaurav Khanna, and Nicolas Morales of the University of Michigan found that, although the H-1B program is a major contributor to US economic growth, it's quite bad for domestic computer scientists. Based on data from 1994 to 2001, the researchers estimate that **without the H-1B program, the wages of American computer scientists would have been 3% to 5% higher in 2001, and Americans' employment in computer science would have been 6% to 11% higher.** They also find that, in general, the H-1B program makes college graduates worse off, while helping non-college graduates by giving them access to cheaper technology. The researchers chose to use the period from 1994 to 2001 because it was a time of stable growth in the US, during which there was also a large influx of H-1B workers. Though the computer-scientist labor market might be different today, the pain felt by its US participants still likely holds. The findings were a surprise to the researchers, who had not thought they would discover such a large loss for domestic computer scientists. "The [H-1B] program led to a lot more innovation and growth in IT, which should raise wages for everyone in that sector," Khanna told Quartz. "But competition from foreign computer scientists should also keep wages down. We weren't sure which would be the bigger effect." The competition effect easily won out.

## **IL – Offshoring**

### **H-1Bs facilitate offshoring of jobs to other countries – 1.7 million jobs have been brought offshore**

**Popper 17** Ben Popper, 4-20-2017, "The H-1B visa system has been broken for decades. Now workers want Trump to fix it," Verge, <https://www.theverge.com/2017/4/20/15370248/trump-h-1b-visa-reform-tech-worker-outsourcing-cap> //DF That means that the annual lottery for H1-B visas is now overwhelmed by companies that have built businesses based on foreign labor and business that are fostering a massive outsourcing industry. It used to take months for the program to reach its annual cap. This year it took five days. And **the adoption of H-1B workers can be just the start of a longer off-shoring process.** At Toys "R" Us in New Jersey, Abbott Labs in Illinois, and Disney Parks in Florida, **entire departments staffed by American citizens were forced to train H-1B workers hired as their replacements. Those replacements were then tasked with training individuals outside the country.** Diangelo says that along with training the worker who shadowed him at the office, he was forced to train 10 workers back in India on the intricacies of his job. The daily lessons were conducted remotely using web conferencing software. "The program is used for some really bright people and in the right way in certain cases, but it's become overwhelmed by bad actors," says Hira. "The laws and rules were written at the behest of industry, and employers love the program, because they get to hold the visa, pay lower wages, and avoid providing benefits," says Hira. "It's worth tens of billions of dollars to them, which is why they have fought any

sort of sensible reform.” Hira estimates that roughly 1.7 million jobs have been offshored to India alone, and though other factors are in play, the H-1B program has helped facilitate that process. “The question is, can you repair the program, can you realign it, so the reality meets the intent?” The tech industry has continued to lobby in recent years for higher caps on H-1B visas. In 2011, Steve Jobs reportedly used time with President Obama to press the issue. (Obama suggested broader reform was needed first.) In 2013, Facebook’s Mark Zuckerberg founded FWD.us with a mission to “attract the most talented and hardest-working people,” as Zuckerberg put it in an op-ed that year. Luminaries like Eric Schmidt and Bill Gates signed on. It has since become the industry’s preeminent lobbying channel for the issue.

### How it enables offshoring

**Stonawski 13** Rebecca Stonawski [Political Science Department, Concordia University Wisconsin], 2013 “Understanding Proposed Changes to the H-1B Visa: Protecting American Government Interests, Improving the Opportunities for American Companies, or Potentially Hurting Hopeful Immigrants?,” Journal Laws, doi:10.3390/laws2030233 //DF

With this in mind, National Public Radio (NPR) and Forbes India offered another critique of the H-1B program. During an NPR interview, Public Policy Professor Ron Hira noted that many firms use temporary work visas like the H-1B to limit their expenses. They do this in two ways. First, they employ cheaper employees in computer technology in the US. Second, they create overseas work centers where they can send their newly-trained H-1B recipients back to—essentially creating large outsourcing operations. For example, Cognizant, a New Jersey firm received 9,000 H-1B visas in 2012. Three other Indian firms received the next largest amount of visas, leading to an image of training people for outsourcing jobs overseas [11]. This keeps wages low for people in the US and abroad. As Forbes India related, the current H-1B system financially rewards competitive off-shoring efforts from India via the H-1B program [20]. Essentially, the US employer can pay an outsourced Indian less in India. The Indian’s underlings are also paid less than people who would work in the US in the same positions. At the same time, the US worker becomes less competitive than the Indian, as her job can now be done overseas for a lower wage, decreasing her income potential.

## Politics

### UQ – Trump

### UQ – Tech Lobby

#### The tech lobby has been effective in influencing the program in ways that benefit them

**Popper 17** Ben Popper, 4-20-2017, “The H-1B visa system has been broken for decades. Now workers want Trump to fix it,” Verge, <https://www.theverge.com/2017/4/20/15370248/trump-h-1b-visa-reform-tech-worker-outsourcing-cap> //DF

By the late ‘90s, the program had become a valuable resource for employers in the tech sector. Companies like Microsoft, Hewlett Packard, and IBM were using the visa to hire computer programmers, and the tech lobby put pressure on Congress to dramatically increase the number of H-1B visas made available each year. By that point, however, major news programs like 60 Minutes and 48 Hours had begun to report on the use of Indian programmers to supplement and sometimes replace American workers, and sentiment toward the system was shifting. Labor organizations like the AFL-CIO and IEEE opposed an expansion. As a compromise, an updated law included what appeared to be a number of new protections for US workers. First, companies applying for an H-1B worker had to

demonstrate they had first tried to hire an American. Second, if they brought in a foreign worker, they had to ensure that person wasn't displacing or harming American workers. But the bill, known as the American Competitiveness and Workforce Improvement Act, also created a loophole. If the person being hired through an H-1B had a master's degree or was being paid at least \$60,000, then companies were exempt from the two requirements meant to protect American workers. It was a low bar for companies to reach. "The lobbyists for the tech industry were very effective," says Morrison. Over the decades, the number of H-1B workers allowed into the US each year has grown. With the 1998 update, the visa cap lifted to 115,000. In 2000, the limit was boosted again, this time up to 195,000. That year, the law was also tweaked so that renewals no longer counted toward the cap. In 2004, the cap was reset to 65,000, but an exemption was added for 20,000 students graduating from US institutions with master's degrees. Exemptions were also added for workers affiliated with academic institutions, which can include schools and teaching hospitals. According to Ron Hira, a professor of Public Policy at Howard University who has studied the H-1B issue and testified about it before the Senate, the actual number of visas handed out each year has been around 135,000 over the last five years.

### **The tech lobby was the force behind raising the cap in the 90s**

**Banerjee 06** Payal Banerjee [Syracuse University], 2006 "Indian Information Technology Workers in the United States: The H-1B Visa, Flexible Production, and the Racialization of Labor," Journal of Critical Sociology //DF  
Dubbed the "workhorse of the IT industry" (Ayers and Syfert 2002:540), the H-1B visa has been intimately tied to the labor demands in IT. During the late 1990s, corporate lobbies, dominated by representatives from the IT sector, cited a severe shortage of skilled workers and appealed to the US Congress to raise the annual H-1B cap from 65,000 so that more foreign workers could be hired for IT occupations. Since the workers on this visa were primarily being hired by subcontractors to serve as contract workers, and not necessarily as direct employees of the lobbying companies that sought labor flexibility, it was in these lobbies' interest to press for more visas as that would enlarge the pool of flexible contract workers at their disposal.<sup>3</sup> The state participated in this project and facilitated the process by passing the American Competitiveness and Workforce Improvement Act of 1998, which increased the H-1B visa cap to 115,000 for fiscal years 1999 and 2000. The demand for H-1B workers exceeded this increased limit and the IT industry approached the US Congress within a year to further increase the H-1B visa cap. The American Competitiveness in the 21st Century Act of 2000 was passed, which raised the yearly cap to 195,000 for years 2000 to 2003. The demand for H-1B visa has been increasing steeply since 1996 and the number of petitions exceeded the visa's annual limit each year from 1996 to 2000 (Ayers and Syfert 2002) and yet again from 2003 to 2005.

## UQ – Public Support

**Only 23% of people believe the H-1B visa quota should be increased.**

\*\*\*PDF in H-1B Visa folder under "Politico Poll"\*\*\*

POL5	<i>As you may know, the H-1B visa program allows U.S. companies to hire highly skilled, trained immigrant workers from other countries. H-1b visa applicants typically have specialty skills in areas such as engineering, computer science or programming. Workers with H-1B visas can normally stay in the U.S. for a maximum of 6 years. Knowing this, do you think the number of H1-B visas should be increased, decreased, or kept about the same?</i>		
	Increased	453	23%
	Decreased	449	22%
	Kept about the same	764	38%
	Don't Know / No Opinion	335	17%
POL6	<i>Based on what you know, do you think H-1B visa workers generally</i>		
	Help the U.S. economy	893	45%
	Hurt the U.S. economy	457	23%
	Have no impact on the U.S. economy	239	12%
	Don't Know / No Opinion	411	21%
POL7	<i>Based on what you know, do you think H-1B visa workers</i>		
	Fill jobs that most American workers are able to perform	872	44%
	Fill jobs that most American workers are NOT able to perform	592	30%
	Don't Know / No Opinion	536	27%

## Workers Abuse

## OVERVIEWS

## BLOCKS

## Cybersecurity

**1- Nonunique-** Lynch of Bloomberg writes in 2017 that the US Cyber Security is the second strongest in world with high levels of preparedness

**2- Delink-** More workers don't prove that beneficial for the innovation in the sector. **Sukmar** from the **ORF** finds in 2017 that employees of Indian IT corporations today make up the largest proportion of recipients of H1B visas. Yet their contribution to collaboration in research and development and strategic engagement is negligible, and has caused India to fall behind in technology innovation.

**3- Delink-** Companies use H1B visas not as a way to gain more workers, but as a way to get cheaper ones. **Cooper** from **Real Clear Politics** writes in 2017 that big tech companies take advantage of the H1B program to drive their bottom line. The law permits companies to lay off their own employees in favor of foreign workers doing the work in the states or overseas.

**4- Turn-** More workers harms cybersecurity. **Landi 18** writes that hiring more people on itself won't improve security because firms struggle with patching because they use manual processes and can't prioritize what needs to be patched first. That's important because he finds the most successful tactic to prevent security breaches is timely patching.

**5- Turn-** Increasing the amount of cybersecurity workers actually depresses wages for workers in the sector. **The ISACA** writes in 2018 that the most demand for cyber-security professionals is disproportionately at the lower end of the experience spectrum. This demand will lead to increased competitiveness for positions, as those who are entering the field now seek to move upward later, thus flooding the sector and pushing down salaries.

**6- Turn:** **Ians 17** reports that India is Uniquely at risk of cyber security attacks. A marginal increase in US cybersec, which is already really strong, is not worth brain draining India who needs each and every worker.

George R. Lynch (Bloomberg) "U.S. Has Second Strongest Cybersecurity in the World, UN Reports" Jul 14, 2017

<https://www.bna.com/us-second-strongest-b73014461766/>

**Singapore has the strongest cybersecurity capabilities in the world, with the U.S. coming in a close second, according the United Nations Global Cybersecurity Index 2017.**

Being second among nations usually isn't something the U.S. likes to celebrate. But given the media firestorm over alleged Russian hacking of U.S. systems, and the fallout from massive malware attacks that crippled some U.S. operations, being second amongst the nearly 200 countries that are members of the U.N. International Telecommunications Union studied in the report sounds like a good thing.

**The U.N. categorized the countries into three general levels of preparedness: initiating stage, maturing stage, and leading stage.**

The report put 96 countries in the initiating stage category because they have just started making cybersecurity commitments. Seventy-seven countries with "complex" cybersecurity commitments and active engagement in cybersecurity programs were classified as being in the maturing stage. The 21 countries in the leading stage demonstrated they had strong commitments to five cybersecurity pillars—legal, technical, organizational, capacity building, and cooperation. The U.N. looked at a variety of cybersecurity readiness indicators, one of the strongest of which was a country having outlined a cybersecurity strategy. Only 38 percent of countries in the report had adopted such a strategy and 50 percent of the countries had no cybersecurity strategy, the report said. Less than half (43 percent) of states have capacity building programs that provide cybersecurity training for officials who are most likely to handle cybersecurity issues, such as law enforcement officers and the judicial system, the U.N. said.

**The U.S. received perfect scores in both the legal and capacity building pillars, which includes cybersecurity legislation and regulation.**

More than half of the countries (61 percent) have some sort of official cybersecurity emergency response team, such as a Computer Emergency Response Team (CERT). But more than two-thirds (68 percent) of the countries don't have cybersecurity industries.

Arun Mohan Sukumar. "'H' is for high technology cooperation, not H1B visas | ORF." *ORF*. 14 Mar 2017. Web. 26 Apr. 2018.

<https://www.orfonline.org/research/h-for-high-technology-cooperation-not-h1b-visas/>

As a result, **employees of Indian IT corporations today make up the largest proportion of recipients of H1B visas.** The H1B programme — and the L1 programme, which allows companies to transfer employees with "specialised knowledge" to the US — have been successful in creating bridges between Indian and US businesses. **Yet their contribution to collaboration in research and development and strategic engagement is negligible, and has caused India to fall behind in technology innovation. On both the Indian and American side of the equation, successful bilateral technology collaboration must look beyond the H1B programme in order to tie collaboration to investment in Indian education and innovation.** This was made clear to me recently on the sidelines of a recent conference on India's digital economy, where the Research & Development head of one of the world's leading data analytics companies explained to me that his company's labs in Moscow — which have a couple hundred employees — offered more value to the company than the thousands of Indian software engineers it employs in Bangalore alone. Puzzled, I asked why. The R&D chief bluntly said advancements in algorithmic efficiency and innovation were made in locations like Moscow or the firm's location in Tel Aviv, while the India offices mostly serviced or updated finished products. With Indian expertise being relatively affordable, it makes sense to invest in "high technology" development elsewhere and hire a big team in Bangalore or Gurgaon to manage operations. In the absence of rigorous Master's or PhD-level training programmes in the country on computer science or cyber security, he said, companies have no incentive to move frontier research to India.

**Landi 4/2/18, Heather.** "Healthcare IT Security Teams Struggle with Basic Hygiene of Patching, Survey Finds." Healthcare Informatics Magazine, 6 Apr. 2018,

[www.healthcare-informatics.com/news-item/cybersecurity/survey-healthcare-it-security-teams-struggle-basic-hygiene-patching.//JA](http://www.healthcare-informatics.com/news-item/cybersecurity/survey-healthcare-it-security-teams-struggle-basic-hygiene-patching.//JA)

However, **the report uncovered what it called security's "patching paradox"—hiring more people does not equal better security. "While security teams plan to hire more staffing resources for vulnerability response—and may need to do so—they won't improve their security posture if they don't fix broken patching processes. Firms struggle with patching because they use manual processes and can't prioritize what needs to be patched first,"** the report states. According to ISACA, a global non-profit IT advocacy group, the global shortage of cybersecurity professionals will reach 2 million by 2019. More than half (55 percent) of respondents said that they spend more time navigating manual processes than responding to vulnerabilities. What's more, **security teams lost an average of 12 days manually coordinating patching activities across teams.** Most IT professionals (65 percent) said they find it difficult to prioritize what needs to be patched first, and **61 percent indicated that manual processes put them at a disadvantage when patching vulnerabilities.** And, many IT security leaders feel that **hackers are outpacing organizations with technologies such as machine learning and artificial intelligence.**

**IL: Response times key - the main cause of breaches is the failure to timely patch. Focusing on staffing distracts from the cause of breaches**

**Landi 4/2/18, Heather.** "Healthcare IT Security Teams Struggle with Basic Hygiene of Patching, Survey Finds." Healthcare Informatics Magazine, 6 Apr. 2018,

[www.healthcare-informatics.com/news-item/cybersecurity/survey-healthcare-it-security-teams-struggle-basic-hygiene-patching.//JA](http://www.healthcare-informatics.com/news-item/cybersecurity/survey-healthcare-it-security-teams-struggle-basic-hygiene-patching.//JA)

The study found that efficient vulnerability response processes are critical because **timely patching is the most successful tactic companies employed in avoiding security breaches. Automating routine processes and prioritizing vulnerabilities helps organizations avoid the 'patching paradox,' instead focusing their people on critical work to dramatically reduce the likelihood of a breach. "Most data breaches occur because of a failure to patch,** yet many organizations struggle with the basic hygiene of patching," Sean Convery, vice president and general manager, ServiceNow Security and Risk., said in a statement. **"Attackers are armed with the most innovative technologies, and security teams will remain at a disadvantage if they don't change their approach."**

**Turn - increasing supply and therefore competition of low skilled cyber workers depresses wages**

**(Evidence is from survey of Cyber Security professionals and is specifically talking about low experience jobs in the context of cyber security)**

**ISACA 18, "State of Cybersecurity 2018: Workforce Development."** ISACA, Apr. 2018,

[www.isaca.org/Knowledge-Center/Research/Documents/cyber/state-of-cybersecurity-2018-part-1\\_res\\_eng\\_0418.PDF?regnum=439930](http://www.isaca.org/Knowledge-Center/Research/Documents/cyber/state-of-cybersecurity-2018-part-1_res_eng_0418.PDF?regnum=439930). ISACA or Information Systems Audit and Control Association. State of Cybersecurity 2018 reports the results of the annual ISACA global State of Cybersecurity Survey, conducted in October 2017. //JA

Although it is not entirely clear from the data, it appears that **the most demand [for cyber-security professionals] is disproportionately at the lower end of the experience spectrum.** Over the very long term (a decade or longer), it is possible—although by no means certain—that **this lower-end demand will ultimately lead to increased competitiveness for positions, as those who are entering the field now seek to move upward later. This increased competitiveness for positions,** in turn, may **lead to downward pressure on salaries, given disparities between demand at differing experience levels and increasingly constricted upward mobility for practitioners who are entering the workforce. If trends in automation continue,** that **downward salary pressure may expand to include less-experienced practitioners,** as automation of technical tasks displaces demand for technical resources.

Nathan Cooper. "Don't Give Silicon Valley More H1B Visas (EDITORIAL: Real Clear Politics) | Transmosis." Transmosis.com. 14 Jan 2017. Web. 26 Apr. 2018. <<http://transmosis.com/dont-give-silicon-valley-more-h1b-visas/>>

In a letter dated November 14, a lobbying group whose members included Twitter, Netflix, Facebook, and Google urged President-elect Donald Trump to increase the number. "The U.S. immigration system must allow more high-skilled graduates and workers to stay in the United States



and contribute to our economy," wrote Michael Beckerman, president of the Internet Association. Last week, tech big shots like Apple CEO Tim Cook, Alphabet CEO Larry Page and Microsoft CEO Satya Nadella met with Trump in New York. You can bet the pitch was similar. Their economic argument, that the industry suffers from a shortage of workers, is false and misleading. Big tech companies take advantage of the H1B program to drive their bottom line. The law permits companies to lay off their own employees in favor of foreign workers doing the work in the states or overseas. Think about that. The law does more than look the other way at firms that hire foreign workers instead of American citizens; it allows companies to ditch their own employees so they can hire foreign nationals. Remember the recent story about laid-off Disney workers who were forced to train their foreign replacements? Not surprisingly, tech firms use the provision to their advantage. In late 2014, Microsoft laid off 21,000 workers. In September 2015, Hewlett Packard announced it was cutting 25,000 to 30,000 workers. That was on top of the 55,000 jobs it slashed the year before.

## 1. Zero Sum. US Cybersec benefits are someone else's' costs

Arlen, 15

<https://www.leviathansecurity.com/blog/scarcity-of-cybersecurity-expertise>

Importing talent seems like a simple solution: find the experts and entice them to immigrate temporarily or permanently. Currently, the United States has two major avenues to import cybersecurity talent. Trade NAFTA Status was implemented to permit low-friction labor mobility for certain professions---but the list of acceptable professions is out-of-date, meaning that cybersecurity professionals must demonstrate other skills, like software development or management consulting, in order to be eligible. The other avenue is the H1-B Specialty Occupation visa. At current levels, this program supports 20,000 Master's degree holders and a further 65,000 Bachelor's degree holders to immigrate to the United States yearly (renewals are allowed indefinitely). To be eligible, companies must assert that they are unable to hire the required expertise from within the United States and must look elsewhere. The majority of H1-B visas are issued primarily for cybersecurity-related positions. The issue with importing talent is that the talent pool is finite; these experts do not magically appear. **By importing cybersecurity talent from one country, it benefits one country and weakens another. It may create a shift in target for those seeking to damage complex systems to a different country. However, the net effect to all participants in the global economy remains unchanged.** If importing talent is a zero-sum game, then educating talent must be the answer. Many countries have one or more government-supported educational initiatives to identify and train cybersecurity talent.

## Net bad: India Uniquely at Risk of Cyber Attacks

Ians 17

<https://www.firstpost.com/business/digital-drive-puts-india-at-greater-cyber-attack-risk-russian-firm-kaspersky-3821779.html>

India and other South Asian countries are now on the radar of cyber attackers, said experts, adding that the government and corporates need to procure state-of-the-art, New Age security solutions to thwart their plans. The impact of recent global cyber attacks were clearly visible in India as "WannaCrypt" -- that affected 150 countries globally -- and the recent "Petya" malware attack hit computers in the country. "India's growing economy and digitalisation are really a big concern as cyber attackers have now begun focusing on developing countries with big populations and average incomes," Eugene Kaspersky, Chairman and Chief Executive of Kaspersky Lab, told IANS on the sidelines of the recently-concluded "Interpol World 2017" conference in Singapore's Suntec City. His comments came as the Moscow-based cyber security firm found that the "Petya" attack hit Gateway Terminal India operated by AP Moller-Maersk at the Jawaharlal Nehru Port Trust (JNPT), a facility near Mumbai which is India's biggest container port. The terminal was unable to load or unload because of the attack as it



failed to identify which shipment belongs to whom. According to Vitaly Kamluk, Director of Global Research and Analysis Team for APAC at Kaspersky Labs, there was no cyber security threat till 2010 and India was quite safe till then. But now, **India and other "developing countries are most vulnerable, especially the financial sector.** We perceive that banks are most vulnerable in India", Kamluk told IANS. Stephan Neumeier, Managing Director of Kaspersky Lab Asia Pacific, stressed the need to educate people to save them from becoming victims of cyber attacks. "As India's economy is growing fast, more and more people are now getting access to Internet. They have 4G access and Android devices are becoming popular. They need to be educated about anti-virus solutions as mandatory for devices and be made aware about not falling for phishing attacks," Neumeier emphasised.

### **India not prepared to deal with cyberattacks**

Apvera 17

<https://www.apvera.com/2017/12/15/india-has-the-greatest-risk-during-a-cyber-attack/>

Russian firm Kaspersky fears that India is now on the radar for several attackers who look to cripple organizations and cause chaos in an effort to steal data. Some attacks are political in nature, and India continues to grow as a dominant entity in global issues. This makes them the target for government-sponsored attacks. As any country develops, their infrastructure becomes more digitized. The evolution of their internal systems makes it much more in demand for outsourcing and business, but it also makes them more open to cyber attacks. The firm came to the conclusion after the Petya attack. Petya crippled several countries, but it also hit Gateway Terminal India, which is India's biggest container port. Petya is a form of ransomware that encrypts boot files in Windows. The user is no longer able to boot the operating system, and it shows a message telling the user to pay a ransom or lose their data. Unfortunately, the system never boots even if the user pays the ransom.

## **Impact: R/T More Workers decrease Security issues**

**1- Delink – Claire Mayer from Security Magazine** writes cybersecurity errors aren't due to a lack of workers, it is due to human error.

Claire Mayer (Security Magazine) "Nearly All Large Businesses Have a Cybersecurity Policy, But Is It Strong Enough?" October 1, 2017

<https://www.securitymagazine.com/articles/88341-nearly-all-large-businesses-have-a-cybersecurity-policy-but-is-it-strong-enough>

Ninety-four percent of large businesses in the U.S. have a cybersecurity policy, according to the 2017 Cybersecurity Survey by Clutch, and most of them have had a policy for more than three years. U.S. enterprises are more likely to have a cybersecurity policy than most global organizations (two-thirds of which lack a formal cybersecurity policy), and policies most commonly include required security software, backups, scam detection and security incident reporting protocols. Phishing attacks loom large in IT decision-makers' minds, as 57 percent of those surveyed said their company has experienced a phishing attack in the last 12 months. Only 21 percent reported a ransomware attack on their company in the past year. **One challenge lies in getting buy-in from employees about strict cybersecurity**

**policies. CompTia's 2016 International Trends in CyberSecurity report cites "general carelessness" as the top source of human cybersecurity error, and the**

**growing trend of remote working is tempting employees to circumvent or ignore cybersecurity policies to use unprotected public Wi-Fi or personal devices to access work-related data. Seventy percent of large businesses plan to invest more in cybersecurity, according to the Clutch survey. Thirty-three percent of respondents said that investing in technology – security software, secure mobile apps – will improve their cybersecurity policy.**

# Framework

## R/T Morality

**1- Delink- Gerson indicates that nations are immoral because they lack intention. A group of human beings, such as the group that comprise a government, cannot be self-aware in this way and therefore cannot be a moral agent. This means you can't accept their justification on actor specificity.**

(Lloyd P. Gerson. Author Aristotle's Politics Today 2008 Albany: State University of New York Press)

Having said this, I still think that the argument that seeks to include nations within the class of moral agents on the basis of intentionality is a weak one. Here is why. There is an ambiguity in the term "intentionality" that this argument exploits. In the sense in which nations have intentionality, the attribution of moral agency does not follow. In the sense of intentionality according to which moral agency does follow, this argument does not show that nations have that. Intentionality in the first sense can characterize any goal-directed behavior and can also be applied to any behavior that is understandable in the light of that goal. For example, it is perfectly reasonable to say that a squirrel is gathering nuts for the purpose of eating throughout the winter, or that the rattle of the snake's tail shows that it intends to strike, or that the field mouse is trying to get into the house in the autumn in order to keep warm, or that the chess-playing robot is trying to pin down my knight. But the sense of intentionality that applies to such goal-directed behavior by agents obviously does not indicate moral agency. Intentionality in the second sense, the sense according to which its applicability does imply moral agency, is something else. In this sense, intentionality refers first and foremost to the self-awareness of the presence of the purpose and the self-awareness of the mental states leading to its realization. That is, of course, precisely why we refrain from claiming that someone is responsible for her actions when she is unaware of what she is doing, especially when she could not have been aware. The acknowledgement of self-awareness is necessary for the attribution of moral agency. I would in fact argue that all and only nondefective human beings have this ability to be self-aware. But that is not my point here. There may be agents other than human beings that are moral agents. My present point is that a group of human beings, such as the group that comprise a nation, cannot be self-aware in this way and therefore cannot be a moral agent.

**For this reason prefer the U.S. government abiding by the social contract and prioritizing its own citizens. [ev about the social contract].**

## Foreign Students

### Link – R/T Increase

1. Foreign students crowd out American students. Salzman 15 writes that schools will be more likely to adopt a strategy to increase revenue by accepting more international students at the expense of low income US students who can't pay full tuition.

Foreign students crowd out Americans students. Salzman 15

Salzman – 15 – Professor of Planning & Public Policy, Center for Workforce Development, Rutgers University (Hal Salzman, 3-17-2015, Statement Before the Senate Committee on the Judiciary, <https://www.judiciary.senate.gov/imo/media/doc/03-17-15%20Salzman%20Testimony%20Updated.pdf>, p. 25, malia – 4/12/2018)

In summary, any expansion of foreign student entry into the U.S. labor market in IT is likely to exacerbate rather than remediate the current, negative impacts of large guestworker flows on the labor market. Further, and very importantly, it is likely to exacerbate what appears to be growth of a college and university business model of providing entry into the U.S. labor market that would otherwise be difficult to obtain; the provisions of the I-Squared legislation could expand the numbers of master's degree programs that are primarily offering degrees as the cost of obtaining a green card, easy entry into the U.S. labor market, and perhaps a moderate level of skill and education. The evidence suggests the impact would be depressing wages, as is currently reflected by the lack of a wage premium for H-1B master's degree holders and growth of degree programs that exclude U.S. students, either indirectly (as evident in the colleges with high concentration of F-visa graduates) or directly, as in the case of California State University [CSU]-East Bay, which stopped admitting state residents into its graduate programs and admitted almost exclusively international students into its computer science program (which is about 90 percent international students; Jaschik, 2012, Matloff, 2012). This was the University's explicitly stated strategy to increase revenue to make up for budget deficits by excluding state residents who would pay lower tuition rates than out-of-state and international students. As the chart above suggests, this appears to be a "global services" business model pursued by a number of colleges and universities across the country.

Increasing foreign student enrollment leads to exclusion of US students in order for universities to maximize revenue.

Salzman – 15 – Professor of Planning & Public Policy, Center for Workforce

Development, Rutgers University (Hal Salzman, 3-17-2015, Statement Before the Senate Committee on the Judiciary, <https://www.judiciary.senate.gov/imo/media/doc/03-17-15%20Salzman%20Testimony%20Updated.pdf>, p. 25, malia – 4/12/2018)

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**\*\*DO NOT READ IF YOU RUN BRAIN DRAIN\*\* Uniqueness overwhelms the link: Saul 18 explains that a slew of factors are deterring foreign students from studying in the US a. There's an increasing lure of schools in English speaking countries like Canada and Australia b. Since Trump was elected, his rhetoric has made the US less attractive to international students. Calling countries shitholes will probably reduce the number of students from those countries c. The Trump administration is more closely scrutinizing visa applications, indefinitely banning travel from some countries and making it harder to get a green card. Overall, there was a 7% drop in foreign applications last fall. Simply throwing more visas out there won't bring any of these people back**

**Saul 18** Stephanie Saul, 1-2-2018, "As Flow of Foreign Students Wanes, U.S. Universities Feel the Sting," New York Times, <https://www.nytimes.com/2018/01/02/us/international-enrollment-drop.html> //DF

The downturn follows a decade of explosive growth in foreign student enrollment, which now tops 1 million at United States colleges and educational training programs, and supplies \$39 billion in revenue. International enrollment began to flatten in 2016, partly because of changing conditions abroad and the increasing lure of schools in Canada, Australia and other English-speaking countries. And since President Trump was elected, college administrators say, his rhetoric and more restrictive views on immigration have made the United States even less attractive to international students. The Trump administration is more closely scrutinizing visa applications, indefinitely banning travel from some countries and making it harder for foreign students to remain in the United States after graduation. While government officials describe these as necessary national security measures, a number of American colleges have been casualties of the policies. "As you lose those students, then the tuition revenue is negatively impacted as well," said Michael Godard, the interim provost at the University of Central Missouri, where 944 international students were enrolled in the fall, a decline of more than 1,500 from the previous year. "We've had to make some decisions, budgetary decisions, to adjust." International students pay double the \$6,445 tuition of Missouri residents, and the lost revenue amounts to \$14 million, according to Roger Best, the chief operating officer for the school, in Warrensburg, Mo. Dr. Best said that the university has been forced to cut instructors in computer programs, where many of the foreign students were enrolled, as well as defer maintenance and shave money from other departments, such as the campus newspaper. Nationwide, the number of new foreign students declined an average of 7 percent this past fall, according to preliminary figures from a survey of 500 colleges by the Institute of International Education. Nearly half of the campuses surveyed reported declines.

**Non-unique: students are already leaving. Thomas 15 explains that Indian universities have become so competitive, with acceptance rates of 1%, that many Indian students have turned to studying abroad. In fact, the students going for higher studies abroad has increased by 256% in the last 10 years.**

Thomas 15 Dhanya Thomas, 4-1-2015, "Brain drain: Boon for developed countries, but bane for India," StudyAbroad, [//DF](https://studyabroad.careers360.com/brain-drain-boon-developed-countries-bane-india)

Higher Education Scenario in India **In recent years, the cut-offs for admissions became close to 100% in the best Indian universities.** While the institutes are in the race of getting the best students in the country, the ambitious youth who fail to meet the “irrational” demands had to compromise on their dream of occupying a seat in any of the prestigious Indian universities. This leads them to explore the scope of higher education abroad. Most of the students who try their luck in higher studies abroad get into good universities as they have an edge over the students from other countries in terms of skills and knowledge. While this is the case of young students, the academically well qualified people prefer going abroad for higher research because they don't get the best chances, resources and facilities for research in India. A recent study conducted by Indian Institute of Management- Bangalore (IIM-B) shows that **the students going for higher studies abroad has increased by 256% in the last 10 years.** When 53,000 Indian students went abroad for higher studies in 2000, the figure shot up to 1.9 lakh in 2010. The US is the most sought after destination for students, followed by the United Kingdom. There are many Indian students exploring study opportunities in countries like Australia, Germany and France as well. A report by Associated Chamber of Commerce and Industry of India (ASSOCHAM) pointed out that when a large number of students flocking to foreign universities, it costs India a whopping Rs. 95,000 crores per year. The report further noted that there is a huge difference in the fees paid by students studying in the premier institutes in India as compared to students who study abroad. While an Indian Institute of Technology (IIT) student has to pay an average fee of \$150 per month, the fee paid by an Indian student studying abroad per month is anywhere between \$1,500 and \$4,000. Still, it is a matter of concern that despite the highly subsidized rate of higher education, especially in engineering and management, India fails miserably in attracting the best brains.

## IL – R/T Innovation

**1- Delink- Matloff from the Economic Policy Institute** writes in **2013** that American workers are far more likely to be in research and development compared to foreign computer science workers.

**2- Delink- Matloff** furthers that foreign students are also empirically less productive. Former foreign students in computer science produce 0.118 fewer commercialized patents than their American counterparts of the same age and education level

Americans CS workers are far more likely to be in R&D than foreign CS workers

Norman Matloff (Economic Policy Institute). "Are Foreign Students the 'Best and Brightest'? Data and implications for immigration policy." February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

The results of the logit model for both computer science and electrical engineering, looking at the probability of working in R&D while controlling for age (and the square of age18) and education level, are presented in Table 6. The estimated coefficients from a logit regression are interpreted as the rate of change in the “log odds” of (in our case) working in R&D, as the independent variables change. As is common practice in discussions of logit regression results, here we discuss the more intuitive “marginal effect” of being a foreign former student for specific values of the other independent variables. The data indicate that in both computer science and electrical engineering, the foreign former students are significantly less likely to work in R&D, compared to Americans of the same age and educational background.

For example, consider 30-year-old workers with master's degrees. **In computer science, substitution into the logit formula shows that the Americans are about 10 percent more likely to be working in R&D than are comparable foreign former students** (a 0.89 probability versus 0.81) **In electrical engineering, the difference is dramatic—the Americans are 68 percent more likely to be in R&D than the foreign former students**, with the probability of R&D work being 0.76 for the Americans but only 0.46 for the foreign former students. These are interesting results. One might take the view that considering patents or dissertation awards is setting the bar too high: A worker might be quite innovative without necessarily having the work patented, and the bar for the dissertation awards is extremely high. **These latter findings, however, address the industry's core source of innovative work, its R&D units, and the data show that these units are staffed disproportionately by Americans rather than by foreign former students.**

As a result of filling the jobs that innovate, American workers are also more likely to innovate, as shown by slightly higher patenting rates Norman Matloff (Economic Policy Institute). "Are Foreign Students the 'Best and Brightest'? Data and implications for immigration policy." February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

In column 1, the coefficient for computer science workers who were former foreign students, -0.439, is significantly different from zero at the 5 percent level. In other words, among computer science workers, on average, the former foreign students are producing about half a patent application fewer per person than are Americans of the same age and education level. On the other hand, in electrical engineering (column 3), the former foreign students' patenting activity is not significantly different from the Americans. The NSCG data also tally commercialized patents, so Table 5 presents analyses of the propensity to procure commercialized patents by computer science (column 2) and electrical engineering (column 4) workers. The results are similar to those for all patents. Former foreign students in computer science produce 0.118 fewer commercialized patents than their American counterparts of the same age and education level. On the other hand, former foreign students in electrical engineering produce a comparable number of commercialized patents to their American counterparts. In summary, the former computer science students apply for somewhat fewer patents than do their American peers, and also are awarded fewer patents that are eventually commercialized. In the case of electrical engineering, the foreign and American groups have the same mean numbers of patent applications, both general and commercialized. Again, the data do not show a best and brightest tendency among the former foreign students. Rates of working in R&D Presumably much (though by no means all) of the innovation in the tech industry comes from those working in research and development positions. It is thus of interest to investigate the proportions of U.S. versus immigrant workers who hold such jobs. Fortunately, the NSCG data include a variable for this status.

### **There are several reasons why H-1Bs innovate less**

#### **1) Chen explains that the top H-1B employers have been using the program for temporary labor rather than a bridge to permanent immigration, which could keep actually skilled workers in the US**

**Chen 17** Michelle Chen, 4 13 2017, "Silicon Valley Sweatshops," Nation, <https://www.thenation.com/article/silicon-valley-sweatshops/> //DF And they're still poor. About 40 percent of H-1B visas approved in 2015 occupied the lowest wage tiers, which the Economic Policy Institute estimates could undercut a sector's prevailing wages by 40 percent. Tracking career progress over time, EPI found that out of roughly 460,000 H-1B visas imported in recent years, the ratio of immigrant Mark Zuckerbergs to rank-and-file coders was heavily skewed, despite Big Tech's youthful entrepreneurial promise: [T]he top H-1B employers have been using the program for temporary labor—and as a vehicle to outsource jobs to overseas locations—rather than as a bridge to permanent immigration, which could keep skilled workers in the US labor market for the foreseeable future. Based on EPI's analysis, fewer than 140,000 of the H1B workers employed in the United States from 2011 to 2013, out of nearly 819,000 approved visas, actually led to a green card for a worker, suggesting that guest workers experience permanent instability: Cognizant, a US based offshore outsourcing behemoth, received 4,293 H-1B visas in 2014, yet applied for a mere 57 green cards for its H-1B workers in the same year. That is a 1.3 percent rate, or one green card application for every 75 H-1B workers.

## **Impact – R/T Job Creation**

**1. No impact: Bartash 18** reports that jobless claims are down to levels last seen in the 1970s; for workers times are great. The impact of creating more jobs is now quite negligible.

**2. Turn-** H-1B visas put more Americans out of work. Hira 16 explains: Every firm that aims to maximize profits, and that's every firm, will avail itself of cheaper H-1Bs. Thus, increasing the supply of H-1B visas, by raising the visa cap, will companies to save more profits by cutting off US workers.

H-1Bs have historically put Americans out of work. Bound 17 finds that raising the H-1B cap in the 90s lowered computer science employment by 6-10%.

The net harm of this job loss is greater than the aff's job gain impacts; taking jobs from people who already have them is worse than giving jobs to people who already have them.

**Bartash 18** Jeffrey Bartash, 2-22-2018, "U.S. jobless claims drop 7,000 to 222,000, reclaim 45-year low," MarketWatch, <https://www.marketwatch.com/story/us-jobless-claims-drop-7000-to-222000-and-fall-back-to-45-year-low-2018-02-22> //DF

The numbers: Initial U.S. jobless claims fell by 7,000 to 222,000 in the seven days ended Feb. 17, marking the second lowest level since the end of the 2007-2009 recession. Economists surveyed by MarketWatch had forecast claims to total 230,000. The more stable monthly average of claims declined by 2,250 to 226,000, the government said Thursday. The number of people already collecting unemployment benefits, known as continuing claims, dropped by 73,000 to 1.88 million. What happened: Applications for jobless benefits fell in most states. After falling for years, initial jobless claims are now down to levels last seen in the early 1970s. Most firms continue to hire and the unemployment rate is at a 17-year low. Big picture: For workers times are great. For companies not so much. Businesses are very hesitant to lay off workers, even subpar ones, amid a growing shortage of labor. In some cases, they are raising wages or offering better benefits to attract or retain employees. The Federal Reserve is watching closely to see if the tightest labor market in almost two decades lead to a broad increase in worker pay and boosts U.S. inflation. The central bank would likely raise rates more aggressively if that took place. Market reaction: The Dow Jones Industrial Average DJIA, -0.34% and S&P 500 index SPX, -0.57% rose sharply in Thursday trades, but investors are still jittery about pending increases in U.S. interest rates. The Fed is likely to raise the cost of borrowing next month.

## 2. DA: more H-1Bs puts more Americans out of work.

**Hira 16** Ronil Hira [Ph. D, Associate Professor of Public Policy, Howard University], 2-25-2016, "The Impact of High-Skilled Immigration on U.S. Workers," Hearing Before The Subcommittee On Immigration And The National Interest Of The Judiciary Committee Hearing Before The Subcommittee On Immigration And The National Interest Of The Judiciary Committee, <https://www.judiciary.senate.gov/imo/media/doc/02-25-16%20Hira%20Testimony.pdf> //DF

As Table 1 shows, 11 of the top 20 H-1B firms are so-called H-1B Dependent. These are firms where more than 15% of their workforce in the U.S. are H-1Bs. Congress created the H-1B Dependent category of employers because it was concerned that those firms are most likely to abuse the H-1B program. Congress wanted tighter recruiting and non-displacement standards for H-1B Dependent firms to ensure that those firms only used the H-1B program sparingly, as a last resort, after they had sought for American workers. Yet, the H-1B Dependent firms in Table 1 demonstrate that it is extraordinarily easy to get H-1Bs while avoiding hiring American workers. Many, if not all, of those firms have been reported in the press of being engaged in directly replacing American workers with cheaper H-1Bs. All of them use similar business models of preferring H-1B workers over Americans because they are cheaper. But it would be folly to assume that H-1B Dependent firms are the only ones using the program for cheaper labor and to substitute for Americans. IBM is most likely doing the same thing with its contract with Hertz right now. Every firm that aims to maximize profits, and that's every firm, will avail itself of cheaper H-1Bs. Accenture, Deloitte, IBM, and Computer Sciences Corporation, all top H-1B employers but not H-1B Dependent, employ the same business models as Tata and Infosys. And it's important to keep in mind that the technology industry is very focused on keeping labor costs down. The wage-fixing scandal reached the highest levels of Silicon Valley. The nonpoaching emails between Apple's CEO Steve Jobs with Google's Eric Schmidt demonstrates the alarming lengths that the two most profitable technology firms will go to keep workers' wages low. III. Hiring H-1B workers because they are cheaper than Americans is a routine and mainstream practice. Well-known firms throughout the country are exploiting the H-1B and L-1 programs to bring in cheaper workers. Southern California Edison and Northeast Utilities are well-known, regulated utilities, and Disney and Toys R Us are household names. The contractors which hired the H-1Bs are Tata, Infosys, HCL, and Cognizant. While they may not be known to the average American, they are the leading H-1B employers. Over the past ten years those four firms alone brought in nearly 95,000 new H-1B workers. IV. Leading H-1B employers like Cognizant and HCL specialize in offshore outsourcing. When they get work from customers like Disney, the goal is to ship as much of the work offshore to India and other locations as possible. Those jobs that are shipped offshore are lost forever. The government is speeding up the offshoring of high-wage jobs by allowing the H-1B and L-1 programs to be exploited for cheaper labor. The top H-1B employers in 2014 are shown in table below. All of the top 10, and 15 of the top 20, H-1B employers in 2014 used the H-1B program principally to facilitate offshoring. Those fifteen employers brought in more than 190,000 new H-1B workers over the ten-year period FY05-14. That means that hundreds of thousands of American jobs were lost and many were offshored. Many more had their wages depressed, all because of abuse of the H-1B loopholes.

John Bound (National Bureau of Economics). "UNDERSTANDING THE ECONOMIC IMPACT OF THE H-1B PROGRAM ON THE U.S." February 2017. <http://www.nber.org/papers/w23153>

Figure 4a describes the restriction under the counterfactual exercise. It shows how, under the real scenario where the economy is open to H-1B immigration, there is an increase in the stock of foreign computer scientists, whereas under the counterfactual scenario where the economy is 'closed,' the stock of foreign computer scientists is restricted



to the 1994 level. How this restriction affects the stock of US computer scientists in our model can be seen in Figures 4b-4c. Over this period **there is an increase in the total number of computer scientists when we allow for immigration, but the number of US computer scientists actually decreases with respect to the closed economy every year as the number of immigrants increases.** In 2001, **the number of US computer scientists was between 6.1%-10.8% lower under the open than in the closed economy (Table 5).** These numbers imply that **for every 100 foreign CS workers that enter the US, between 33 to 61 native CS workers are crowded out from computer science to other college graduate occupations.** When the economy is open to immigration under the H-1B program, some US computer scientists switch over to non-CS occupations, shifting out the supply of these workers. This can be seen in Figure 4d. While over time there has been a rapid increase in the number of non-CS college educated workers, this increase would have been lower if the number of foreign CS workers were restricted. In fact, the growth rate between the open and closed economies plotted in Figure 4d mirrors the decrease in Figure 4c as US workers switch from CS to non-CS occupations. Since students in our model choose their college major in their junior year, a change in the wages for computer scientists will affect these choices. Under the open economy scenario the fraction of CS degrees in 2001 would be between 1.3 - 2.6 percentage points lower than in the closed economy as can be seen in Figure 4e.

## Impact – R/T Education Gap

### 1. Cost is only one barrier

### 2. The foreign students are mostly going to graduate school, not undergrad

**Wingfield 17** Nick Wingfield, 11-3-2017, "The Disappearing American Grad Student," New York Times, <https://www.nytimes.com/2017/11/03/education/edlife/american-graduate-student-stem.html> //DF

There are two very different pictures of the students roaming the hallways and labs at New York University's Tandon School of Engineering. At the undergraduate level, **80 percent are United States residents. At the graduate level, the number is reversed: About 80 percent hail from India, China, Korea, Turkey and other foreign countries.** For graduate students far from home, the swirl of cultures is both reassuring and invigorating. "You're comfortable everyone is going through the same struggles and journeys as you are," said Vibhati Joshi of Mumbai, India, who's in her final semester for a master's degree in financial engineering. "It's pretty exciting." The Tandon School — a consolidation of N.Y.U.'s science, technology, engineering and math programs on its Brooklyn campus — is an extreme example of how scarce Americans are in graduate programs in STEM. Overall, these programs have the highest percentage of international students of any broad academic field. In the fall of 2015, about 55 percent of all graduate students in mathematics, computer sciences and engineering were from abroad, according to a survey by the Council of Graduate Schools and the Graduate Record Examinations Board. In arts and humanities, the figure was about 16 percent; in business, a little more than 18 percent.

### 3. If schools need these students international students for scholarships and expansions then they would be accepting them at a higher rate than domestic students but they actually deny them at a significantly higher rate.

Jashodeep Datta. (National Institute of Health). International students in United States' medical schools: does the medical community know they exist? 6/4/12 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3368516/>

For the past two decades, United States' (US) institutions of higher education have welcomed the brightest students from all across the world. In its publication *Open Doors*, the Institute of International Education estimated that approximately 723,277 international students are currently pursuing undergraduate or graduate education in the US, a 32% increase since 2000. These numbers have grown consistently by about 1–15% every year ([1](#)). At this rate, the number of international students in US institutions might surpass 1 million by the year 2020. Matriculation of international students in US medical schools, however, has not matched this remarkable trend. In 2010, only 1,300 foreign citizens applied to US medical schools and only 171 matriculated. **This 13% acceptance rate is much lower than that of their US citizen counterparts, whose acceptance rate hovers around 42-44%.** Nonetheless, international student matriculation has steadily risen from 82 per year in 2002 to 171 in 2010, a 108% increase, and approximately 1,309 international students now attend US medical schools ([2](#)). Despite this modest gain, international students have largely been ignored in the medical literature. This article provides much-needed visibility for the challenges and dilemmas, logistical issues, and unique considerations pertaining to US medical education for international students.

#### **4. Increasing foreign student enrollment leads to exclusion of US students in order for universities to maximize revenue.**

Salzman – 15 – Professor of Planning & Public Policy, Center for Workforce Development, Rutgers University (Hal Salzman, 3-17-2015, Statement Before the Senate Committee on the Judiciary,

<https://www.judiciary.senate.gov/imo/media/doc/03-17-15%20Salzman%20Testimony%20Updated.pdf>, p. 25, malia – 4/12/2018)

In summary, any expansion of foreign student entry into the U.S. labor market in IT is likely to exacerbate rather than remediate the current, negative impacts of large guestworker flows on the labor market. Further, and very importantly, it is likely to exacerbate what appears to be growth of a college and university business model of providing entry into the U.S. labor market that would otherwise be difficult to obtain; the provisions of the I-Squared legislation could expand the numbers of master's degree programs that are primarily offering degrees as the cost of obtaining a green card, easy entry into the U.S. labor market, and perhaps a moderate level of skill and education. **The evidence**

**suggests the impact would be depressing wages, as is currently reflected by the lack of a wage premium for H-1B master's degree holders and growth of degree programs that exclude U.S. students, either indirectly (as evident in the colleges with high concentration of F-visa graduates) or directly, as in the case of California State University [CSU]-East Bay, which stopped admitting state residents into its graduate programs and admitted almost exclusively international students into its computer science program (which is about 90 percent international students; Jaschik, 2012, Matloff, 2012). This was the University's explicitly stated strategy to increase revenue to make up for budget deficits by excluding state residents who would pay lower tuition rates than out-of-state and international students.** As the chart above suggests, this appears to be a "global services" business model pursued by a number of colleges and universities across the country.

## Healthcare

### Link – R/T Increase

#### **No link – The cap doesn't apply to doctors at nonprofits, universities, and government research facilities**

Michael Ollove (The Washington Post). "Foreign-born doctors, many in underserved areas, are worried about their jobs." June 3, 2017.

[https://www.washingtonpost.com/national/health-science/foreign-born-doctors-many-in-underserved-areas-are-worried-about-their-jobs/2017/06/02/4cf18d9a-3fc6-11e7-8c25-44d09ff5a4a8\\_story.html?utm\\_term=.485b1754c267](https://www.washingtonpost.com/national/health-science/foreign-born-doctors-many-in-underserved-areas-are-worried-about-their-jobs/2017/06/02/4cf18d9a-3fc6-11e7-8c25-44d09ff5a4a8_story.html?utm_term=.485b1754c267)

The Trump administration has promised greater scrutiny of the H-1B program. Immigration advocates worry that the president's order to review the H-1B program might lead to fewer visas, but they also acknowledge that he has highlighted problems that need fixing. In 2015, about 113,600 H-1B visas were issued. More than half, 85,000, were chosen by lottery. **Medical residents, as well as doctors who work at nonprofit research institutions, universities and government research facilities, are not subject to the lottery, and there is no cap on how many of them can receive visas in a year.** Critics such as Sara McElmurry with the Chicago Council on Global Affairs, a nonpartisan group that researches public policy issues, complain that the overall H-1B system allocates visas based on chance rather than on the country's economic needs, lumping IT workers and accountants together without considering the country's economic needs.

### Link – R/T Hospitals need H1-B workers

#### **No shortage of doctors in the US**

Aaron E. Carroll. (New York Times). A Doctor Shortage? Let's Take a Closer Look. 11/7/16.

<https://www.nytimes.com/2016/11/08/upshot/a-doctor-shortage-lets-take-a-closer-look.html>

Based on these metrics, it would seem that we need more physicians. It would also seem that we're not training them. When it comes to medical graduates, the United States ranks 30th of 35 countries. But there is strong evidence that we are thinking about this the wrong way. **In**

**2014, the Institute of Medicine released a thorough analysis on graduate medical education that argued there was no doctor shortage, and that we didn't really need to invest more in new physicians.**

The system isn't undermanned, it said: It's inefficient. We rely too heavily on physicians and not enough on midlevel practitioners, like physician assistants and nurse practitioners, especially because evidence supports they are just as effective in primary care settings. We don't account for advances in technology, like telehealth and new drugs and devices that lessen the burden on physician visits to maintain health.

## R/T Cancer

### 1. No link – The cap doesn't apply to doctors at nonprofits, universities, and government research facilities.

Michael Olovey (The Washington Post). "Foreign-born doctors, many in underserved areas, are worried about their jobs." June 3, 2017.

[https://www.washingtonpost.com/national/health-science/foreign-born-doctors-many-in-underserved-areas-are-worried-about-their-jobs/2017/06/02/4cf18d9a-3fc6-11e7-8c25-44d09ff5a4a8\\_story.html?utm\\_term=.485b1754c267](https://www.washingtonpost.com/national/health-science/foreign-born-doctors-many-in-underserved-areas-are-worried-about-their-jobs/2017/06/02/4cf18d9a-3fc6-11e7-8c25-44d09ff5a4a8_story.html?utm_term=.485b1754c267)

The Trump administration has promised greater scrutiny of the H-1B program. Immigration advocates worry that the president's order to review the H-1B program might lead to fewer visas, but they also acknowledge that he has highlighted problems that need fixing. In 2015, about 113,600 H-1B visas were issued. More than half, 85,000, were chosen by lottery. **Medical residents, as well as doctors who work at nonprofit research institutions, universities and government research facilities, are not subject to the lottery, and there is no cap on how many of them can receive visas in a year.** Critics such as Sara McElmurry with the Chicago Council on Global Affairs, a nonpartisan group that researches public policy issues, complain that the overall H-1B system allocates visas based on chance rather than on the country's economic needs, lumping IT workers and accountants together without considering the country's economic needs.

### 2. Really unclear scope: they don't tell you how many H-1Bs come as doctors, so there's no way to weigh this impact or assess its scale.

### 3. Turn: this creates a doctor brain drain which harms Indian healthcare. This is more important because oncologists are far more available in the US than in India.

## Green Tech

\*\*\*Don't read if case or overview turns shortage\*\*\*

### TURN: technological innovation increases energy consumption through the rebound effect.

Lei Jin (School of Business Administration, China University of Petroleum, Beijing). "What Is the Relationship between Technological Innovation and Energy Consumption? Empirical Analysis Based on Provincial Panel Data from China." January 9, 2018.

In this paper, we systematically analyzed the relationship between technological innovation and energy consumption at the regional level rather than the national level. In our view, data at the national level tend to obscure the intrinsic heterogeneity among regions; for example, the level of economic development, climate and resource conditions in different regions will affect the relationship between technological innovation and energy consumption. To avoid the impact of this intrinsic heterogeneity, this study analyzed regional-level data that came from 28 provinces in China for the period 1995–2012. Our empirical study provides several new insights on the relationship. In the short run, technological innovation positively affects energy consumption growth, while energy consumption growth has no significant effect on technological innovation. In the long run, energy consumption growth is positively and bilaterally related to technological innovation. **The**

**results show that technological innovation is unlikely to reduce energy consumption growth, as some academics and government agencies have recognized. In contrast, it has a catalytic effect on energy consumption growth, which means that technological innovation will further increase energy consumption. Therefore, increased energy efficiency does not mean a reduction in energy**

**consumption.** Governments should be soberly aware that energy consumption growth is an inevitable trend along with technological innovation and social development at the present development stage of China. At the same time, under the constraint of finite resources and environmental pollution, energy consumption growth will also promote technological innovation rather than lead to path dependence and technology lock-in in the long run. Based on the above analysis, it is obvious that saving resources are important but it does not mean that our vision should be confined to it. If we want to achieve sustainable development, when developing energy-saving technologies for efficient use of existing resources, we should actively focus on detection and exploitation of new energy and energy price reforms at the same time, so that we could address the resource depletion and environmental pollution caused by energy consumption growth. We cannot simply rely on a reduction in energy consumption; rather, we should rely on technological innovation to improve energy efficiency and prevent the occurrence of a rebound effect. In addition, we should formulate policies about energy price reform and carbon tax. At the same time, we should develop new energy sources in order to change the energy consumption structure and reduce pollutant emissions. The Chinese government is already working on this; at the G20 Summit in 2016, China pledged to the world that its coal production capacity would be reduced by 500 million tons in three to five years for green development.

**Empirically a 20% increase in energy efficiency increases CO2 emissions by 5% -> warrant: increases the demand for products and services that emit CO2**

Runar Brannlund (Umeå University Sweden). Increased energy efficiency and the rebound effect: Effects on consumption and emissions. Published 2006. <http://www.sciencedirect.com/sci-hub.cc/science/article/pii/S0140988305000848>.

The main objective of this paper is to examine how exogenous technological progress, in terms of an increase in energy efficiency, affects consumption choice by Swedish households and thereby emissions of carbon dioxide (CO2), sulphur dioxide (SO2) and nitrogen oxide (NOx). The aim of the paper is closely related to the discussion of what is termed the rebound effect. To neutralise the rebound effect, we estimate the necessary change in CO2 tax, i.e. the CO2 tax that keeps CO2 emissions at their initial level. In addition, we estimate how this will affect emissions of sulphur dioxide and nitrogen oxides. **The results indicate that an increase in energy efficiency of 20% will increase emissions of CO2 by approximately 5%.** To reduce the CO2 emissions to their initial level, the CO2 tax must be raised by 130%. This tax increase will reduce the emissions of sulphur dioxide to below their initial level, but will leave the emissions of nitrogen oxides at a higher level than initially. Thus, if marginal damages from sulphur dioxide and nitrogen dioxide are non-constant, additional policy instruments are needed.

## Hegemony

Link – R/T International edge

## H4 Visas

UQ – Indian Women

**Most H4s go to Indian women, who become entirely dependent on their husbands when they arrive**

**Madhok 16** Diksha Madhok, 10-3-2016, "The desperation of Indian housewives in the United States of America," Quartz,

<https://qz.com/797831/the-h4-visa-and-the-desperation-of-indian-housewives-in-america/> //DF

India might be the world's fastest-growing big economy, but living in the US remains one of the biggest aspirations of its middle-class. Indian men with white-collar jobs in the US, hence, are some of the most eligible bachelors in the country, often attracting women who are highly educated themselves. Many of these men are in the US on a temporary work visa called the H1B—Indians receive nearly 70% of all H1B visas issued worldwide—and their spouses emigrate as H4 visa holders. The latter is a dependent visa and prohibits holders from working or starting a business in the US. They can't obtain a social security number either. "When a wife enters the United States on a dependent spouse visa, she enters at the wish of her husband. Her dependent immigration status allows her husband to control her ability to live in the United States and all rights that stem from that status," Sabrina Balgamwalla, an assistant law professor at the University of North Dakota, writes in a paper on spousal visa holders titled Bride and Prejudice. In other words, H4 visa holders, 90% of whom are women, are often reduced to childlike helplessness in a foreign country, completely dependent on their partners for everything, from their social to economic needs. According to some estimates, almost 80% of the 125,000 H4 visas in 2015 were granted to Indian passport holders. I spoke to over a dozen women who are either current or former H4 wives to understand the financial and psychological toll this forced career break takes.

## UQ – Trump Ends Policy That Allows Spouses to Work

**Probability? Don't vote on an argument that hasn't happened yet. Insofar as there is significant opposition to this decision and Trump is erratic it is impossible to assign a probability to this argument.**

## IL – Abuse

### **The dependency H4s put women in is widespread – 14k disapprove of it**

**Madhok 16** Diksha Madhok, 10-3-2016, "The desperation of Indian housewives in the United States of America," Quartz, <https://qz.com/797831/the-h4-visa-and-the-desperation-of-indian-housewives-in-america/> //DF

Full-time master's courses enhance the chances of picking up skills that are in demand in the US and finding an employer who would sponsor an H1B visa. But these courses are often unaffordable for young immigrant couples when only one partner is working. "My husband was just out of college and I did not want him to pay for another course. I had also spent all my money on my wedding," says Damani, who after five years of unemployment in the US decided to invest in a course at a film school. Depression visa H-4 visa—a curse" is a Facebook page with nearly 15,000 members. It documents the horror stories of women on dependent visas. The page was started in 2011 by Rashi Bhatnagar who moved to the US with her husband seven years ago. Bhatnagar used to be a journalist in India but now feels that the "huge gap" in her career history would make it hard for her to get back into the news business at age 33. "Right now I am happy because I have a baby," she told me. "But sometimes I feel a lot of time in my life has been wasted." In her early days in the US, she used to attend three classes a day at the gym to keep herself busy. On her Facebook group, and her blog by the same name, hundreds of women talk in painful detail about the H-4 visa-related problems they've faced. The least terrifying ones are the accounts of loneliness, of spending several hours at home in a new country with nobody to talk to. It gets progressively darker—depression, marital problems stemming from financial insecurities in a single-income household, and even domestic abuse. "There are so many husbands who do not let their wives drive a car. And these are highly educated men," says Bhatnagar. Damani, who says she has a supportive husband, battled depression. She even called a suicide helpline. "I wanted to just die. To no longer feel this guilt, this wastefulness. To no longer feel like a burden," she says in her film. "I did not know how I could get the lost time back."

# Indian Development

## Link – R/T Indian Visa Increase

**The amount of visas India gets is contingent on the bias toward Indian IT companies. However, with Trump's actions to limit the amount of these H-1B visas awarded to these companies, an increase in the cap will most definitely not result in more visas going to Indians.**

Tracy Jan. (Washington Post). This one group gets 70 percent of high-skilled foreign worker visas. 4/3/17.

[https://www.washingtonpost.com/news/woonk/wp/2017/04/03/this-one-group-gets-70-percent-of-high-skilled-foreign-worker-visas/?utm\\_term=.7c89b37d06d5](https://www.washingtonpost.com/news/woonk/wp/2017/04/03/this-one-group-gets-70-percent-of-high-skilled-foreign-worker-visas/?utm_term=.7c89b37d06d5)

Immigration experts expect the trend to continue despite the recent spate of high-profile violent attacks on Indians living in the U.S. Two Indian tech workers were [shot at a Kansas bar](#) in February by a gunman yelling "Get out of my country." One of the men died. **India's**

**dominance of the H-1B visa system is cemented by the country's giant outsourcing firms that submit tens of thousands of applications, increasing their chances of winning the coveted temporary work**

**visas.** [\[How today's visa restrictions might impact tomorrow's America\]](#) Among the top H-1B visa sponsors are Infosys, Tata Consultancy Services, Wipro, and Tech Mahindra Americas -- Indian multinational corporations providing information technology and outsourcing services, according to Myvisajobs.com.

## IL – R/T FDI

**1. Non-unique: Economic Times India estimates that FDI flows to India are surging, shooting up 37% in the last year. Importantly, Banik 17 explains that FDI inflows are growing because foreign investors are claiming more and more stakes in the Indian start-ups in areas like computer hardware and software. Money is already going towards Indian tech firms.**

**Yeah this is super non-unique**

**Economic Times 8-17** 8-21-2017, "FDI jumps 37% to \$10.4 billion during April-June 2017," Economic Times,

<https://economictimes.indiatimes.com/news/economy/finance/fdi-jumps-37-to-10-4-billion-during-april-june-2017/articleshow/60163515.cms>

//DF

**Foreign direct investment (FDI) into the country grew by 37 per cent to USD 10.4 billion** during the first quarter of the current fiscal, DIPP said today. According to the figures of the Department of Industrial Policy and Promotion (DIPP), India had received USD 7.59 billion FDI during April-June 2016-17. **The main sectors which attracted the highest foreign inflows include services, telecom, trading, computer hardware and software and automobile.** Bulk of the FDI came in from Singapore, Mauritius, the Netherlands and Japan. The government has announced several steps to attract foreign inflows. The measures include liberalisation of FDI policy and improvement in business climate. **Foreign investments are considered crucial for India, which needs around USD 1 trillion for overhauling its infrastructure sector such as ports, airports and highways to boost growth.** A strong inflow of foreign investments will help improve the country's balance of payments situation and strengthen the rupee value against other global currencies, especially the US dollar. The DIPP through its 'Make in India' twitter handle also stated that FDI equity inflow in manufacturing sector grew by 31 per cent to USD 4.19 billion during April-June this fiscal. FDI equity inflow in glass, Leather cement & gypsum products, sea transport, air transport, construction development, mining, sugar and medical & surgical appliances recorded five fold jump during the quarter. It added that since the launch of 'Make in India' initiative (October 2014 - June this year), foreign inflows jumped 64 per cent to USD 110.12 billion from USD 67.26 billion in the same period last year.

**Banik 17** Nilanjan Banik, 6-20-2017, "As India's Economic Indicators Slump, FDI Inflows Have Never Looked Better. Why?," The Wire,

<https://thewire.in/149210/indias-economic-indicators-slump-fdi-inflows-never-looked-better/> //DF

After all, basic macroeconomics tell us that if GDP growth is slowing down, a lesser number of jobs will be created, which will, in turn, be followed by a slowdown in demand. **GDP growth in January-March 2016-17 was 6.1%** (lower than the provisional figure of 7%) and the fall in gross value added growth was even sharper at 5.6%. The consequent fall in demand is seen to a certain extent in our IIP numbers (a metric by which factory output is measured), which slowed down to 3.1% in April 2017 from 6.5% last year. All the constituents of IIP – manufacturing, mining and power – slowed down. Gross fixed capital formation data reveals there has been lower off-take of capital goods and consumer durables. Quite naturally, if firms are not able to sell outputs, they will recruit less, and hence lesser jobs will be created. In a way, this also explains India's jobless growth. During 2015 and 2016, employment generation in the organised sector has fallen to less than two lakh jobs a year, which is less than 25% of the annual employment generated before 2011. However, in terms of FDI inflow, India continues to be among the top ten countries globally, and fourth in developing Asia. **India's FDI inflows have increased to \$44 billion in 2015 as compared to \$35 billion in 2014.** Reforms – as ushered through the 'Make in India', 'Digital India' and 'Startup India' campaigns – appear to be showing results. What has also helped no doubt is the implementation of GST, allowing 100% FDI in limited liability partnership and easing regulations for setting up offices in India. What this doesn't explain though is – where exactly is this FDI flowing towards when the economy as a whole is largely slowing down? Data reveals **FDI inflows are growing because foreign investors are claiming more and more stakes in the Indian start-ups and brownfield ventures.** Unlike in the case of a greenfield investment, where the parent company constructs new production facilities and builds distribution hubs, **in brownfield investment the foreign company or government entity purchases or leases existing production facilities to launch new production activity in the host country.** **Foreign direct investment in India is growing as foreigners are now eager about increasing their stake in Indian firms.** Gone are the days where Indian firms were going international, and buying out foreign firms. Now, the trend has reversed. This is partly due to the fact that over the last few years, the FDI limit in the brownfield projects in various sectors has sharply increased. The government has allowed up to 74% FDI in brownfield pharmaceutical companies through automatic route, and 100% in brownfield pharmaceutical projects through approval route. Similarly, with a view to upgrade existing airports, norms have been relaxed for overseas investments in brownfield airports with 100% FDI. The startup space is no exception. Foreign investors have been given red carpet treatment when it comes to entering the e-commerce and online retailing space. The surge in FDI into brownfield ventures during the past couple of years is noticeable. Some of these investments include Alibaba-Paytm (claiming a 40% stake in Paytm's e-commerce business for \$200 million in 2017), SoftBank-Paytm (\$1.4 billion in 2017), SoftBank/Tiger Global/DST Global-OLA (1.3 billion in 2016), Tencent-Hike (\$175 million in 2017), Ctrip-MakeMyTrip (\$180 million in 2017), Beijing Miteno Communication Technology-Media.net (\$900 million in 2016), Xander Group Inc./APG Asset Management NV purchase of IT SEZ in Chennai from Shriram Properties (\$350 million in 2016), among others.

## 2. 80% OF FDI is mergers

**Geng Xiao, Asian Development Bank “ People's Republic of China's Round-Tripping FDI: Scale, Causes and Implications July 2004**

Most of global FDI, especially FDI among developed countries, is in the form of **mergers & acquisitions** rather than through green-field investment. In 2001, M&A **amounted to as much as 80% of global FDI (little in the form of productive investment that creates jobs and exports).** Among all the M&A in 2001, 83.5% conducted in the developed countries, 31.1% in U.S. alone and only 5.8% in Asia and the Pacific region. But cross-border M&A are very similar to round tripping FDI except that they are not intended to get around of the regulation. Instead, they are for the purpose of getting the services of global financial markets since the mergers and acquisitions involve more in changes of ownership and control than in net transfers of capital across borders. As 80% of the global FDI are in the form of mergers and acquisitions, we should not be surprised to see global round tripping FDI to reach a level as high as 40% if we account the cross-border ownership swaps as in the mergers & acquisitions deals as round tripping FDI. Global FDI stock increased from \$636 billion in 1980 to \$6258 billion in 2000, an increase of almost ten folds. During the same period, world trade volume increased only about three folds from \$4 trillion in 1980 to \$12.5 trillion in 2000. This is mainly due to the increasing importance of mergers and acquisitions related FDI, which could be regarded as a kind of round tripping FDI.

## 3. Massive Deals; this is some gilded age shit.

**World Trade Organization, “Trade liberalisation statistics” 2/13/15**

In 1980-1996 only 33 of 130 developing countries increased growth by more than 3% per capita, while the GNP per capita of 59 countries declined. Around 1.6 billion people are economically worse off today than 15 years ago. (UNDP Human Development Report, 1999, p. 31.) FDI



rose by 13 times in the 1990s compared with the 1970s, but GDP growth was 50% lower. One of the reasons is that foreign investment has concentrated on purchasing assets rather than creating new sources of production (in the period 1995-98, transfers of property accounted for nearly two-thirds of total FDI flows); over 80% of FDI is in the form of mergers and acquisitions (97% of which are acquisitions); **most of the FDI is in the form of massive deals (50% comes from deals of over \$1 billion)**; 41% of FDI in developing countries (excluding China) is in the form of mergers and acquisitions; EU multinationals have taken over from the US as the biggest buyers in developing countries; cross-border mergers and acquisitions have increased by over 25 times since 1980 (as a proportion of world GDP).

#### 4. Hurts Local Business

**Brian Aitken, American Economic Review, "Do Domestic Firms Benefit from Direct Foreign Investment? Evidence from Venezuela"**

<http://siteresources.worldbank.org/INTRADERESEARCH/Resources/544824-1282767179859/Venezuela.pdf>

"Using a panel of more than 4,000 Venezuelan plants between 1976 and 1989, we identify two effects of foreign direct investment on domestic enterprises. First, we find that increases in foreign equity participation are correlated with increases in productivity for recipient plants with less than 50 employees, suggesting that these plants benefit from the productive advantages of foreign owners. Second, we find that **increases in foreign ownership negatively affect the productivity of wholly domestically owned firms in the same industry**. These negative effects are large and robust to alternative model specifications. Although previous studies generally found positive effects, we show that these results can be explained by the tendency for multinationals to locate in more productive sectors and to invest in more productive plants."

#### 5. FDI's linked with Higher Poverty

**Paolo Figini, University of Bologna, "Does Globalization Reduce Poverty? Some Empirical Evidence For The Developing Countries,"** <http://www2.dse.unibo.it/wp/459.pdf>

A few concluding remarks can be outlined. First, although many caveats exist, trade openness and the "size of the government" seem to be associated with lower poverty levels. Conversely, financial openness, although not statistically robust, tends to be linked to more poverty. Second, there is a substantial difference between absolute and relative poverty analysis. Trade openness tends not to significantly affect relative poverty, while **financial openness tends to be linked with higher relative poverty**.

#### 6. Reduces number of local businesses created and increases their failure rate

**Koen de Backer, "DOES FOREIGN DIRECT INVESTMENT CROWD OUT DOMESTIC ENTREPRENEURSHIP",** <http://www.econ.upf.edu/docs/papers/downloads/618.pdf>

"The results in table 3 support the hypothesis that international competition hinders the formation of domestic entrepreneurs. The negative and significant coefficients of IMPGROWTH and FORENTRY clearly suggest that **import competition and the inflow of FDI have a negative effect on the entry of domestic entrepreneurs. Strong import competition causes prices to fall on product markets and discourages domestic entrepreneurs to enter the shrinking the domestic market**. The immediate negative effect of import competition on domestic entry is -0.091 (-0.099\*0.921) while the total effect through the partial adjustment process is -0.131 (-0.099\*0.921/0.695). The negative effect of foreign entry is significantly larger, **suggesting that the inflow of FDI impedes the entry of domestic entrepreneurs because of stronger competition on the product market as well as skimming off the (best) workers on the labor market**. The immediate effect of foreign entry is -0.214 (= -0.237\*0.921), while the total response of domestic entry on foreign entry is -0.702 (= -0.237\*0.921/0.305). As the coefficients can be interpreted as elasticities, **an extra FDI inflow of 10% would then cause, ceteris paribus, the entry rate of domestic firms to fall with 7% in the long run**. The insignificant coefficient of FOREXIT suggests that new domestic firms do not easily replace foreign firms leaving Belgium. The results for the domestic exit-equation also support the crowding out effect of domestic firms by foreign firms and to a lesser extent by import competition. The positive coefficient of FORENTRY demonstrates that **the inflow of FDI forces domestic entrepreneurs to exit, because of lower prices on product markets**

**and/or higher wages on the labor market** (encouraging domestic entrepreneurs to become wage workers). The positive albeit insignificant coefficient of FOREXIT in this equation may reflect that the exit of foreign firms directly results in the exit of domestic supplying/buying firms, however further evidence is necessary in order to validate this explanation”

## **7. Global Companies take shape as an oligopoly - results in less competition**

**Bruce Upbin @ Forbes** “The 147 Companies That Control Everything” 2011

<http://www.forbes.com/sites/bruceupbin/2011/10/22/the-147-companies-that-control-everything/>

Three systems theorists at the Swiss Federal Institute of Technology in Zurich have taken a database listing 37 million companies and investors worldwide and analyzed all 43,060 transnational corporations and share ownerships linking them. They built a model of who owns what and what their revenues are and mapped the whole edifice of economic power. **They discovered that global corporate control has a distinct bow-tie shape, with a dominant core of 147 firms radiating out from the middle. Each of these 147 own interlocking stakes of one another and together they control 40% of the wealth in the network. A total of 737 control 80% of it all.** The top 20 are at the bottom of the post. This is, say the paper’s authors, the first map of the structure of global corporate control.

## **IL – R/T Other Countries**

**The vast majority go to India, and aside from China, there aren’t any other developing countries who receive any significant share of the visas**

Jan 17 Tracy Jan, 4-3-2017, "This one group gets 70 percent of high-skilled foreign worker visas," Washington Post

[https://www.washingtonpost.com/news/wonk/wp/2017/04/03/this-one-group-gets-70-percent-of-high-skilled-foreign-worker-visas/?utm\\_term=.bdd5c53f7322](https://www.washingtonpost.com/news/wonk/wp/2017/04/03/this-one-group-gets-70-percent-of-high-skilled-foreign-worker-visas/?utm_term=.bdd5c53f7322) //DF

Hours later the Department of Homeland Security announced new steps to combat H-1B visa fraud and abuse. The department’s U.S. Citizenship and Immigration Services will make unannounced site visits to companies that have a high ratio of workers on H-1B visas, and those whose foreign workers are outsourced to another company. **The biggest beneficiary of the system, by far, is India**, which produces a steady pipeline of workers trained in math, engineering and science. **Seventy one percent of H-1B visa recipients came from India** in 2015, according to a 2016 report by the U.S. Department of Homeland Security. **China comes in second, accounting for nearly 10 percent of H-1B visa recipients**. Immigration experts expect the trend to continue despite the recent spate of high-profile violent attacks on Indians living in the U.S. Two Indian tech workers were shot at a Kansas bar in February by a gunman yelling “Get out of my country.” One of the men died. India’s dominance of the H-1B visa system is cemented by the country’s giant outsourcing firms that submit tens of thousands of applications, increasing their chances of winning the coveted temporary work visas.

FY2015: H-1B Beneficiaries		
	Number	Share
Total	275,317	
India	195,247	70.9%
China (PRC)	26,669	9.7%
Canada	3,607	1.3%
South Korea	3,470	1.3%
Philippines	3,146	1.1%
United Kingdom	2,241	0.8%
Taiwan	2,060	0.7%
Mexico	2,017	0.7%
France	1,794	0.7%
Pakistan	1,602	0.6%

## IL – R/T Remittances

1. Turn: Ahmed 12 explains: when people get welfare for remittances, they stop demanding social services from the government, allowing the government to cut things like public health care and school spending. That's bad because those expenditures drive the overall economy in the long-term. That's why he finds: a 1 standard deviation increase in remittances reduces per capita incomes by \$600, on net.

2. Remittances increase corruption. Ivlevs 15 explains that remittance households become attractive extortion targets for corruption prone officials, and those remittance receivers are more willing and able to bribe public officials.

3. Reaching similar conclusions, Majeed 16 finds empirically: a standard deviation increase in remittances increases corruption by .33%. Corruption is terrible for economic growth. Mo 2000 explains a couple of reasons: corruption harms innovation because it reduces access to needed government services like permits; it reduces investment because public officials can just sit on the remittance income instead of investing; it also increases economic inequalities by disproportionately raising the incomes of corrupt officials. That's why Mo finds a 1% increase in corruption decreases growth by .72%.

Ahmed, Faisal Z. "Remittances Deteriorate Governance." The Review of Economics and Statistics 95, no. 4 (October 10, 2012): 1166–82. [https://doi.org/10.1162/REST\\_a\\_00336](https://doi.org/10.1162/REST_a_00336).

I use a natural experiment of oil-price-driven remittance flows to poor, non-oil-producing Muslim countries to demonstrate that remittances deteriorate the quality of governance, especially in countries with weak democratic institutions. The results indicate that a 1 standard deviation increase in remittances raises corruption by 1.5 index points (on a 6-point scale), which is equivalent to a \$600 decrease in per capita GDP. Concomitantly, remittances may enable governments to reduce their delivery of public services (for example, health care, school enrollment). The results suggest that political institutions may mediate

the potentially beneficial socioeconomic effects of remittance inflows. I. Introduction Excessive patronage coupled with poor delivery of government services are tactics governments in many developing countries frequently employ to remain in power. In these countries, this “misuse of government office for private gain” often paves the way for rampant government corruption (Bardhan, 1997), lower economic performance (Mauro, 1995; World Bank, 2004), and worse social and health conditions (Gupta, Davoodi, & Tiongson, 2002).<sup>1</sup> In light of this, existing studies frequently find that rising household income (Treisman, 2000, 2007), achieved in part through the tremendous growth of remittances, may serve as a conduit for mitigating government excess and improving the quality of governance (G8 Center, 2004; Obama, 2009).<sup>2</sup> The underlying logic is that additional household income can empower individuals politically (Dube & Vargas, forthcoming).

**Majeed 16** Muhammad Tariq MAJEED [School of Economics, Quaid-i-Azam University, Islamabad], 2016, "MIGRANT REMITTANCES AND CORRUPTION: An Empirical Analysis," Pakistan Journal of Applied Economics, <http://aerc.edu.pk/wp-content/uploads/2016/10/Paper-645-II-TARIQ-MAJEED-1.pdf> //DF

The negative macroeconomic consequences of remittance are channelized through labor market. It is expected that remittance receipts exert a negative influence on labor force participation for the following reasons. First, the households are likely to substitute unearned remittance income for labor income because its inflows are simple income transfers. Second, Chami, et al. (2003), argue that irrespective of the intended use of remittance, there are various moral hazard problems linked with its receipts. Third, remittance monitoring and management is extremely difficult because its senders and receivers are separated by a distance which is sent under asymmetric information. Thus, moral hazard problems may induce an individual to spend resources on leisure and reduce labor work. Barajas, et al. (2008) argued that availability of remittance inflows decreases motivation of individuals to monitor and evaluate the domestic governments' policy performance. The remittance inflows creates a moral hazard problem as cost of poor performance of the domestic government which is at least partially shifted to the remittance sender; because, when things go wrong at home, remittance transfer is likely to increase. The main point of this argument is that high remittance inflow may undermine good domestic governance. This argument can be focused on a specific aspect of the quality of domestic institutions, which is corruption. In a recent study, Abdi, et al. (2012) examined the relationship between remittance and the quality of institutions. Their analysis shows that remittance exerts negative influence on quality of institutions. Individuals with high remittance do not take account of the quality of domestic institutions and prefer to solve their economic issues through remittance senders and may use this unearned money to 'grease the wheels' for speedy work in public sectors.

**Ivlevs 15** Artjoms Ivlevs [University of the West of England, Bristol and IZA], 2015, "Emigration, remittances and corruption experience of those staying behind," University of the West England //DF

It is, unfortunately, not possible to include two potentially endogenous regressors in a 2SRI estimation. However, we can gauge the effect of the remittances versus the relatives-abroad-no-remittances variables by comparing the coefficients of the two variables when they are 25 included into our models separately. Earlier we demonstrated that having relatives abroad (regardless of whether they send remittances back home or not) reduces the likelihood of bribing public officials (Table 2), while receiving remittances has no significant impact on the likelihood of bribery (Table 4). As remittance-receiving households are a subset of households with migrant connections, these two findings indicate that both a positive value effect and a negative monetary effect are at work. On the one hand, migrants transmit to their family members back home norms and practices that are consistent with lower levels of bribery; this result corroborates the country-level evidence that migration leads to better country-level control of corruption (Beine and Sekkat, 2013) and aligns with the wider literature on the positive institutional remittances/ diaspora externalities. However, if a household also receives remittances, the positive value effect vanishes, possibly because remittance-receiving households are particularly attractive extortion targets for corruption prone public officials or because remittance receivers are more willing and able to bribe public officials. Such negative household-level effect of remittances on corruption is consistent with the recent evidence that remittances have a negative effect on corruption at the country level (Abdi et al., 2012; Berdiev et al., 2013).

**Majeed 16** Muhammad Tariq MAJEED [School of Economics, Quaid-i-Azam University, Islamabad], 2016, "MIGRANT REMITTANCES AND CORRUPTION: An Empirical Analysis," Pakistan Journal of Applied Economics, <http://aerc.edu.pk/wp-content/uploads/2016/10/Paper-645-II-TARIQ-MAJEED-1.pdf> //DF

This study revisits the sources of corruption using a panel data for 122 countries. It contributes to the literature by analyzing the relationship between remittance and corruption with particular focus on analysis of distribution of dependent variable (corruption). In cross sectional and panel settings, it is found that **'one standard deviation' increases in the remittance variable in association with an increase in corruption of 0.33 points, or 25 per cent of a standard deviation in the corruption index.**

It is also investigated whether greater remittances consistently increase corruption, among the most and least corrupt countries. Result of this shows that among the least corrupt countries, remittances do not appear to increase corruption but, among most corrupt countries, it significantly promotes corruption. Findings of this study are robust to different samples specifications, to regional effects and to the alternative econometric techniques.

**Mo 00** Pak Hung Mo, 11-15-2000, "Corruption and Growth," Journal of Comparative Economics, <https://projects.iq.harvard.edu/files/gov2126/files/sdarticle-3.pdf> //DF

On the other hand, **corruption tends to hurt innovative activities because innovators need government-supplied goods, such as permits** and import quotas, **more than established producers do.** Demand for these goods is high and inelastic; hence, they become primary targets of corruption. Moreover, innovators have no established lobbies and connections so that they are subject to particularly heavy bribes and expropriations. Furthermore, unlike established producers, innovators are often credit-constrained and cannot find the cash to pay bribes (Murphy et al., 1993). **This will reduce private investment** and, hence, the stock of producible inputs in the long run. **People's talent and effort will be allocated to rent-seeking activities instead of productive investments**, e.g., accumulating capital, knowledge, and skills. Moreover, **corruption favors a particular class of people and creates inequality in opportunities**. In addition to the shrinking of opportunities due to productivity retardation, inequality in opportunities, which is similar to income and wealth inequality, will lead to frustration and sociopolitical instability. Recent studies suggest that the existing corruption levels are unfavorable to development, e.g., Gould and Amaro-Reyes (1983), United Nations (1990), and Mauro (1995). However, the actual effect of corruption on economic growth and its transmission process can be settled only empirically. Mauro (1995) engaged in an empirical analysis of corruption by investigating the relationship between investment and corruption for 58 countries. His corruption variable is defined as the degree to which business transactions involve corruption and questionable payment. The average ratio of total and private investment to GDP for the period between 1970 and 1985 is drawn from Barro (1991), while the corruption indicator is the simple average for the country in question for the period from 1980 to 1983 from Business International (1984). Mauro finds that **corruption has a significant negative effect on the ratio of investment to GDP**. These results are consistent with the view that corruption is deleterious for economic growth. However, the exact channels through which corruption affects economic growth are not resolved empirically. Based on the ideas of previous researchers and employing data similar to Mauro (1995), we develop a new analytical framework to estimate the effects of corruption and the channels through which it affects the rate of GDP growth. The channels under consideration include investment, human capital, and political instability.

**Mo 00** Pak Hung Mo, 11-15-2000, "Corruption and Growth," Journal of Comparative Economics, <https://projects.iq.harvard.edu/files/gov2126/files/sdarticle-3.pdf> //DF

Given the complexity of the growth process, our framework is necessarily incomplete. However, our new perspective generates the estimations of the impact of corruption on growth and the relative importance of the channels of transmission. **We find that a 1% increase in the corruption level reduces the growth rate by about 0.72%** or, expressed differently, a one-unit increase in the corruption index reduces the growth rate by 0.545 percentage points. The most important channel through which corruption affects economic growth is political instability, which accounts for about 53% of the overall effect.<sup>13</sup> The other channels include the level of human capital and the share of private investment. However, our results are more general. Corruption is most prevalent where other forms of institutional inefficiency, such as bureaucratic red tape and weak legislative and judicial systems, are present. Although these problems may be alleviated by including variables like the Gastil political rights index and initial per capita income to capture the institutional characteristics of countries, we

find it more compelling to interpret the corruption index as a set of institutional problems associated with corruption. As corruption, government regulations, bureaucratic red tape, and even the strength of legislative and judicial systems tend to reinforce each other, multicollinearity prevents us from disentangling their individual effects empirically. However, they may be just the manifestation of a single phenomenon so that their separation is impossible.

**Omata 11 indicates that in reality, wealthy people in developing nations leave, and support their already wealthy family members. This actually discourages work, because those remittances become 95% of their income. Then she finds that the money is not going to the poorest, so not only is the money not going to the poor that need it, but it is discouraging the wealthy and powerful elite in these countries to create companies and jobs that could potentially spur economic development in these poorer countries. They can't achieve less poverty without economic development.**

Naohiko Omata [University of London], 5/2011, "Who Receives Remittances? A Case Study of the Distributional Impact on Liberian Refugees in Ghana", Centre for Development Policy and Research, <https://www.soas.ac.uk/cdpr/publications/dv/file68489.pdf>

However, not all Liberian refugees received remittances. Only about half did. And among them, there were very few poor households. Extensive interviews with a small but representative sample of refugees support these findings. See the Table, which is based on the quantitative results from these interviews. It disaggregates refugees into four income groupings: Better-Off, Middle-Income, Poor and Poorest. Monthly income per person is reported for each income grouping as well as the components of this income. The unit is the Ghanaian Cedi (GHC). The Better-Off households had average monthly income per person of about 292 GHC (or about US\$ 216 at that time). Strikingly, about 95% of this income came as remittances sent by relatives abroad. The Middle-Income households (which were about 40-45% of all households) had average monthly income per person of about 93 GHC. About 44% of this income came from remittances while another 36% came from assistance from other refugees or institutions (such as churches). Only about 15% came from work, either in microenterprises, low-paid jobs or casual labour. Both the Poor and the Poorest households received virtually no remittances. Their average monthly incomes per capita were about 36 GHC and 16 GHC, respectively. But the bulk of this income in both cases came from work. For Poor households, about two-thirds of their income came from work and only about 28% from assistance. For the Poorest households, almost 80% came from work and only 17% from assistance. A central question for the fieldwork was: who were the Better-Off households and from whom did they receive their remittances? It is important to note that the analysis of forcibly displaced groups, such as these refugees, has to take into account not only their current circumstances but also their previous conditions in their country of origin. The research concluded that the Better-Off households comprised only 5-10% of all refugees in the Buduburam settlement. More importantly, they were identified overwhelmingly as the offspring of the ruling ethnic group in pre-war Liberia. These households could trace their origins back to wealthy urban families in Liberia that had been able to send many of their members abroad, usually to the United States, over a number of generations. There has been a long-standing and special historical relationship between the US and Liberia. In the 19th century, the US government resettled liberated American slaves in Liberia. This original grouping was called Americo-Liberians. Over time, this elite group of Liberians sent their children back to the US to be educated, often on government scholarships. Most of these children settled in the US, often taking up specialised and professional occupations, such as lawyers, doctors or academics, which paid above average incomes. Benefiting from the first generation of migrants to the US, the second and third generations of Liberian migrants were able to assimilate into American society much more easily. They were part of an extended process of 'chain migration' within their lineage. These relatives were the primary remitters to the Better-Off households in the Liberian refugee settlement in Ghana. The economic prowess of such wealthy migrants contrasts with that of the 'ordinary' Liberian diaspora, most of whom have migrated more recently, almost entirely through refugee resettlement programmes, and occupy relatively low-playing occupations where they reside. It is noteworthy that the wealthy Liberian migrants comprise several well-established generations. So the Liberian refugees in Ghana often were able to receive multiple remittances from several relatives abroad. This factor helps explain why the total received remittances were substantial.

**~~TURN: a 1% increase in remittances depress the wages of native workers by 0.06% because they reduce the consumer base but not the workforce.~~**

William W. Olney (Journal of Human Resources). "Remittances and the Wage Impact of Immigration." October 2013.

<http://jhr.uwpress.org/content/50/3/694.refs>

This paper examines how the outflow of remittances affect the wages of native workers. The model shows that the wage impact of immigration depends on the competing effects of an increase in labor market competition and an increase in the consumer base. **Immigrant remittances** provide a unique way of isolating this latter effect because they **reduce the consumer base but not the workforce**. The predictions of the model are tested using an unusually rich German data set that has detailed information on remittances and wages. As expected, **the results indicate that a 1 percent increase in remittances depress the wages of native workers by 0.06 percent**. Furthermore, remittances predominantly affect workers in nontraded industries that are more reliant on domestic consumption.

## Politics

### UQ – R/T Support for Reform

**There is no unanimous support for H-1B reforms; even bipartisan reform bills have been attempted multiple times with no success**

**Popper 17** Ben Popper, 4-20-2017, "The H-1B visa system has been broken for decades. Now workers want Trump to fix it," Verge,

<https://www.theverge.com/2017/4/20/15370248/trump-h-1b-visa-reform-tech-worker-outsourcing-cap> //DF

Trump's executive order does not increase the H-1B cap, but the administration says it is asking government agencies for suggestions on how to do away with the lottery format, and instead implement a process that favors higher-wage workers first. That move would echo a 2007 bipartisan bill crafted by Senators Dick Durbin, a Democrat from Illinois, and Chuck Grassley, a Republican from Iowa, that has been floated several time with no success. The bill would replace the current system with a preference system that would favor students and those being paid higher wages. A second bill introduced last year by California Congressman Darrell Issa would tweak the hiring requirements so that companies have to show they tried to hire an American for any position paying \$100,000 or less, up from \$60,000. It would also do away with the exemption that allows companies to displace American workers if their replacement has a master's degree or better. But it would leave the current lottery system in place. **Not everyone in Washington agrees that reforms or cutbacks are needed. Senators like Orrin Hatch of Utah and Marco Rubio of Florida have been pushing** an updated version of a bill known as "I-Squared" that would dramatically increase the number of visas approved each year but not drastically raise the requirements, moving the cap from 65,000 back to the 195,000 level it hit in 2000. "The simplest, quickest, easiest fix out there is the Durbin-Grassley bill, I think, but the tech community has been dead set against it," says Daniel Costa, director of immigration law and policy research at the Economic Policy Institute. The I Squared bill, says Costa, is a gift to the tech industry, offering "many more numbers and no real reforms." He says that while Trump's proposal calls for stronger enforcement, it isn't very specific, and that deeper reform is needed. "What we're all talking about here is really just sort of minimum basic standards to make this thing not be a total corporate scam." In the current system, Costa believes that "US workers are getting screwed and migrant workers who come here are getting screwed as well."

### Trump isn't undergoing substantial or fundamental reform

**Buga 18** Bunga Buga, 3-19-2018, "The H-1B Visa Resistance Movement is Underway," Dice Insights,

<https://insights.dice.com/2018/03/19/h-1b-visa-resistance-movement-underway/> //DF

Even before President Trump officially took office last year, the prospect of H-1B reform was real. Now it seems that the Trump administration is pushing through some reforms, which is sparking some



pushback. Reform hasn't happened as some expected. There was no sweeping change at the behest of the White House, and no party-line maneuvering (at least, not yet). Instead, the White House is trying to prevent spouses of H-1B visa holders from obtaining H-4 visas, which would allow them to work while they're in the United States. Meanwhile, various bills meant to reframe H-1B are mired in political red tape. Trump also ordered the departments of Homeland Security, Justice, Labor, and State to review H-1B policy. This was a precursor to the United States Citizenship and Immigration Services (USCIS) implementing a policy that companies seeking H-1B employees had to prove they were filling specialty roles. The renewal process is also tougher under these new guidelines; H-1B visa holders will face the same scrutiny in renewing as they did in gaining a visa in the first place. It all amounts to something, but it's still not the full-fledged reform some have wanted. It's also not what candidate Trump promised. At a campaign rally before winning the Presidency, Trump claimed he would end the use of H-1B "as a cheap labor program, and institute an absolute requirement to hire American workers first for every visa and immigration program." In an interview with Silicon Republic, Richard Burke, CEO of Envoy (a company that helps businesses navigate the H-1B process), said US companies are already feeling the pinch from Trump's subtle jabs. He claimed 26 percent of companies that Envoy works with are delaying projects, and 14 percent say they won't be able to fulfill client projects. Around 25 percent are facing budget increases, with 22 percent claiming to have moved work overseas. "If we can't hire the best from around the world to work here, because either we don't have the immigration system to support or immigrants are unwilling to come here any more, then these high-paying jobs will be moved overseas," Burke told the publication.

## U.S. Economy -> High Skilled Labor Shortage

My opponents are in a double bind: If wages are increasing due to the a shortage of high skilled labor then **Woodward of the Boston Globe** writes that the shortage will be solved by American workers as higher wages will incentive more people to enter STEM industries. If wages are stagnant **Worstall of Forbes** explains that it means there is no shortage because basic economics shows that if demand for a certain skill set rises then wages for that skill set should also rise.

Curt **Woodward**. (**Boston Globe**). In Trump era, tech visas get a hard look. 4/3/17

<https://www.bostonglobe.com/business/2017/04/02/tech-industry-talent-shortage-claims-under-new-scrutiny/EsxYnPpKBNv1tIjRI6ILL/story.html>

Many economists who are skeptical of the tech industry's assertions still say the H-1B program is a net positive for the economy, allowing companies to grow quickly, keep prices lower, and produce software and gadgets that make other fields more productive. But they also say there's evidence of a large, underused pool of domestic workers who could be tapped instead of guest workers. Census figures, for example, show that half of the nearly 2 million college graduates with degrees in computers, math, or statistics do not work in STEM, the sector that encompasses science, tech, engineering, and mathematics jobs. Wages in some key tech jobs haven't grown dramatically in years, indicating the industry isn't holding on to pricey, experienced workers or jacking up pay across the board to woo employees from other fields, experts said. Moreover, tech companies routinely lay off thousands of workers each year, creating a large potential surplus of workers who could be retrained. And the industry has made little progress in diversifying its mostly white, male employee base. While there are probably tight supplies of qualified workers in certain technical subfields, experts said many H-1B workers are performing less specialized work that could easily be done by US employees. "What the tech companies mean is 'there aren't enough domestic workers to fill the jobs at the

**current wage,' "** Rutgers University economist Jennifer Hunt said. **"They could find more native workers by raising wages,** but at some point raising wages becomes unprofitable."

Tim Worstall (Forbes). "There Is No Tech Worker Shortage And If There Is It's The Tech Companies' Fault." NOV 27, 2014.

<https://www.forbes.com/sites/timworstall/2014/11/27/there-is-no-tech-worker-shortage-and-if-there-is-its-the-tech-companies-fault/#43f4bce51fdf>

That though is pretty harsh: there's plenty of companies that didn't go along with that attempt to restrain wages. So perhaps something more limited would be a better idea. Say, those companies that were found to have conspired to hold wages down cannot sponsor people for H1B or other similar visas for a period of three to five years? **The real point here is that markets really do work. If demand for a certain skill set rises then wages for that skill set should also rise. This will increase the number of people who trouble themselves to acquire that skill set. That's how it's supposed to work.** But we've got those tech companies complaining about not having enough engineers when some of those companies deliberately circumvented this market process. We perhaps shouldn't give them an easy out. Those who copped to that conspiracy, well, why not? Why not limit their access to the program attempting to solve, in part, the problem that they themselves created?

## UQ – R/T Generic Shortage

**Woodward 17 explains we know this wrong for three reasons: 1. The unemployment rate for computer science grads – at 4% – is the same as philosophy majors, meaning there are too few, not to many, jobs, and neither of those fields are particularly desired 2. Tech companies have laid off 413,000 people since 2012, meaning they're not worried about holding on to workers 3. Tech industry wages, compared with other jobs, aren't growing fast, meaning tech companies aren't bidding up salaries to attract workers. The tech industry's claim of a talent shortage is really political cover for brining cheap labor that crowds out domestic workers**

Curt Woodward. (Boston Globe). In Trump era, tech visas get a hard look. 4/3/17

<https://www.bostonglobe.com/business/2017/04/02/tech-industry-talent-shortage-claims-under-new-scrutiny/EsxYnPp0KBNv1tIjRI6ILL/story.html>

The tech industry has lobbied to increase the visa cap and boost the domestic labor pool by improving US education and training programs. CompTIA, the trade group, recently called the shortage of qualified tech workers "our industry's paramount challenge." The problem, skeptics say, is the numbers don't necessarily back that up. For example: ■ In 2014-2015, **the average unemployment rate for recent college graduates with computer science degrees was 4.2 percent, roughly the same as for philosophy majors**, according to the Federal Reserve Bank of New York. ■ **Tech companies also are prolific job-cutters**. Challenger Gray & Christmas Inc., a job-search firm that compiles data on workforce reductions, found that technology companies have **cut more than 413,000 jobs since 2012**, including more than 96,000 in 2016. ■ Despite years of discussion about the industry's lack of diversity, **women are still being left behind. Although they make up about half of the overall labor force, women hold just 25 percent of IT jobs, census figures show — and their share of the tech workforce has actually declined since 1990.** ■ **Tech-industry wages, generous compared with those of other professions, haven't shown dramatic growth.** Census figures compiled by William Lazonick, an economist at the University of Massachusetts Lowell, show that average inflation-adjusted pay for software publishing and computer system design jobs increased just 5.3 percent and 4 percent, respectively, between 2001 and 2014. Pay for computer programming dropped 1.2 percent over the same span. Average income for all households, meanwhile, dropped by 2.7 percent. **In a dire labor shortage, with companies desperate for workers, you instead might see much higher wages, higher worker retention and retraining, lower unemployment rates for recent graduates, and a rising number of women**, said Ron Hira, an associate professor at Howard University. **"You're not seeing any of that kind of corporate behavior,"** said Hira, a prominent critic of the H-1B program. Instead, some academics say, **the tech industry's claim of a talent shortage is mostly political cover for guest-worker programs that deliver** tens of thousands of overseas **workers who are paid low wages and crowd**

**out domestic workers.** A 2011 Government Accountability Office audit of the H-1B program, the most recent such report, showed that 54 percent of prospective H-1B workers in 2009-2010 were considered entry-level, qualifying for the lowest possible pay. Another 29 percent were in the second-lowest of four pay brackets. Just 6 percent were considered “fully competent,” the highest pay grade. Experts note the largest number of H-1B visa requests often comes from IT outsourcing firms, not employers seeking to build in-house talent. Outsourcing companies made 13 percent of the H-1B visa requests in New England from 2010 to 2012, higher than the national rate, according to a 2014 study by the Boston Federal Reserve.

### **There’s no demand for H-1Bs because many of their jobs could be performed by lower-skilled workers like veterans or blue-collar workers**

**Lippman 17** HARLEY LIPPMAN, 12-9-2017, “H1B visa reform could encourage companies to hire more American workers,” The Hill <http://thehill.com/opinion/immigration/364099-h1b-visa-reform-could-encourage-companies-to-hire-more-american-workers>  
These measures represent a good start, but while the committee deserves applause for moving the bill forward, we remain in a race against time. This is especially true in the tech industry, where the need for qualified workers remains great and vast pools of potential workers remain shut out of the game. We’re seeing jobs go to H1B visa holders every day. **These are jobs that with some formal training could be performed by veterans, displaced blue-collar workers, older workers cut off from their careers, and women returning to the workforce after taking time to raise children.** In fact, earlier this year Goldman Sachs estimated that foreign nationals with H1B visas hold nearly one million jobs in the U.S., including at least 12 percent of all tech industry jobs. **At one time, the H1B program served a worthy purpose, providing growing companies the ability to hire foreign workers who possess a specific technical skill the company couldn’t find in its pool of American applicants.** That’s capitalism; it’s how the global market works at its best. **What we’re seeing now,, is widespread exploitation of the H1B program as an across-the-board cost cutting strategy.** The practice of importing, en masse, foreign IT workers led to the 2014 layoff of 18,000 Microsoft employees and Hewlett Packard’s jettisoning of nearly 85,000 workers over 2015 and 2016. Yet, importing IT workers doesn’t save much money in the short run, and in the long run, it’s a losing strategy. For instance, only a small percentage of all H1B visa holders in the tech industry can get green cards each fiscal year and stay permanently, resulting in a lack of continuity that damages corporate culture, morale, and quality.

### **This is no different from what already happens; Americans who lose jobs to H-1Bs first have to teach them how to do their jobs**

**Frankel 16** Judy Frankel [founder and CEO of Writeindependent.org, a nonprofit, nonpartisan 501(c)(4) organization that promotes voter education and participation in federal elections], 7-26-2016, “Insourcing: American Lose Jobs to H-1B Visa Workers,” HuffPost, [https://www.huffingtonpost.com/judy-frankel/insourcing-american-lose- b\\_11173074.html](https://www.huffingtonpost.com/judy-frankel/insourcing-american-lose- b_11173074.html) //DF  
Gary Beach, of the Wall Street Journal said the H-1B visa “was intended to complement, not replace American workers. It’s gotten out of hand.” **Americans are losing jobs to foreigners and training their replacements. Disney laid off 850 American workers, some of whom were given 90 days to train their replacements** with the threat of losing their severance pay if they didn’t stay to the end. “We all felt humiliated when the foreign workers sat next to us and watched everything that we did,” wrote one Disney employee going through the experience. The training sessions prove that the H-1B workers don’t hold special skills that American workers lack. **“If our own pool of IT professionals were so incompetent, then why would companies like Disney have us train our replacements and spend months teaching them?”** wrote the displaced worker. So many staff spoke Hindi during their training period that a departing employee remarked, “I really felt like a foreigner in that building.” Disney calls the practice “knowledge transfer” whereby IT professionals chart the step-by-step processes of the job, audiotaping conversations and recording their computer screens. “We were then astonished as everything that we did on our job was documented and read right back to us for further critiquing.” By the end of the 90 days, new workers had an instruction manual to which they could refer after the Americans left.

### **Most H1B workers only have bachelor’s degrees, and workers with bachelor’s degrees aren’t going to fill the skills gap.**

Sara Ashley O’Brien (CNN). “Tech’s beloved H-1B visa is flawed. Here’s why.” February 21, 2017. <http://money.cnn.com/2017/02/21/technology/h1b-visa-program-flawed/index.html>

H-1Bs are frequently touted as a way for the best-trained workers to come to America. In reality, **the vast majority of H-1B holders have only bachelor's degrees.** At the three companies with the most H-1B employees (Tata Consultancy, Cognizant Technology and

Infosys), 80% of visa holders just have bachelor's degrees, according to Ronil Hira, an associate professor at Howard University who studies the H-1B program and outsourcing industry. **Critics say it's unlikely that people with bachelor's degrees are necessary to fill the so-called skills gap and that these people are just taking jobs from Americans.**

### **There is no tech shortage.**

Andrew Bartels (Vice President and Principal Analyst of Forrester/Forbes). "Debunking the US Tech Talent Shortage." October 26, 2017.

<https://www.forbes.com/sites/forrester/2017/10/26/debunking-the-us-tech-talent-shortage/#57e6e79d1339>

Is the US suffering a tech talent gap? That impression has been showing up in the press a lot, and seems to fit with a perception of a dysfunctional US education system. But while it may be challenging to recruit workers with certain tech skills, Forrester believes that the fears of a crisis in the American tech labor market are vastly overblown. In fact, **data from the Bureau of Labor Statistics and other sources indicate that supply and demand relationship for broad categories of tech workers is quite healthy: US businesses are adding tech jobs at a fast pace. Coveted professions, such as application developer and security specialist, have seen impressive annual average job growth rates above 7% over the last five years. Professions related to the management and analysis of tech systems have grown at CAGRs above 3%. Both rates are well above the national average of 1.9%.** Tech wage growth has been lackluster—indicating that competition for talent is reasonable. Despite the large number of tech jobs added to the US economy, the average annual growth of mean wages for most high-demand tech professions has been below 3%. This is not too far off the national average of 2.0%, and considerably less than other non-tech professions that are in high demand, such as credit analyst (4%), pharmacy aides (4.9%), and personal financial advisor (7.9%). **The growth of tech graduates has been outpacing that of tech jobs.** **Graduation data from the US Department of Education indicate that the number of individuals graduating with tech-related degree and diplomas has been growing faster than the number of new US tech jobs. While the US arguably needs even more tech graduates, this data tell us that the situation is getting better—not worse:** While the overall tech market picture looks good, gaps between the demand for and supply of tech talent can still occur in two areas: There are, and always will be, highly coveted subsets of skills that are challenging to find, especially in new areas like artificial intelligence or mobile apps. So, CIOs will need to get creative to attract people with these leading-edge skills. They should be prepared to offer not just higher compensation, but also a team, a culture, and a set of interesting business challenges. They should also look at training existing workers, recruiting freelancers, and bringing back alumni or retirees on a part time basis. They should also look outside the IT department, for employees in the business who understand business needs, can work well with business partners, and can be trained on the tech skills they may need. Tech vendors face a bigger challenge than CIOs and other tech department leaders. Tech vendors need the most talented, most innovative workers to be competitors, and those superstars can be hard to find. In the case of outsourcing providers, capital-efficient labor (high skill, low cost) will be a perennial challenge. But, facing these challenges is inherent to their business models and is a big part of how they compete with one another and generate value.

### **Raising wages will be an effective strategy for convincing the millions of people with STEM degrees to leave non STEM fields, which pay more, and get jobs in the tech industry.**

Curt Woodward. (Boston Globe). In Trump era, tech visas get a hard look. 4/3/17

<https://www.bostonglobe.com/business/2017/04/02/tech-industry-talent-shortage-claims-under-new-scrutiny/EsxYnPpKBv1iTiRI6ILL/story.html>

Many economists who are skeptical of the tech industry's assertions still say the H-1B program is a net positive for the economy, allowing companies to grow quickly, keep prices lower, and produce software and gadgets that make other fields more productive. But they also say **there's evidence of a large, underused pool of domestic workers who could be tapped instead of guest workers.** Census figures, for example, show that **half of the nearly 2 million college graduates with degrees in computers, math, or statistics do not work in STEM**, the sector that encompasses science, tech, engineering, and mathematics jobs. **Wages in some key tech jobs haven't grown dramatically in years, indicating the industry isn't holding on to pricey, experienced workers or jacking up pay across the board to woo employees from other fields**, experts said. Moreover, tech companies routinely lay off thousands of workers each year, creating a large potential surplus of workers who could be retrained. And the industry has made little progress in diversifying its mostly white, male employee base. **While there are probably tight supplies of qualified workers in certain technical subfields, experts said**

**many H-1B workers are performing less specialized work that could easily be done by US employees. “What the tech companies mean is ‘there aren’t enough domestic workers to fill the jobs at the current wage,’ ” Rutgers University economist Jennifer Hunt said. “They could find more native workers by raising wages, but at some point raising wages becomes unprofitable.”**

**There are at least twice as many people entering the workforce as there are jobs in STEM fields for those with a bachelor’s degree.**

MICHAEL HILTZIK (LA Times). “A phony STEM shortage and the scandal of engineering visas -- how American jobs get outsourced.” February 26, 2016. <http://www.latimes.com/business/hiltzik/la-fi-mh-the-scandal-of-engineering-visas-20160226-column.html>

In fiscal 2015, Hira testified, 41% of the jobs approved by the government for H-1B visas were at the lowest skill levels for the jobs, which applies to “beginning level employees who have only a basic understanding of the occupation [and] perform routine tasks,” such as those done under “internships.” Those workers typically are paid 40% below the average wage. Even better, from the employer’s standpoint, is that the workers know that their visas are tied to their employment, which makes them especially submissive employees. How does that conform to the claim that H-1Bs are all about hiring the best and the brightest employees available globally? Evidence is ample that the very claim of a STEM shortage in the U.S. is phony. Salzman noted that **“overall, our colleges and universities graduate twice the number**

**of STEM graduates as find a job each year.”** The mismatch is especially stark in the biomedical field.

**There, according to a 2014 paper by experts from UC San Francisco, Harvard and Princeton, “the training pipeline produces more scientists than relevant positions in academia, government, and the private sector are capable of absorbing.” As a result, “a growing number of PhDs are in jobs that do not take advantage of the taxpayers’ investment in their lengthy education.” As we reported last year, the same high-tech corporations that poormouth their ability to find skilled workers simultaneously lay them off by the thousands. High-tech firms in the U.S. cut nearly 80,000 employees last year,**

according to the job placement firm Challenger, Gray & Christmas. That included 47,000 announced layoffs from Hewlett-Packard, Intel, Unisys and Microsoft. (The former CEO of the latter, Steve Ballmer, is also a co-chair of the Partnership for a New American Economy.)

**Growth of tech jobs and tech graduates shows that there is no talent shortage. This is also evident in the fact that wage growth in STEM is lower than most other high demand fields.**

Andrew Bartels (Forrester/Forbes). “Debunking the US Tech Talent Shortage.” October 26, 2017.

<https://www.forbes.com/sites/forrester/2017/10/26/debunking-the-us-tech-talent-shortage/#2f9983e41339>

Is the US suffering a tech talent gap? That impression has been showing up in the press a lot, and seems to fit with a perception of a dysfunctional US education system. But while it may be challenging to recruit workers with certain tech skills, Forrester believes that the fears of a crisis in the American tech labor market are vastly overblown. In fact, **data from the Bureau of Labor Statistics and**

**other sources indicate that supply and demand relationship for broad categories of tech workers is quite healthy: US businesses are adding tech jobs at a fast pace. Coveted professions, such as application developer and security specialist, have seen impressive annual average job growth rates above 7% over the last five years. Professions related to the management and analysis of tech systems have grown at CAGRs above 3%. Both rates are well above the national average of 1.9%. Tech wage growth has been lackluster—indicating that competition for talent is reasonable. Despite the large number of tech jobs added to the US economy, the average annual growth of mean wages for most high-demand tech professions has been below 3%. This is not too far off the national average of 2.0%, and considerably less than other non-tech professions that are in high demand, such as credit analyst (4%),**

pharmacy aides (4.9%), and personal financial advisor (7.9%). **The growth of tech graduates has been outpacing that of tech jobs. Graduation data from the US Department of Education indicate that the number of individuals graduating with tech-related degree and diplomas has been growing faster than the number of new US tech jobs.** While the US arguably needs even more tech graduates, this data tell us that the situation is getting better—not worse:

## UQ – R/T Biologist Shortage

### Non-unique: the cap doesn't apply to this field

**Ruiz 12** Neil G. Ruiz [Senior Policy Analyst and Associate Fellow, Metropolitan Policy Program], 6-2012, "The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas," Metropolitan Policy Program at Brookings, <https://www.brookings.edu/wp-content/uploads/2016/06/18-h1b-visas-labor-immigration.pdf> //DF

In the 2010–2011 period, STEM occupations accounted for 64 percent of all H-1B requests, despite only accounting for 5.4 percent of national employment in 2010. Sixty-six percent of requests from capped employers were for STEM occupations, while uncapped employers' requests were 49 percent STEM. Yet the orientation of H-1B requests toward occupations requiring STEM competencies may be even higher. The U.S. Department of Commerce's conservative definition of STEM used for this report does not include many professions that are likely to require specialty math and science knowledge, such as financial analysts and physicians. For example, demand from uncapped employers is concentrated heavily in medicine and post-secondary teaching, neither of which is considered STEM, despite often requiring specialized science education. Capped and uncapped employers use the H-1B program to fill different kinds of jobs. Despite accounting for only 10 percent of requests on average for the 2010–2011 period, **uncapped employers are responsible for 72 percent of the demand for life scientists and 80 percent of the demand for biological scientists**, specifically. On the other hand, capped employers make up 98 percent of all H-1B demand for computer occupations as a group, and 99 percent of all requests for computer programmers, the most highly requested occupation group and detailed occupation nationally. **In addition to life scientists, uncapped employers have a high demand for other types of scientists, healthcare workers, and educators** (Table 2). Across both employer types, computer occupations are the most requested minor group, accounting for almost three-quarters of STEM requests, and half of all requests. Engineering occupations and life scientists are the next most requested STEM groups, together accounting for 12 percent of all requests. Among uncapped employers, life scientists, health diagnosing and treating practitioners, and post-secondary teachers are in high demand—together accounting for almost two-thirds of uncapped requests. Overall, the occupational breakdown of H-1B requests reveals that demand is heavily concentrated in computer and engineering professions. These two minor groups had the most H-1B requests, and respectively accounted for 47 percent and 8 percent of all requests nationally. Demand intensity, as measured by requests per 1,000 workers in the same field, helps to highlight the relative demand for H-1Bs in these occupational groups. By this measure, mathematical science occupations, a group which includes jobs like operations research analysts, statisticians, and actuaries, has the highest intensity at 54.70 requests per 1,000 workers nationally. Life scientists and computer occupations are the next highest minor groups by intensity at the national level, with 48.04 and 47.98 requests per 1,000 workers, respectively (Table 3).

## UQ – R/T Unemployment Measure

### Using unemployment is a bad metric because it only tells you what job someone held previously not what they are trained a to do.

Norman Matloff. (UC Davis). ON THE NEED FOR REFORM OF THE H-1B NON-IMMIGRANT WORK VISA IN COMPUTER-RELATED OCCUPATIONS. 12/12/03. <http://heather.cs.ucdavis.edu/Mich.pdf>

The Veneri Paper—A paper by Bureau of Labor Statistics researcher Carolyn Veneri also stated that the data does not support the industry's claim of a labor shortage.<sup>106</sup> Her analysis is again similar to that of Lerman, but another point she brought up was quite important. The ITAA lobbying group has often cited low unemployment rates among IT workers as indicative of an IT labor shortage. But Veneri notes: **A major drawback in using . . . unemployment rates in analyses of shortages is that the unemployment rate is calculated based on a person's last job, rather than the longest job held or occupation in which he or she trained and is actually looking for work. This means an individual with experience as a computer programmer who is seeking a programming job, but who last worked as a cashier, is classified as an unemployed cashier, not an unemployed programmer** . . . . . the labor market conditions for this period [1992–1997] indicate that neither the occupational group consisting of computer systems analysts, engineers, and scientists nor the computer programmer occupation has exhibited both higher than average employment growth and higher than average growth in wages.<sup>107</sup>



## IL – R/T H-1B Workers are More Skilled

**H-1Bs are not more skilled. Hira at the EPI gives two reasons: a) If American workers are training their foreign replacements before they get laid off, then it is quite obvious that it's the American trainers—not the H-1B trainees—who have the superior skills b) The vast majority of Infosys and Tata's imported H-1B workers hold no more than a Bachelor's degree**

Hira 15 Ron Hira, 2-19-2015, "New Data Show How Firms Like Infosys and Tata Abuse the H-1B Program," Economic Policy Institute, <https://www.epi.org/blog/new-data-infosys-tata-abuse-h-1b-program/> //DF

Proponents of the H-1B repeatedly argue that the program injects much needed skills into the labor market, which are presently lacking in the U.S. workforce. They claim the H-1B is used: 1) to recruit and hire the "best and brightest" workers from around the world; 2) to fill skills gaps in the U.S. workforce; and 3) as a way to retain talented foreign students with advanced degrees who received their education and training in the United States (this is a favorite canard of President Obama). H-1B data and the SCE case show that none of these arguments are even remotely true. **If American workers are training their foreign replacements before they get laid off, then it is quite obvious that it's the American trainers—not the H-1B trainees—who have the superior skills.** Are H-1B

workers being brought in because they have extensive formal training, like an advanced degree? The answer to that is a definitive no. **The vast majority of Infosys and Tata's imported H-1B workers hold no more than a Bachelor's degree.**

During the FY10-12 period, 78 percent of Tata's and 85 percent of Infosys's H-1B employees held only a Bachelor's degree or less. Finally, **there's also no evidence that Tata and Infosys are using the H-1B to retain foreign students who studied and earned an advanced degree in the United States:** Only 1-in-206 of Infosys' H-1B workers held an advanced degree from a U.S. university, and even less of Tata's H-1B workers did, just 1-in-222. (See Table 3)

**Most H-1B holders definitionally are not innovating.**

**a) Chen at The Nation explains that most visas go to outsourcing companies that employ back room workers performing filing and other menial tasks, not Mark Zuckerberg's.**

**b) They don't even stay around long enough to innovate. According to Harkinson at Mother Jones less than 3% of visa holders apply for permanent residency.**

**c) Even the ones who do apply likely won't get a green card. Ruiz at the Brookings Institution explains: there is a considerable backlog in green card applications due to per-country limits, particularly for Indian and Chinese nationals.**

Chen 17 Michelle Chen, 4-13-2017, "Silicon Valley Sweatshops," Nation, <https://www.thenation.com/article/silicon-valley-sweatshops/> //DF  
And they're still poor. About 40 percent of H-1B visas approved in 2015 occupied the lowest-wage tiers, which the Economic Policy Institute estimates could undercut a sector's prevailing wages by 40 percent. Tracking career progress over time, EPI found that **out of roughly 460,000 H-1B visas imported in recent years, the ratio of immigrant Mark Zuckerbergs to rank-and-file coders was heavily skewed,** despite Big Tech's youthful entrepreneurial promise: **[T]he top H-1B employers have been using the program for temporary labor—and as a vehicle to outsource jobs to overseas locations—rather than as a bridge to permanent immigration, which could keep skilled workers in the US labor market** for the foreseeable future. Based on EPI's analysis, fewer than 140,000 of the H1B workers employed in the United States from 2011 to 2013, out of nearly 819,000 approved visas, actually led to a green card for a worker, suggesting that guest workers experience permanent instability: Cognizant, a US-based offshore outsourcing behemoth, received 4,293 H-1B visas in 2014, yet applied for a mere 57 green cards for its H-1B workers in the same year. That is a 1.3 percent rate, or one green card application for every 75 H-1B workers.

**Only 3% of H-1B workers stay, prefer Americans workers who stay more long term.**



**Harkinson 13** Josh Harkinson, 2-22-2013, "How H-1B Visas Are Screwing Tech Workers," Mother Jones, <https://www.motherjones.com/politics/2013/02/silicon-valley-h1b-visas-hurt-tech-workers/> //DF

To be sure, America's tech economy has long depended on foreign-born workers. "Immigrants have founded 40 percent of companies in the tech sector that were financed by venture capital and went on to become public in the U.S., among them Yahoo, eBay, Intel, and Google," writes Laszlo Bock, Google's senior VP of "people operations," which, along with other tech giants such as HP and Microsoft, strongly supports a big increase in H-1B visas. "In 2012, these companies employed roughly 560,000 workers and generated \$63 billion in sales." But **in reality, most of today's H-1B workers don't stick around to become the next Albert Einstein or Sergey Brin.**

ComputerWorld revealed last week that **the top 10 users of H-1B visas last year were all offshore outsourcing firms such as Tata and Infosys. Together these firms hired nearly half of all H-1B workers, and less than 3 percent of them applied to become permanent residents. "The H-1B worker learns the job and then rotates back to the home country and takes the work with him,"** explains Ron Hira, an immigration expert who teaches at the Rochester Institute of Technology. None other than India's former commerce secretary once dubbed the H-1B the "outsourcing visa." Of course, the big tech companies claim H-1B workers are their last resort, and that they can't find qualified Americans to fill jobs. Pressing to raise the visa cap last year, Microsoft pointed to 6,000 job openings at the company. Yet if tech workers are in such short supply, why are so many of them unemployed or underpaid? According to the Economic Policy Institute (EPI), tech employment rates still haven't rebounded to pre-recession levels. And from 2001 to 2011, the mean hourly wage for computer programmers didn't even increase enough to beat inflation.

### **Backlog in green card applications.**

**Ruiz 12** Neil G. Ruiz [Senior Policy Analyst and Associate Fellow, Metropolitan Policy Program], 6-2012, "The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas," Metropolitan Policy Program at Brookings, <https://www.brookings.edu/wp-content/uploads/2016/06/18-h1b-visas-labor-immigration.pdf> //DF

Beginning as part of the Immigration Act of 1990, the H-1B visa program allows employers to hire foreigners to work in specialty occupations on a temporary basis. Specialty occupations are defined as "requiring theoretical and practical application of a body of highly specialized knowledge and the attainment of a bachelor's degree or higher (or its equivalent) in the field of specialty."<sup>19</sup> With the exception of fashion models, all H-1B visa recipients are required to have at least a bachelor's degree or equivalent experience.<sup>20</sup> Visas are granted in three-year increments with the option to extend up to six years.<sup>21</sup> Referred to as a "dual intent" program, **the H-1B visa allows foreigners to work temporarily on a nonimmigrant visa and at the same time, with employer sponsorship, apply for permanent residency.**<sup>22</sup> **However, there is a considerable backlog in green card applications due to per-country limits, particularly for Indian and Chinese nationals who make up the majority of H-1B workers and are unable to leave their sponsoring employer in the interim.**<sup>23</sup> There are other classes of high-skilled temporary worker visas such as the L-1 and L-1B for intra-company transfers and the O visa for extraordinary ability. However, this discussion and analysis is limited to the H-1B visa program which represented approximately one percent of all nonimmigrant visa admissions into the United States in 2010.<sup>24</sup> There is a cap on the number of H-1B visas that can be issued each fiscal year (see box on "H-1B Capped versus Uncapped Employers"). When the program began in 1990, the cap was set to 65,000. During the period of economic growth and low unemployment in the 1990s, it was raised several times (to a maximum of 195,000 for fiscal years 2001 through 2003), but since 2004 has remained at 65,000 with an additional 20,000 visas for workers with advanced degrees from U.S. institutions added in 2006.<sup>25</sup>

### **Extra: Most H-1Bs are used as temporary workers.**

**Hira 15** Ron Hira, 2-19-2015, "New Data Show How Firms Like Infosys and Tata Abuse the H-1B Program," Economic Policy Institute, <https://www.epi.org/blog/new-data-infosys-tata-abuse-h-1b-program/> //DF

Adding insult to injury, Infosys and Tata have a history of getting in trouble for paying even lower wages than they are already legally allowed to pay. In 2013 Tata paid \$30 million to settle a wage theft dispute involving 13,000 foreign workers, and Infosys paid a record \$34 million to settle a visa fraud case after it committed "systemic visa fraud and abuse of immigration processes." As a general principle, companies that behave like this should not be allowed to benefit from the U.S. temporary foreign worker programs, much less be the top two beneficiaries of them. H-1B is not a bridge to permanent immigration. The proponents for H-1B expansion claim that the H-1B program is a stepping-stone to permanent immigration. But **the vast majority of H-1B workers at Infosys and Tata never get on path to legal permanent residence** (often referred to as getting a "green card") and citizenship: In FY13, **Infosys only sponsored seven H-1B workers for permanent residence, and Tata sponsored ZERO H-1B workers, while the U.S. government approved 12,432 H-1B visa petitions for these two companies alone.** (See Table 2) In other words,

the H-1B workers Infosys and Tata hire are being used as temporary, cheaper, disposable labor, not as a way to permanently introduce talent and innovation into the American labor market. H-1B is not about skills or skills gap. Proponents of the H-1B repeatedly argue that the program injects much needed skills into the labor market, which are presently lacking in the U.S. workforce. They claim the H-1B is used: 1) to recruit and hire the “best and brightest” workers from around the world; 2) to fill skills gaps in the U.S. workforce; and 3) as a way to retain talented foreign students with advanced degrees who received their education and training in the United States (this is a favorite canard of President Obama). H-1B data and the SCE case show that none of these arguments are even remotely true.

## IL – R/T Innovation

### **Americans CS workers are far more likely to be in R&D than foreign CS workers**

Norman Matloff (Economic Policy Institute). “Are Foreign Students the ‘Best and Brightest’? Data and implications for immigration policy.” February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

The results of the logit model for both computer science and electrical engineering, looking at the probability of working in R&D while controlling for age (and the square of age18) and education level, are presented in Table 6. The estimated coefficients from a logit regression are interpreted as the rate of change in the “log odds” of (in our case) working in R&D, as the independent variables change. As is common practice in discussions of logit regression results, here we discuss the more intuitive “marginal effect” of being a foreign former student for specific values of the other independent variables. The data indicate that in both computer science and electrical engineering, the foreign former students are significantly less likely to work in R&D, compared to Americans of the same age and educational background.

For example, consider 30-year-old workers with master’s degrees. **In computer science, substitution into the logit**

**formula shows that the Americans are about 10 percent more likely to be working in R&D than are**

**comparable foreign former students** (a 0.89 probability versus 0.81) **In electrical engineering, the difference is**

**dramatic—the Americans are 68 percent more likely to be in R&D than the foreign former students,**

with the probability of R&D work being 0.76 for the Americans but only 0.46 for the foreign former students. These are interesting results. One might take the view that considering patents or dissertation awards is setting the bar too high: A worker might be quite innovative without necessarily having the work patented, and the bar for the dissertation awards is extremely high. **These latter findings,** however,

**address the industry’s core source of innovative work, its R&D units, and the data show that these**

**units are staffed disproportionately by Americans rather than by foreign former students.**

### **As a result of filling the jobs that innovate, American workers are also more likely to innovate, as shown by slightly higher patenting rates**

Norman Matloff (Economic Policy Institute). “Are Foreign Students the ‘Best and Brightest’? Data and implications for immigration policy.” February 28, 2013. <http://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf>

In column 1, the coefficient for computer science workers who were former foreign students, -0.439, is significantly different from zero at the 5 percent level. In other words, among computer science workers, on average, the former foreign students are producing about half a patent application fewer per person than are Americans of the same age and education level. On the other hand, in electrical engineering (column 3), the former foreign students’ patenting activity is not significantly different from the Americans. The NSCG data also tally commercialized patents, so Table 5 presents analyses of the propensity to procure commercialized patents by computer science (column 2) and electrical engineering (column 4) workers. **The results are similar to those for all patents. Former foreign students in**

**computer science produce 0.118 fewer commercialized patents than their American counterparts of the same age and education level.** On the other hand, former foreign students in electrical engineering produce a comparable

number of commercialized patents to their American counterparts. In summary, **the former computer science students apply for somewhat fewer patents than do their American peers, and also are awarded fewer patents that are eventually commercialized.** In the case of electrical engineering, the foreign and American groups have the same mean numbers of

patent applications, both general and commercialized. Again, **the data do not show a best and brightest tendency among**

**the former foreign students.** Rates of working in R&D Presumably much (though by no means all) of the innovation in the tech industry comes from those working in research and development positions. It is thus of interest to investigate the proportions of U.S. versus immigrant workers who hold such jobs. Fortunately, the NSCG data include a variable for this status.

**More than half of H-1Bs just fill entry level positions that only require a “basic understanding of duties and perform routine tasks requiring limited judgment. Only 6% have the highest compensation levels**

**Ontiveros 17** Maria L. Ontiveros [Professor of Law, University of San Francisco], 3-1-2017, "H-1B Visas, Outsourcing and Body Shops: A Continuum of Exploitation for High Tech Workers," BERKELEY JOURNAL OF EMPLOYMENT & LABOR LAW, <https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=1499&context=bjell> //DF

Second, once a survey has been selected, employers can use a variety of mechanisms to set the lowest possible wage. Employers choose a prevailing wage based on a location, a job title, a job description and a job level. Each of these designations allows the employer discretion that can result in a lower wage. In setting a job title, for example, someone who works in the computer software field could be considered a “software engineer,” a “systems analyst,” or a “programmer.” An employer can choose the job title with the lowest average salary and use it on the LCA.<sup>55</sup> The job description often includes the bare minimum education and experience requirement, which leads to a lower rate of pay.<sup>56</sup> The employer is also able to determine the level of the job and will routinely list the job as an entry-level position, which again drives the wage rate down.<sup>57</sup> In 2010, 54% of the H-1B visas issued were for “entry-level” positions which, according to the statute, only require a “basic understanding of duties and perform routine tasks requiring limited judgment.”<sup>58</sup> Only 6% of the H-1B visa recipients were categorized as Level IV employees who receive the highest level of compensation.<sup>59</sup> There have also been reported instances of an employer misrepresenting the location of a job in order to set the prevailing wage based on a lower cost region.<sup>60</sup> Finally, there is very little oversight of the information provided on the LCA regarding the job and its associated prevailing wage. Currently, the Department of Labor only reviews the LCA for completeness and looks for glaring inaccuracies.<sup>61</sup> As long as the application looks reasonable on its face, there is no independent verification.<sup>62</sup> For example, in order to be subject to additional questioning, an employer would have to do something as obvious as putting a prevailing wage rate below the federal minimum wage or putting a wage rate on the application that is below the range it has submitted in its survey.<sup>63</sup> As a result, “The DOL’s Office of Inspector General has described the LCA certification process as merely a ‘rubber stamp’ of the employer’s application.”<sup>64</sup> Taken as a whole, these practices result in H-1B visa workers routinely working at a pay rate below what most people would consider the true prevailing wage rate.

Impact -- R/T Increases Wages

Impact -- R/T Increases Lifespan

## INDICTS

Mithas and Lucas

**This isn’t reliable – they use a reader survey from an IT magazine, and the sample they study is of people on average 10 years older than H-1Bs**

**Matloff 13** Norman Matloff, 2-28-2013, "ARE FOREIGN STUDENTS THE ‘BEST AND BRIGHTEST’? Data and implications for immigration policy," Economic Policy Institute, <https://www.epi.org/files/2013/outstanding-talent-high-skilled-immigration.pdf> //DF

On the other hand, Lofstrom and Hayes (2012) concluded that the H-1Bs are at least as well paid as the Americans, and Mithas and Lucas (2010) found that foreign information technology (IT) workers are paid 2.3 percent more. A key aspect of these studies is the dataset. Mithas and Lucas, for example, based their analysis on a reader survey of a magazine for IT managers, not mainstream engineers and programmers. Also, the average age in their sample was about a decade older than

**among H-1Bs in general, thus again indicating that their study may not be representative of the mainstream.**

Though Hunt (2009; 2011) corrects for field of highest degree (but not current profession), her dataset is extremely broad, with unknown consequences to the analyses. Another issue is that, in attempting to determine whether H-1Bs are paid less than comparable Americans, the key word is comparable. The industry claims that typically H-1Bs are hired because they possess special technological skills that are in short supply among Americans. For example, experience with Android programming reportedly commands a premium of 20 percent in the open market for software developers (Drapier 2011). Matloff (2003) found skills premiums ranging from 16 to 24 percent. So, ideally statistical analyses should include a variable for experience with “hot” skills. Yet such data are not available for individual workers, and if, say, Android programmers are disproportionately foreign, as the industry claims, the analysis would misleadingly make the foreign workers appear to be doing well relative to the Americans. This seems to be a core problem with the Lofstrom and Hayes study, for example.

## Zavodny

**Zavodny just looks at overall trend data of visa issuance rate and employment, so her results don’t discern whether the H-1Bs were hired because the economy was growing or whether the H-1Bs were responsible for the job growth. Prefer Notre Dame, who studies businesses that received H-1B visas vs those that didn’t. They found over the eight years following the hiring of an H-1B worker, U.S. workers were displaced, wages were lowered, and there was no positive effect on innovation**

**Eisenbrey 15** Ross Eisenbrey, 5-18-2015, “H-1B Visas Do Not Create Jobs or Improve Conditions for U.S. Workers,” Economic Policy Institute, <https://www.epi.org/blog/h-1b-visas-do-not-create-jobs-or-improve-conditions-for-u-s-workers/> //DF

The senators endlessly proclaim that H-1B employees are good for our economy, that businesses can’t find enough talent here, that the H-1Bs are innovative, the “best and the brightest,” and that importing them leads to more job creation. In support, they cite a paper by Agnes Scott College researcher Madeline Zavodny, which found that hiring H-1Bs creates jobs for Americans: specifically, that “adding 100 H-1B workers results in an additional 183 jobs among U.S. natives.” The problem is that it isn’t true. **[1] Zavodny’s research couldn’t discern**

**whether the H-1Bs were hired because the economy was growing and jobs were being created—for natives and guestworkers alike—or whether the H-1Bs were responsible for the job growth.** (The weakness of her

results is demonstrated by another, completely implausible finding **[2] she reports, that H-2B unskilled guestworkers are associated with two-and-a-half times greater job creation than the college-educated H-1Bs: 464 jobs for every 100 H-2B guestworkers. The notion that hiring low-wage-earning landscapers and groundskeepers, hotel maids and dishwashers—most of whom have little or no college education—spurs spectacular job growth is ludicrous on its face.)**

**Much more careful, groundbreaking research on the effects of H-1Bs** has recently been completed **by economists at Notre Dame, the University of California, Berkeley, and the Office of Tax Analysis at the U.S. Department of Treasury.** Their findings should put an end to the notion that H-1Bs are in any way good for U.S. workers. **The**

**research solves the problem of causality by employing a natural experiment. Two types of businesses were studied, those that applied for and received visas** through the H-1B random “lottery” (because more employers

want H-1Bs than are annually available, the government has to allocate them via lottery), **and those that applied but failed in the lottery.** If the H-1B visa raised wages, led to job creation, or spurred innovation, the companies that were awarded the visas should do

better on each of those counts. In fact, they did not. On the contrary, **over the eight years following the hiring of an H-1B worker, U.S. workers were displaced, wages were lowered, and there was no positive effect on**

**innovation.** As the authors write: “We demonstrate that H-1Bs given to a firm on average do not raise the firm’s patenting and/or other employment, contrary to firms’ frequent claims. Overall our results are more consistent with the second [i.e., the critics’] narrative, in which H-1Bs replace other workers to some extent, are paid less than alternative workers, and increase the firm’s profits (despite little, if any, effect on firm patenting).” Far from adding 1.83 jobs for each additional H-1B, the researchers “robustly find that new H-1Bs cause no significant increase in firm employment. **New H-1Bs substantially and statistically significantly crowd out median**

**employment of other workers.**” If Sen. Klobuchar and Sen. Hatch were being honest, they would stop repeating the debunked conclusion that H-1B visas are on the whole good for anything other than lowering wages for U.S. workers while raising the profits of the firms that obtain them. They would abandon their legislation to expand the H-1B visa program and put their efforts into crafting better H-1B rules

that protect U.S. workers, or better yet, providing U.S. workers with better opportunities to make use of and be properly rewarded for the education and skills they have worked hard to obtain.