

Cut Card

We affirm, Resolved: the United States Government should increase its quota of H-1B visas

Contention One: Foreign Students

Takao Kato at Colgate University explains in 2011: Foreign students often study in the United States hoping that an American undergraduate education will serve as a gateway to longer-term US employment. It follows that a foreign student considering higher education in the US will be affected by any significant change in the probability of securing US employment upon graduation.

Kato 11 Takao Kato [Colgate University], 6-1-2011, "Quotas and Quality: The Effect of H-1B Visa Restrictions on the Pool of Prospective Undergraduate Students from Abroad," Colgate University Libraries: Economics Faculty Working Papers,

[//DF](http://commons.colgate.edu/cgi/viewcontent.cgi?article=1017&context=econ_facschol)

Foreign students often study in the United States hoping that an American undergraduate education will serve as a gateway to longer-term US employment. Rosenzweig (2006) provides strong empirical support for this phenomenon. Borjas (2002) notes that **the probability of ultimately receiving a green card (permanent residency) was 26 times higher for foreign students than for those applying through the random green card lottery.** Bhagwati and Rao (1999) and Chiswick (1999) are among other authors to claim that student visas are often used in hopes of securing permanent employment. **It follows that a foreign student considering higher education in the US will be affected by any significant exogenous change in the probability of securing US employment upon graduation.** Such a change did occur in October 2003 when Congressionally-imposed limits on new H-1B visa issuances per annum dramatically reduced from 195,000 to 65,000 for fiscal year 2004 and beyond. The H-1B visa offers many foreign-nationals with a college degree a legal, though temporary, permit to work in the United States. It is granted for a three-year period, renewable for a total of six years, and is only available to individuals in professional occupations requiring "the theoretical and practical application of a body of highly specialized knowledge requiring completion of a specific course of higher education."¹ As noted, the drastic cut in the H-1B quota beginning in fiscal year 2004 represented a marked exogenous change in US job market prospects for college-educated foreign citizens. The H-1B visa cap was never binding in the years immediately preceding the policy change. Thus, foreign citizens with undergraduate degrees faced no legal impediment to working in the US so long as they had received a job offer from an employer upon graduation. Legal employment became more difficult to secure after the H-1B visa cap became binding. The US government began denying H-1B petitions, which generated an incentive for employers to withdraw (or decide against) job offers to foreign candidates and avoid the uncertainty of the visa process. That visa quotas in general reduce US immigrant flows is an already well-established phenomena in the literature. This paper instead assesses how restrictive H-1B policy has affected the average academic quality (or ability) of prospective international students who face reduced US employment opportunity after graduation.

Because employment is a main goal of foreign students studying in the US, they are highly reactive to changes in the chance of securing a job. In 2003, the US lowered the H-1B visa cap from 195,000 to the current level of 65,000. This decrease, according to Kato, led to a 14% decline in undergraduate enrollment of foreign students, likely because many students felt that they would have worse chances of getting a job. However, raising the visa cap would increase the probability that students got US jobs, likely increasing foreign enrollment.

Kato 11 Takao Kato [Colgate University], 6-1-2011, "Quotas and Quality: The Effect of H-1B Visa Restrictions on the Pool of Prospective Undergraduate Students from Abroad," Colgate University Libraries: Economics Faculty Working Papers,

http://commons.colgate.edu/cgi/viewcontent.cgi?article=1017&context=econ_facschol //DF

To our knowledge, this paper is the first to provide rigorous evidence on the effects of restrictive immigration policy on the quality of international students interested in US tertiary education. The analysis employed two datasets: (i) College Board data on the SAT scores of prospective students; and (ii) SAT and GPA data on a highly-selective university's foreign-applicants. Both cases generate robust evidence that limits on H-1B immigration of educated labor have had an unintended adverse effect on US higher education by reducing the average ability (or quality) of potential foreign applicants. Unfortunately, a lack of available data prevents us from further investigating to what extent the weakened pool of foreign applicants will translate into lower-quality matriculates and graduates. Nonetheless, the key findings from our quintile regressions, combined with summary statistics from the Institute for International Education, shed light on this issue. IIE data notes that

US undergraduate enrollment of students from countries bound by H-1B restrictions declined by 14%

between academic years 2001/02 and 2006/07.

US policy-makers are unlikely to be concerned if such losses occur at the left-tail of the ability distribution. Our analysis, however, shows that the share of applications from top-quintile students declined by 1.8-3.7 percentage-points. It is unlikely that US undergraduate institutions maintained a high number of top-quality international enrollees in the face of declining applications from top-quality students. Lower-quality foreign-born students would directly affect the classroom experience for domestic students whose education is often enriched by the presence of well-motivated, well-prepared, and diverse international classmates. Universities and their students therefore suffer an immediate welfare loss due to restrictive immigration policy. Lower-quality graduates would imply even more important macroeconomic consequences, however, since many international students continue to work in the US after graduation. Such individuals have proven to be especially effective in innovative and entrepreneurial activity, boosting aggregate productivity. With lower ability individuals seeking entry into the US, the country may ultimately sacrifice those aggregate gains. Given recent political developments in public opinion regarding highly-educated immigrants, it is increasingly important to design policy to maximize the benefit of skill-based immigration. By providing evidence on a potentially serious adverse effect of current H-1B immigration restrictions, this paper points to a need for policy reassessment.

There are two impacts to a higher number of foreign students on American campuses.

1. Job Creation

While unemployment is reported to be at historic lows, that number only includes Americans actively looking for work. Hicks 18 at the Hill explains that after factoring in workers who have given up on looking for a job, the unemployment rate stands at over 8% – 1 in 12 American workers can't find work

Hicks 18 Michael J. Hicks, 1-11-2018, "Low unemployment rate doesn't tell the whole story," TheHill <http://thehill.com/opinion/finance/368559-low-unemployment-rate-doesnt-tell-the-whole-story> //DF

The Labor Department also reports workers experiencing different types of unemployment. The broadest of these is known as U-6 and includes the traditional measure of unemployment, along with the share of workers who are discouraged or marginally attached to the labor force and those who work part-time because they cannot find full-time work. While that measure has declined from a recent peak of just over 17 percent in the months following the end of the Great Recession, **it remains at 8.1 percent**. This suggests pockets of labor market distress worth exploring. Today there are roughly 6.5 million unemployed under the traditional measure, 1.6 discouraged or marginally attached workers and 4.9 million part-time workers who cannot find full-time employment. This puts almost 1 in 12 American workers unable to find the employment they wish and provides a source of real concern for policymakers hoping to translate strong labor markets into broad prosperity. Recent data on workers in these categories offers some insights into discouraged or marginally attached workers. These are workers who have temporarily stopped looking for a job. Gender differences played a very modest role in the overall level of these workers. However, the causes differ distinctly between genders. Women are more than twice as likely to report being discouraged workers due to family responsibilities, while men are two-thirds as likely to report discouragement over poor job prospects. Men are slightly more likely to be in school or be disabled than are women.

The NEA 17 explains: foreign students are substantial job creators. This stems largely from their spending on tuition and course materials, as well as rent and other everyday expenses like gas, groceries, and food for themselves and their dependents.

New American Economy 17 6-1-2017, "Reflecting on the Economic Value of International Students," New American Economy,

<https://research.newamericaneconomy.org/report/reflecting-on-the-economic-value-of-international-students/> //DF

With that in mind, we use estimates on the economic activity and jobs created and sustained from international students produced by NAFSA, a national association for professionals working in international education, to calculate the total economic contribution of international students during their studies in the United States. We found that international students who received their diplomas in 2016 **contributed \$19.6 billion to the American economy over the course of their studies**. Moreover, in just the last year of their programs, they created or supported more than 81,000 U.S. jobs. These positions were in a variety of industries, from educational services, to accommodation, to retail. How did they contribute so much? Largely from their spending on tuition and course materials, as well as rent and other everyday expenses (gas, groceries, food, and the like) for themselves and their dependents. Travel for visiting family members played a role too. Regardless of the source, however, their massive economic impact was no doubt important to the U.S. education

system, particularly in an era of shrinking budgets for many publicly-funded schools. To put the contribution of international students in context, \$19.6 billion amounts to 86.6 percent of the amount requested by the Department of Education in 2015 for Pell grants, the largest federal grant program that helps low-income students pay for college.

These jobs benefit both white-collar fields like academia, as well as blue-collar sectors like transportation, accommodation, and food service. In fact, Ryan Craig at University Ventures estimates in 2017: if foreign students represented 11% of US universities, rather than the current 5%, they would add 440,000 jobs to the American economy.

Craig 17 Ryan Craig [managing director at University Ventures, a fund seeking to reimagine the future of higher education and creating new pathways from education to employment], 1-27-2017, "U.S. should ease, not restrict, access to its colleges by international students (essay)," Inside Higher Ed, <https://www.insidehighered.com/views/2017/01/27/us-should-ease-not-restrict-access-its-colleges-international-students-essay> //DF

Although it may seem counterintuitive in this radically new policy environment where our borders appear to be closing, the answer lies at the intersection of prioritizing job creation and our new president -- a successful hotelier -- understanding the difference between students (guests) and immigrants. In Australia, international students represent about 30 percent of total enrollment. In the U.K., it's about 20 percent. Even Canada is at 11 percent. But the one million international students currently enrolled at U.S. colleges and universities represent only 5 percent of the total. And we are falling farther behind. In 2000, 23 percent of all international students were in the U.S. In 2012, it was only 16 percent. We are punching below our weight -- and way below our reputation. The economic benefits of educating students from other countries are clear. NAESA: the Association of International Educators estimates that three U.S. jobs are created or supported for every seven international students -- a total of 340,000 jobs in 2013-14. These jobs aren't only for overeducated academics, but in sectors such as transportation, accommodation, food service, telecommunications, health care and insurance. In the 2015-16 academic year, international students contributed approximately \$33 billion to the U.S. economy. So if the U.S. were to serve as many international students proportionally as Canada, we would add more than 400,000 jobs. Doing as well as the U.K. would add 1.2 million new jobs. Reaching Australian levels would add two million new jobs -- greater potential than any of the other "export" industries being talked about. And we'd do even better than that if we took full advantage of our reputation as the global higher education leader. While a handful of universities -- mostly in large, coastal urban areas -- have achieved 20 percent international as a percentage of total enrollment, only 5 percent of U.S. colleges and universities account for nearly 70 percent of all international enrollments; 95 percent of institutions have a lot of room for growth. On a statewide basis, only a few have approached Canadian levels -- Washington, D.C., is at 15 percent, Massachusetts 13 percent, New York 10 percent, Washington 9 percent, Rhode Island 8 percent. Illinois, Connecticut and Hawaii are at 7 percent, and the rest of the country is at 6 percent or below, including large states with international reputation: California and Texas at 6 percent, Florida at 4 percent. And most of the Midwest and mountain states are at 3 percent. So while even Massachusetts could do better, there's work to do if American colleges and universities are to compete more effectively for international students.

2. Closing the Education Gap

Tuition at public universities is increasing. Kapadia 16 at TechCrunch reports: during the Great Recession, public and private coffers tightened dramatically. As a result of declining investments since 2008, tuition and fees at public institutions rose 28%.

Kapadia 16 Kalpesh Kapadia, 7-19-2016, "How international students are keeping US colleges afloat and powering the tech industry," TechCrunch,

<https://techcrunch.com/2016/07/19/how-international-students-are-keeping-us-colleges-afloat-and-powering-the-tech-industry/> //DF

Since the 1950s, the United States has been the destination of choice for foreign students seeking higher education. However, the explosive growth in recent years is no happy accident. The rapid arrival of international students in the U.S. is coincident **with the Great Recession**, when **public and private coffers tightened dramatically**. Investment in higher education from state and local governments dropped to a low point in 2012 (\$71.9 billion). Since then, state and local government investment has grown to \$91 billion in 2015, but that's still below pre-recession levels. Meanwhile, **as a result of declining investments since 2008, tuition and fees at both two-year and four-year public institutions rose 28 percent**. Between 2008 and 2015, international students have essentially functioned as the bailout for U.S. colleges and universities. This is largely because foreign students often pay two to three times the tuition and fees of domestic students, which helps compensate for declining subsidies and smaller budgets. Furthermore, most of these international students don't require any financial assistance from U.S. colleges. Around 72 percent of them receive the majority of their funds from personal and family income, as well as assistance from their home country governments or universities. This trend is seen across U.S. college campuses. International students at Idaho State University, for instance, pay more than \$20,000 a year in tuition, around 2.5 times more than what in-state students pay. At Purdue University in Indiana, the tuition paid by international undergraduates amounts to almost half of all new revenue it has raised through tuition since 2007. At Oregon State University, where state subsidies per full-time college student dropped 45 percent in the past five years, the international student population now exceeds 3,000 (up from 988 in 2008). This allowed them to add 300 tenure-track professors and expand enrollment to approximately 29,000 students.

Price hikes exacerbate educational achievement gaps by making college more difficult to afford for poor Americans. Marcus 14 at the Hechinger Report writes: America's colleges and universities are shifting the burden of their big tuition increases onto low-income students. A trend that will further widen the gap between the nation's rich and poor as college degrees drift beyond the economic reach of growing numbers of students.

Marcus 14 Jon Marcus, 3-9-2014, "College costs rising fastest for poor students," Hechinger Report, <http://hechingerreport.org/data-show-poorer-families-bearing-brunt-college-price-hikes/> //DF

America's colleges and universities are quietly shifting the burden of their big tuition increases onto low-income students, while many higher-income families are seeing their college costs rise more slowly, or even fall, an analysis of federal data shows. It's **a trend** financial-aid experts and some university administrators worry **will further widen the gap between the nation's rich and poor as college degrees—especially four-year ones—drift beyond the economic reach of growing numbers of students**. "We're just exacerbating the income inequalities and educational achievement gaps," said Deborah Santiago, co-founder and vice president of Excelencia in Education, a nonprofit group that advocates for Latino and other students. The shift also runs contrary to an Obama administration push to make a college degree more affordable for

low-income students. At a White House summit in January, college leaders and others promised to find ways to make degrees more affordable for the less affluent. In fact, lower-income and working-class students at private colleges and universities have seen the amount they pay, after grants and scholarships, increase faster than the amount their middle- and upper-income classmates pay, according to an analysis of data that institutions are required to report to the U.S. Department of Education.

However, a rise in foreign students would actually expand opportunities for poor Americans to go to college. Shih 17 found: international students pay higher tuition than domestic students—at public universities, often two or three times more—and receive less financial aid, representing a crucial source of revenue for U.S. colleges and universities. This is key to increasing access because universities use additional foreign tuition to subsidize the enrollment of more domestic students. He found that for every 10 international graduate students enrolled in a U.S. graduate program, eight additional spots were created for U.S.-born students as a direct result

New American Economy 17 6-1-2017, "Reflecting on the Economic Value of International Students," New American Economy,

<https://research.newamericaneconomy.org/report/reflecting-on-the-economic-value-of-international-students/> //DF

International students have long been known to be an important source of revenues for our country's \$542 billion higher education industry.

They typically pay higher tuition than domestic students—at public universities, often two or three times what is paid by state residents—and receive less financial aid, representing a crucial source of revenue for U.S. colleges and universities. And rather than take spots from American students, this sizable subsidy has been found to actually expand opportunity for them. Kevin Shih, a professor at Rensselaer Polytechnic Institute, for instance, found in recent research that **for every 10 international graduate students enrolled in a U.S. graduate program, eight additional spots were created for U.S.-born students as a direct result.**

With that in mind, we use estimates on the economic activity and jobs created and sustained from international students produced by NAFSA, a national association for professionals working in international education, to calculate the total economic contribution of international students during their studies in the United States. We found that international students who received their diplomas in 2016 contributed \$19.6 billion to the American economy over the course of their studies. Moreover, in just the last year of their programs, they created or supported more than 81,000 U.S. jobs. These positions were in a variety of industries, from educational services, to accommodation, to retail.

Shih 16 Kevin Shih [Department of Economics, Rensselaer Polytechnic Institute], 12-30-2016, "Do International Students Crowd-Out or Cross-Subsidize Americans in Higher Education?,"

http://kevinshih.weebly.com/uploads/5/5/8/7/5587146/shih_crowdcross_dec302016.pdf //DF

How do international students expand domestic enrollment? As discussed earlier, cross-subsidization is one such mechanism that has both intuitive appeal and anecdotal support. High net tuition revenue from international students can be used to offset the costs of enrolling another domestic student. A direct way to test for cross-subsidization would be to show that international students do contribute positively to resources via their tuition payments, and that domestic students receive higher subsidies as a result. However, universities do not publicly report net tuition revenues, subsidies (e.g. institutional aid, fellowships, grants, etc.) separately for international and domestic students. Thus, identifying cross-subsidization requires alternative methods. First, though the required data from research universities during the boom and bust periods are not available, the National Postsecondary Student Aid Survey (NPSAS) provides relevant information on tuition payments and subsidies received from a random sample of graduate students. While NPSAS student sample sizes and coverage of research universities are too small to be useful for more rigorous analysis, some descriptive evidence is enlightening. We assess information on the sample of US citizens at research universities from the 1996, 2000, and 2004 NPSAS surveys—years that roughly align with the beginning, mid-point, and end of the boom and bust cycle. Figure 9 displays average net tuition, total institutional aid (which includes grants, scholarships, fellowships, tuition waivers, loans or

other support from the university), and total grant aid of US citizen students in the NPSAS sample. In particular, the averages are calculated using US citizens enrolled in graduate programs at research 19 universities in each of the NPSAS survey years 1996, 2000, and 2004. The 95% confidence intervals are provided for reference. The top figure shows that average net tuition payments of US citizens in graduate school actually fell by roughly \$1, 000, from an average of \$6, 618 in 1996 to \$4, 596 by 2000. This coincides directly with the boom in international enrollment, and is consistent with the idea that universities used additional foreign tuition to subsidize the enrollment of more domestic students. Increases in net tuition payments of US citizens from 2000-2004 are consistent with the idea that as international enrollment shrank during the bust, so did the extra revenue from foreign students. The bottom figures show that the decline in net tuition payments were due to changes in actual subsidies given to students—what would be expected with crosssubsidization—rather than lowering tuition rates. Average total institutional aid and grant aid (e.g. fellowships, teaching assistant and research assistant positions, etc.) for citizens grew during this period. By 2004, the average institutional aid to citizens declined slightly, as international enrollment decreased

Attaining a college degree is crucial to improve the lives of underprivileged Americans. According to The Office of the President 14: Over the course of one’s working lifetime, the median earnings of bachelor’s degree recipients are 65 percent higher than median earnings of high-school graduates, and the unemployment rate for bachelor’s degree recipients is half the unemployment rate of high school graduates.

EOP 14 1-2014, "Increasing College Opportunity for Low-Income Students: Promising Models and a Call to Action," The Executive Office of the President ,

https://obamawhitehouse.archives.gov/sites/default/files/docs/increasing_college_opportunity_for_low-income_students_report.pdf //DF

The benefits of postsecondary education are well documented and have major implications for economic growth, equality, and social mobility. Getting a postsecondary credential leads to greater lifetime earnings, lower unemployment, and lower poverty. Over the course of one’s working lifetime, the median earnings of bachelor’s degree recipients are 65 percent higher than median earnings of high-school graduates. 30 College graduates are also more likely to find a job; the unemployment rate for bachelor’s degree recipients is half the unemployment rate of high school graduates – and this gap grew during the Great Recession, which hit low wage, low-education workers especially hard.³¹ Gaining a postsecondary education has positive effects beyond higher earnings. Individuals with higher education levels are more likely have retirement benefits and health insurance through their employer.³² Education also leads to better decision making about health, marriage, and parenting; improves patience; and makes people more goal-oriented.³³ College access and attainment also leads to positive externalities and benefits to taxpayers by reducing crime and the need for social services, and increasing taxes paid and civic engagement.³⁴ Importantly, the returns to higher education have increased over time as the demand for college-educated workers has outpaced the number of students getting a college education.³⁵ Over the past four decades, the median earnings gap for full-time workers aged 25-34 with and without a college degree increased substantially for women and more than doubled for men; from 1971 to 2011 the earnings premium for men increased from 25 percent to 69 percent.³⁶ Likewise, the earnings gap between those with and without a college degree increases as workers age.³ In response to the growing earnings gap between those with and without postsecondary education, a report from the Pew Economic Mobility Project remarked that, “unless something is done to boost the number of young people earning postsecondary credentials, millions of Americans will continue to be limited in their economic mobility.”³⁸ Without a college degree, children born in the lowest fifth of the income distribution children have a 45 percent chance of staying in the bottom, and just a 5 percent chance of moving to the top [Figure 1]. Yet when these same children go on to earn a college degree, their chances of making it to the top nearly quadruple, and their chances of moving out of the bottom increase by 50 percent.³⁹

Contention Two: Indian Economy

Jan 17 at the Washington Post writes: the biggest beneficiary of the H-1B system, by far, is India. 71% of visa recipients came from the country.

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 //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.

Expanding the H-1B system is key to Indian economic development for two reasons.

1. Worker Welfare

Khazan 13 at the Atlantic explains: a combination of living conditions, education, and the country's economic structure severely handicapped Indian developers. For much of India's recent history, working in IT and software development was the surest ticket out of poverty, so the field attracted young people interested in putting food on the table.

Khazan 13 Olga Khazan, 10-18-2013, "Behind the 'Bad Indian Coder'," Atlantic,

<https://www.theatlantic.com/international/archive/2013/10/behind-the-bad-indian-coder/280636/> //DF

The accusations often incite Indian developers to jump in to defend themselves. Sri Rangan, a developer from Delhi, said he was offended by the Reddit thread, arguing that **a combination of living conditions, education, and the country's economic structure handicaps Indian developers so severely that they can't be expected to compete with 26-year-old Stanford graduates**. He points out that **while American coders ride private, Wi-Fi-equipped shuttles to work, their Indian counterparts sometimes commute hours to their city-center jobs from slum areas**. And **for much of India's recent history, working in IT and software development was the surest ticket out of poverty, so the field likely attracted some young people who were** more **interested in simply putting food on the table** than perfecting recursions. "Maybe, just maybe, there could be a correlation between quality of life and quality of work?" Rangan wrote. Of course, there's a reason that Indian code always seems to be the target: The country dominates

as a destination for Americans' outsourced IT work—taking up 65 percent of the U.S. outsourced IT market in 2008—all carried out by an educated, English-speaking young people who toil for 30 to 40 percent of the cost of an American developer. Some estimates hold that IBM now has more workers in India than in the U.S. Meanwhile, problems are always bound to arise when a crucial chunk of a company's workforce operates off-site, as Marissa Mayer might attest, especially when there are time zones and linguistic barriers at play.

That interest is quite clear. Naribole 17 at Rice University reports: every year, 200,000 workers apply for H-1Bs, far outpacing the current 85,000 worker cap.

Naribole 17 Sharan Naribole [PhD Candidate in Electrical & Computer Engineering department at Rice University], 2-24-2017, "H-1B Visa Petitions Exploratory Data Analysis," NYC Data Science Academy Blog, <https://nycdatascience.com/blog/student-works/h-1b-visa-petitions-exploratory-data-analysis/> //DF

The H-1B is an employment-based, non-immigrant visa category for temporary foreign workers in the United States. **Every year, the US immigration department receives over 200,000 petitions and selects 85,000 applications through a random process.** The application data is available for public access to perform in-depth longitudinal research and analysis. This data provides key insights into the prevailing wages for job titles being sponsored by US employers under H1-B visa category. In particular, I utilize the 2011-2016 H-1B petition disclosure data to analyze the employers with the most applications, data science related job positions and relationship between salaries offered and cost of living index. H-1B Visa Data Introduction The H-1B is an employment-based, non-immigrant visa category for temporary foreign workers in the United States. For a foreign national to apply for H1-B visa, an US employer must offer a job and petition for H-1B visa with the US immigration department. This is the most common visa status applied for and held by international students once they complete college/ higher education (Masters, PhD) and work in a full-time position.

Securing a job in the US undeniably benefits the quality of life of Indian workers.

Clemens 10 at the Center for Global Development found: working in the US causes a sixfold increase in the wages for Indian software developers

Clemens 10 Michael Clemens [Center for Global Development], 6-2010, "The Roots of Global Wage Gaps: Evidence from Randomized Processing of U.S. Visas," Center for Global Development //DF

This study uses a unique natural experiment to test a simple model of international differences in workers' wages and productivity. Large differences in wages across countries could arise from several sources. These include barriers to trade in outputs, differences in technology, differences in workers, or differences in the other factors of production accessible in different countries. To measure the relative importance of these sources in one setting, **this study exploits the randomized processing of U.S. visas for a group of Indian workers who produce software within a single multinational firm.** In this setting, international barriers to trade in outputs, barriers to technology transfer, and all observable or unobservable differences between workers are extremely low. The results indicate that **location outside of India causes a sixfold increase in the wages of the same worker using the same technology to produce a highly tradable good.** Under plausible assumptions about competition in the industry, this suggests that country-of-work by itself is responsible—in this industry—for roughly three-quarters of the gap in productivity between workers in India and workers in the richest countries. These findings have implications for open questions in labor, growth, international, and development economics.

Wadhwa 09 Vivek Wadhwa [Director of Research at the Center for Entrepreneurship and Research Commercialization at the Pratt School of Engineering, Duke University], Spring 2009, "Tapping Talent in a Global Economy: A Reverse Brain Drain," Issues in Science and Technology Magazine, <http://issues.org/25-3/wadhwa-2/> //DF

To our surprise, visa status was not the most important factor determining their decision to return home. Three of four indicated that considerations regarding their visa or residency permit status did not contribute to their decision to return to their home country. In fact, 27% of Indian respondents and 34% of Chinese held permanent resident status or were U.S. citizens. For this highly select group of returnees, career opportunities and quality-of-life concerns were the main reasons for returning home. Family considerations are also strong magnets pulling immigrants back to their home countries. The ability to better care for aging parents and the desire to be closer to friends and family were strong incentives for returning home. Indians in particular perceived the social situation in their home country to be significantly superior. **The**

move home also appeared to be something of a career catalyst. Respondents reported that they have moved up the organization chart by returning home. Only 10% of the Indian returnees held senior management positions in the United States, but 44% found jobs at this level in India. Chinese returnees went from 9% in senior management in the United States to 36% in China. Opportunities for professional advancement were considered to be better at home than in the United States for 61% of Indians and 70% of Chinese. These groups also felt that opportunities to launch their own business were significantly better in their home countries. Restoring U.S. appeal One of the reasons to survey those who left the United States was to understand what they liked and disliked about the country so that we might be able to convince them to return. We found areas in which the United States enjoyed an obvious advantage. One was gross salary and compensation: 54% of Indian and 43% of Chinese respondents indicated that total salary and compensation in their previous U.S. positions were better than at home. U.S. health care benefits were also considered somewhat better by a majority of Chinese respondents.

2. Remittances

H-1Bs don't just dramatically improve the lives of the workers themselves, but their families as well, through remittances.

Bollard 11 at the World Bank finds that skilled workers send twice the remittance amount back to their home countries as unskilled workers

Albert Bollard, David McKenzie, Melanie Morten, and Hillel Rapoport (World Bank). "Remittances and the Brain Drain Revisited: The Microdata Show That More Educated Migrants Remit More." May 12, 2011.

https://openknowledge.worldbank.org/bitstream/handle/10986/13468/wber_25_1_132.pdf?sequence=1

Results for individual countries are mixed at the extensive margin, with education significantly positively associated with the likelihood of remitting in two surveys (the U.S. NIS and the Survey of Brazilians and Peruvians in Japan), significantly negatively associated with this likelihood in three surveys (the U.S. Pew survey and both Spanish surveys), and no significant relationship in the other six surveys, with three positive and three negative point estimates. One general observation is that a more negative relationship appears in surveys that focus on sampling migrants through community-sampling methods, such as the NIDI surveys, which take their sample from places where migrants cluster, and the Pew Hispanic surveys, which randomly dial phone numbers in areas with dense Hispanic populations. One might expect that educated migrants who live in such areas (and who take the time to respond to phone or on-the-street surveys) would be less successful than educated migrants who live in more integrated neighborhoods and thus who would not be picked up in these surveys. In contrast, at the intensive margin, 10 of 12 individual surveys show a positive relationship between remittances and education, 5 of them statistically significant, and 2 show a negative and insignificant relationship. Thus it is not surprising that when the data are pooled there is a strong positive association at the intensive margin and that it outweighs the small negative and insignificant relationship at the extensive margin in the total effect. This point is made graphically on a log scale in figure 1, which plots the nonparametric relationship between total remittances and years of schooling, after linearly controlling for dataset fixed effects using a partial linear model (Robinson 1988), together with a 95 percent confidence interval. The vertical lines demarcate the quartiles of years of schooling. **Average remittances steadily increase from around \$500 in the lowest education quartile to close to \$1,000 for those with university degrees.** Moreover, the positive association increases most strongly for migrants with postgraduate education, which shows that not only do migrants with some university education remit more than those without, but also that migrants with postgraduate degrees remit more than those with only a couple of years of university.

Amuedo-dorantes, Catalina . "IZA World of Labor - The good and the bad in remittance flows." Wol.iza.org. 1 Nov. 2014. Web. 28 Apr. 2018.

<<https://wol.iza.org/articles/good-and-bad-in-remittance-flows/long>> Of the micro-level impacts discussed in the literature, three are most prominent: increases in individual well-being, in human capital accumulation, and in savings, investment, and financial literacy. Perhaps one of the main benefits of **remittance** flows is that they can **stabilize household income, thereby improving living conditions and increasing well-being.** Remittances appear to be [are] responsive to income shortfalls and, in that way, have the potential to smooth household income. Studies have shown how remittances have helped smooth household income in Mexico, particularly among households that face greater saving constraints and are therefore exposed to greater risks. Accumulation of human capital through better health and higher educational attainment is another important benefit of remittances. A broad literature has shown how the human capital gains of household members who emigrate and the remittance flows that follow **can significantly improve health outcomes and health care access in receiving households by easing financial constraints. For instance, remittances have been associated with lower mortality rates, higher birth weights, and improved living and sanitary conditions in the receiving household through the acquisition of durable goods,** such as refrigerators, stoves, and washing machines. Similarly, remittance flows have been shown to have positive impacts on educational investments in children left behind. To better assess the causal effect of remittances, a study exploited the depreciation that **followed the 1997 Asian financial crisis and the corresponding increase in remittance flows to examine the impact on children's schooling and labor. It found an increase in the share of children being schooled and a corresponding decrease in the hours children worked.** Others have tried to separate the potentially positive impacts of remittance flows on the educational investments in children from the disruptive effect that the emigration of a father or mother might have on the educational attainment and performance of children left behind. When the household head migrates, some of the older children might have to quit school and start working to help support the household. In other instances, researchers have argued that the emigration of household members might lower the incentives for young children to invest in an education at home if they foresee emigrating in the future. The imperfect portability of human capital from one country to another might drive that decision. A way of distinguishing these impacts is to compare the effect of remittance flows in families with migrant household members to the impact of remittance flows received from more distant family members or friends in households without emigrants. The findings seem to confirm the positive impact of remittances on the educational attainment of children documented by the earlier literature. In some instances, **the most disadvantaged groups of children also seem to benefit, as is the case with secondary school-age children for whom the opportunity cost of not working is higher,** higher-order birth children who do not receive the same benefits as the first-born child, and girls. In that regard, remittances can play an important role in leveling the field by providing better educational opportunities for those children. Perhaps one of the most examined impacts of remittance flows is on investment. A number of studies have examined how remittances can ease the credit constraints faced by households that lack access to financial markets and thus can facilitate the accumulation of assets and business investments (such as in land, tools, and new businesses) and increase financial literacy. For the most part, **remittance flows seem to increase savings, facilitate access to financial institutions, and promote financial literacy and investment.** However, an important challenge in much of this literature, particularly when focusing on business investments, remains the confounding impacts of human capital acquired during the migration process (new business ideas, production, and sale strategies, for example) and the impacts of remittance flows themselves. To further complicate matters, the endogeneity of remittance flows and business investments can be troublesome—for example, if migrants are more likely to send money home when there is a family business in anticipation of future bequests. In that case, it is the business that attracts the remittance flows rather than the remittance flows that make the business possible. Finally, unlike educational investments or consumption, business investments are not a frequent occurrence, thus presenting an additional data challenge.

The impact is a reduction in poverty. Yoshino 17 at Keio University studied 10 developing nations in Asia, including India. She found: a 1% increase in the international remittance flows as a percentage of the GDP can lead to a decrease in the poverty gap by 22%, and poverty severity by 16%.

Yoshino 17 Naoyuki Yoshino [dean of the ADB Institute and professor emeritus at Keio University, Tokyo, Japan], 7-2017, "INTERNATIONAL REMITTANCES AND POVERTY REDUCTION: EVIDENCE FROM ASIAN DEVELOPING COUNTRIES," ADBI Institute,

<https://www.adb.org/sites/default/files/publication/329191/adbi-wp759.pdf> //DF

Table 6 shows the results of the Hausman test to verify whether we should choose a fixed-effect model or a random-effect model. 5 Following the Hausman test, this paper adopts a random-effect model that considers the independence between fixed effects and explanatory variables. The results of the random-effect model are similar to those of the pooled OLS. International remittances have a statistically significant impact on the poverty gap ratio and poverty severity ratio reduction. The results show that **a 1% increase in the international**

remittance flows as a percentage of the GDP can lead to a decrease in the poverty gap ratio of 22.6%

and a decrease in the poverty severity ratio of 16.0%. However, only the t-statistics of international remittances are statistically insignificant for the poverty headcount ratio. This may be because the poverty headcount ratio does not reflect the poverty gap among the poor. There might be people who live on \$1.90 per day, but, at the same time, there might be people who live on \$0.50 per day.

Although remittances are distributed to people in developing countries, those who receive remittances might be from high-income families, because it costs a considerable amount to leave home countries and work abroad. This can lead to an expansion of the gap among the poor. Compared with the poverty headcount ratio, the poverty gap ratio and poverty severity ratio take into account the average poor household's income or expenditures against the poverty line. Therefore, these two variables can reflect a substantial reduction in poverty and a significant effect from international remittance inflows. As regards the other variables, a per capita GDP increase of 1% can lead to a 19.2% decrease in the poverty gap ratio and a 24.3% decrease in the poverty severity ratio. However, a per capita GDP increase does not have a significant impact on the poverty headcount. This is because a per capita GDP increase for people who are far from the poverty line does not necessarily improve the poverty headcount ratio. High inflation can be a factor that accelerates poverty by expanding the gap between the rich and the poor. High-income people benefit from a wage hike due to increasing inflation, while poor people, who tend to experience difficulties in finding job opportunities, cannot enjoy such a benefit. Finally, trade openness can reduce all three poverty variables by increasing both the net exports and the country's GDP.

Lenard 11 Patti Tamara Lenard [University of Ottawa], 2011 "Temporary labour migration, global redistribution, and democratic justice," Politics, Philosophy & Economics, 10.1177/1470594X10392338 //DF

In the literature as it is presently constituted, however, migration is often defended not simply for the ways in which individuals can benefit from freer movement, but for the ways in which migration - including temporary labour migration - can serve the cause of wealth redistribution across borders (Bader, 1997; Kukathas, 2005; Woodward, 1992). In the first place, it is worth noting that **migrants who desire to participate in temporary work in foreign countries do so because they believe these opportunities will be an improvement on what they have available to them in their home countries. These migrants are typically poor, hail from countries in which there are few opportunities for gainful employment, and where their 'life circumstances . . . are very bleak' (Macklin, 2003: 478). They arrive to work on a temporary basis, 'expecting to return, cash in hand, in just a few months or a few years', and these benefits motivate them to 'sign up for dirty, dangerous, or difficult work abroad' (Hahamovitch, 2003). They choose guest- work with specific objectives in mind: earning enough to support a decent living in their home country or to send their children to school or to pay for health care for ailing family members, and so on. A refusal to expand (or a closure of) temporary work programmes, then, denies poor migrants the chance to migrate in pursuit of valuable**

opportunities. More generally, migration serves to redistribute wealth across borders in the form of the remittances sent by migrants to their families and home communities, and the volume of remittances sent by migrants is large and growing over time. During the past 10 years, the amount of money sent by migrants has increased annually at an average rate of 16 percent; the World Bank estimates that well in excess of US\$300 billion was sent in remittances in 2008 (World Bank, 2009). The national economies of many developing countries depend on remittances: in 2008, remittances represented 15 percent or more of the national economies of at least 15 countries. As many scholars observe, moreover, the value of remittances now exceeds by considerable margins the value of the development assistance received by poor nations.⁵ Thousands of people have been lifted from poverty as a result of these remittances, and many would return to poverty without them (Acosta et al., 2008; De Haas, 2005; Gupta et al., 2009; Mahmud et al., 2009).⁶ The benefits of remittances extend beyond the formal transfer of wealth to developing nations, moreover. Not only do those who receive remittances use their income to consume additional goods, they frequently invest in improving the quality of, and access to, educational opportunities in their home community, in improving and expanding agricultural industries (by investing in more efficient agricultural technologies, in developing new crops, and so on), and in expanding industry more generally (De Haas, 2009; Gupta et al., 2009). Remittances are frequently put to use in the active development of home communities' economies, as a consequence of which even non-migrant families benefit from living in a community where others receive remittances.

R2R

We Affirm, Resolved: the United States Government should increase its quota of H-1B visas.

Contention One is Foreign Students.

Kato 11 at Colgate University explains: Foreign students often study in the United States hoping that an American undergraduate education will serve as a gateway to longer-term US employment.

Because employment is a main goal of foreign students studying in the US, they are highly reactive to changes in the chance of securing a job. In 2003, the US lowered the H-1B visa cap from 195,000 to the current level of 65,000. This decrease, according to Kato, led to a 14% decline in undergraduate enrollment of foreign students because many felt that they would have worse chances of getting a job. However, raising the cap would have a reverse effect, instead incentivizing more students to study in America.

The impact of more foreign students is job creation.

While unemployment is reported to be at historic lows, that number only includes Americans actively looking for work. Hicks 18 at the Hill explains that after factoring in workers who have given up on looking for a job, the unemployment rate stands at over 8% – 1 in 12 American workers can't find work.

Foreign students can change that reality. NEA 17 explains: foreign students are substantial job creators. This stems largely from their spending on tuition and course materials, as well as rent and other everyday expenses like gas, groceries, and food.

These jobs benefit both white-collar fields like academia, as well as blue-collar sectors like transportation, accommodation, and food service. In fact, Ryan Craig at University Ventures estimates in 2017: if foreign students represented 11% of US universities, rather than the current 5%, they would add 440,000 jobs to the American economy.

Contention Two is Foreign Workers.

Jan 17 at the Washington Post writes: the biggest beneficiary of the H-1B system, by far, is India. 71% of visa recipients came from the country.

Expanding the H-1B system benefits India's economy in two ways.

First, Worker Welfare.

Khazan 13 at the Atlantic explains: a combination of living conditions, education, and the country's economic structure severely handicap Indian developers. So, for much of India's recent history, working in IT and software development in America was the surest ticket out of poverty, and the field attracted young people interested in putting food on the table.

That interest is quite clear. Naribole 17 at Rice University reports: every year, 200,000 workers apply for H-1Bs, far outpacing the current 85,000 worker cap.

Securing a job in the US undeniably benefits the quality of life of Indian workers. Clemens 10 at the Center for Global Development found: working in the US causes a sixfold increase in the wages for Indian software developers over what they would earn in India.

While working in the US, Indian h1b workers also gain valuable knowledge and business connections that make them more attractive in the Indian market as well. Wadhwa 09 at Duke University finds: The move home becomes a career catalyst. While only 10% of the Indian returnees held senior management positions in the United States, 44% found jobs at this level in India.

Second, Remittances.

H-1Bs don't just dramatically improve the lives of the workers themselves, but their families as well, through remittances.

Bollard 11 at the World Bank finds that skilled workers send twice the remittance amount back to their home countries as unskilled workers.

The impact is a reduction in poverty. Remittances have proven to be a dependable source of income that millions of families use to meet their basic needs.

Dorantes of San Diego University explains that remittances provide a stable source of household income to otherwise insecure families; they enable families to improve health care and sanitary conditions; they allow for improvements in education; and they decrease child labor.

This is why Yoshino 17 at Keio University, in a study of 10 developing nations in Asia, including India, found: a 1% increase in the international remittance flows as a percentage of the GDP decreases poverty severity by 16%.

Thus, we affirm.

Frontlines

Foreign Students

R/T Sexual Assault

1. Trivializing sexual assault as some blippy response is really bad and harmful for discourse
2. Also – ask a trigger warning
3. The implication that women should be denied from entering college is terrible and denies them their autonomy
3. Turn: more H-1B solves because the women are leaving India
4. Turn: they bring back better norms (child marriage)

Pami Vyas "Reconceptualizing Domestic Violence in India: Economic Abuse and the Need for Broad Statutory Interpretation to Promote Women's Fundamental Rights" Repository.law.umich.edu. 30 Oct. 2017. Web. 29 Apr. 2018.

<https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1086&context=mjgl>

This Act represents a progressive measure for a country in which **[India has deep] patriarchal roots** run deep **and women suffer horrendous abuse at the hands of their partners, not the least of which is the deprivation of the right to work or control their finances.** It is precisely for this reason, however, that the Act must be progressively interpreted and applied. **To cut into this blanket of patriarchy in order to change attitudes and grant women their basic fundamental human rights will require extreme measures and progressive interpretations of traditionally conservative issues.**

- Girls grow up thinking they are less than their husband, they only way to open their eyes to the abuses of their husbands is to

It's the same if not worse in India.

CATHERINE KOVEROLA "The Voices of Battered Women in India" Journals.sagepub.com. n.d. Web. 29 Apr. 2018. <http://journals.sagepub.com/doi/pdf/10.1177/1077801205276088>

Research has shown that in the United States immigrant women face many challenges, including the adjustment to the new environment, economic hardships resulting from under- and/or unemployment, language barriers, and fear of deportation resulting in their heightened vulnerability (Koverola & Panchanadeswaran, 2003). A study puts the prevalence of intimate partner violence among immigrant South Asian women in the United States at more than 40% (Raj & Silverman, 2003). Irrespective of educational levels, an estimated two of every five women in India experience physical abuse (International Center for Research on Women [ICRW], 1999). Studies report incidences of physical abuse of women in India ranging from 22% to 60% (Mahajan, 1990; V. Rao, 1997). Two thirds of the respondents surveyed in rural Gujarat State reported experiencing some form of physical, sexual, and psychological violence across different levels of age, educational levels, and castes (Visaria, 1999).

R/T Take Spots From American Students

1. Long term - They don't respond to the link that more students enrolled directly leads to more jobs created in college towns and businesses.

2. Tuition at public universities is increasing. Kapadia 16 at TechCrunch reports: during the Great Recession, public and private coffers tightened dramatically. As a result of declining investments since 2008, tuition and fees at public institutions rose 28%.

Kapadia 16 Kalpesh Kapadia, 7-19-2016, "How international students are keeping US colleges afloat and powering the tech industry," TechCrunch,
<https://techcrunch.com/2016/07/19/how-international-students-are-keeping-us-colleges-afloat-and-powering-the-tech-industry/> //DF

Since the 1950s, the United States has been the destination of choice for foreign students seeking higher education. However, the explosive growth in recent years is no happy accident. The rapid arrival of international students in the U.S. is coincident **with the Great Recession**, when **public and private coffers tightened dramatically**. Investment in higher education from state and local governments dropped to a low point in 2012 (\$71.9 billion). Since then, state and local government investment has grown to \$91 billion in 2015, but that's still below pre-recession levels. Meanwhile, **as a result of declining investments since 2008, tuition and fees at both two-year and four-year public institutions rose 28 percent**. Between 2008 and 2015, international students have essentially functioned as the bailout for U.S. colleges and universities. This is largely because foreign students often pay two to three times the tuition and fees of domestic students, which helps compensate for declining subsidies and smaller budgets. Furthermore, most of these international students don't require any financial assistance from U.S. colleges. Around 72 percent of them receive the majority of their funds from personal and family income, as well as assistance from their home country governments or universities. This trend is seen across U.S. college campuses. International students at Idaho State University, for instance, pay more than \$20,000 a year in tuition, around 2.5 times more than what in-state students pay. At Purdue University in Indiana, the tuition paid by international undergraduates amounts to almost half of all new revenue it has raised through tuition since 2007. At Oregon State University, where state subsidies per full-time college student dropped 45 percent in the past five years, the international student population now exceeds 3,000 (up from 988 in 2008). This allowed them to add 300 tenure-track professors and expand enrollment to approximately 29,000 students.

Foreign students pay higher tuition bc they don't receive financial aid. Colleges use the money made from foreign students to subsidize

Shih at Rensselaer Polytechnic Institute actually found the opposite; for every 10 international enrollees, there are around eight additional spots created for native students

New American Economy 17 6-1-2017, "Reflecting on the Economic Value of International Students," New American Economy,
<https://research.newamericaneconomy.org/report/reflecting-on-the-economic-value-of-international-students/> //DF

International students have long been known to be an important source of revenues for our country's \$542 billion higher education industry. They typically pay higher tuition than domestic students—at public universities, often two or three times what is paid by state residents—and receive less financial aid, representing a crucial source of revenue for U.S. colleges and universities. And rather than take spots from

American students, this sizable subsidy has been found to actually expand opportunity for them. Kevin Shih, a professor at Rensselaer Polytechnic Institute, for instance, found in recent research that **for every 10 international graduate students enrolled in a U.S. graduate program, eight additional spots were created for U.S.-born students as a direct result.** With that in mind, we use estimates on the economic activity and jobs created and sustained from international students produced by NAFSA, a national association for professionals working in international education, to calculate the total economic contribution of international students during their studies in the United States. We found that international students who received their diplomas in 2016 contributed \$19.6 billion to the American economy over the course of their studies. Moreover, in just the last year of their programs, they created or supported more than 81,000 U.S. jobs. These positions were in a variety of industries, from educational services, to accommodation, to retail.

This is because foreign students pay more than native students, allowing universities to subsidize the enrollment of more domestic students

Shih 16 Kevin Shih [Department of Economics, Rensselaer Polytechnic Institute], 12-30-2016, "Do International Students Crowd-Out or Cross-Subsidize Americans in Higher Education?,"

http://kevinshih.weebly.com/uploads/5/5/8/7/5587146/shih_crowdcross_dec302016.pdf //DF

How do international students expand domestic enrollment? As discussed earlier, cross-subsidization is one such mechanism that has both intuitive appeal and anecdotal support. High net tuition revenue from international students can be used to offset the costs of enrolling another domestic student. A direct way to test for cross-subsidization would be to show that international students do contribute positively to resources via their tuition payments, and that domestic students receive higher subsidies as a result. However, universities do not publicly report net tuition revenues, subsidies (e.g. institutional aid, fellowships, grants, etc.) separately for international and domestic students. Thus, identifying cross-subsidization requires alternative methods. First, though the required data from research universities during the boom and bust periods are not available, the National Postsecondary Student Aid Survey (NPSAS) provides relevant information on tuition payments and subsidies received from a random sample of graduate students. While NPSAS student sample sizes and coverage of research universities are too small to be useful for more rigorous analysis, some descriptive evidence is enlightening. We assess information on the sample of US citizens at research universities from the 1996, 2000, and 2004 NPSAS surveys—years that roughly align with the beginning, mid-point, and end of the boom and bust cycle. Figure 9 displays average net tuition, total institutional aid (which includes grants, scholarships, fellowships, tuition waivers, loans or other support from the university), and total grant aid of US citizen students in the NPSAS sample. In particular, the averages are calculated using US citizens enrolled in graduate programs at research 19 universities in each of the NPSAS survey years 1996, 2000, and 2004. The 95% confidence intervals are provided for reference. The top figure shows that average net tuition payments of US citizens in graduate school actually fell by roughly \$1, 000, from an average of \$6, 618 in 1996 to \$4, 596 by 2000. This coincides directly with the boom in international enrollment, and is consistent with the idea that universities used additional foreign tuition to subsidize the enrollment of more domestic students. Increases in net tuition payments of US citizens from 2000-2004 are consistent with the idea that as international enrollment shrank during the bust, so did the extra revenue from foreign students. The bottom figures show that the decline in net tuition payments were due to changes in actual subsidies given to students—what would be expected with cross-subsidization—rather than lowering tuition rates. Average total institutional aid and grant aid (e.g. fellowships, teaching assistant and research assistant positions, etc.) for citizens grew during this period. By 2004, the average institutional aid to citizens declined slightly, as international enrollment decreased

R/T Private Schools Have Money

While name brand schools are well-funded, Berman 17 explains that many small private colleges are in financial danger precisely because they can't afford to lower tuition to attract students

Berman 17 Jillian Berman, 6-17-2017, "Why so many small private colleges are in danger of closing," MarketWatch,

<https://www.marketwatch.com/story/why-so-many-small-private-colleges-are-in-danger-of-closing-2017-06-13> //DF

Small private colleges are increasingly in financial danger, while larger name brand private schools are doing just fine. Roughly one-third of the small private schools rated by Moody's Investor Service generated operating deficits in 2016, an increase from 20% three years ago. On the other hand, the share of large private universities that had an operating deficit last year dropped to 13% from 20% three years ago. And the money in the private college sector is highly concentrated among the nation's wealthiest schools. The top 20 richest private universities have 70% of the total wealth in the sector, according to Moody's. One big reason for the diverging fortunes: Slow growth in tuition revenue. Over the past few years, private colleges have been offering discounts on their tuition at record levels, a practice that's financially riskier for small colleges that have fewer sources of revenue to rely on. Ever since the financial crisis, students and families have become more discerning about the price and value of a college education. That's made it more difficult for lesser-known private colleges to lure students and, in particular, students who will pay full price. Students and families are "much more sensitive to the return on the investment" of a college, said Pranav Sharma, a Moody's analyst. "The market has become more competitive." That competitive and financial pressure has put a strain on some small schools. St. Joseph's college, a 900-student school in Indiana, announced in April that it would close this year, amid "dwindling financial resources." That announcement follows a spate of closures in 2016, including the high profile shut down of Burlington College, which was once headed by Jane Sanders, the wife of Vermont Senator Bernie Sanders. "We continue to see a rise in small college closures," said Susan Fitzgerald, an associate managing director at Moody's. Still, she added, "we're not expecting wholesale closures across the sector."

R/T Overheating

1. Growth isn't bad! Growth is good if there's more productivity proportional to jobs, which is what the H-1B does
2. Recessions are caused by major events, not H-1B cap increases. Things like stock speculations, housing bubbles, systemic economic issues
3. Turn: they will increase spending if they have a better job...

Indian Development

R/T More Workers Returning

1. More workers doesn't substitute for firms that invest

R/T Only Big Firms

They want to invest in small firms that could blow up, not big firms! Inherently, the small firms have more growth.

- 1. Signals higher potential growth because there's more human capital**
- 2. When they return they have more productivity**
- 3. They literally invest in these countries and change the firms. If there are more Indian workers, they're going to invest more in India.**

Weighing

Foreign Students spending

R/T Exploitation

1. Magnitude - decreasing poverty severity is more important than reducing exploitation cause poverty can kill you
2. The most salient forms of exploitation is being forced to die in the slums of the developing world. Equating the treatment of H1B workers to actual life threatening conditions is structural violence in it of itself. H1B workers are at the top of the econ ladder they are the privileged, the elite, those with the infrastructure change their situation (choice)

Indian poverty severity (remit)

R/T Exploitation

1. We should care about reducing poverty in the third world countries, instead of

R/T Brain Drain

1. Value of remit is more than value of skilled labor.
 - a. Labor is so much more profitable and productive in the US Because wages are 6x higher in the US, workers contribute more to the Indian econ when they work in the US and support their families with remit. than if they were to work in India.
 - i. IT is the highest paid sector in India with the median gross hourly salary pegged at Rs 346.42. [about 5 dollars an hour]

- ii. For 40 hours a week, this translates to under a billion dollars of wages paid.
 - iii. By contrast 64 Billion dollars in remittances are sent home each year
- b. R/T inflation
 - i. Ignores that it stimulates demand. Even if inflation increases, our evidence takes that into account
- c.

Blake GM

1. The US econ is healthy, increasing the cap would be a shock to the system that leads to a recession
2. Foreign students
 - a. push US students not to study STEM
 - b. Harm US econ
 - c. Decreases investment in universities
 - d. Increase in foreign students whe

Extras

Firm Expansion

The United States is facing a serious technology labor shortage. Torres at the Harvard Business Review finds: The number of young Americans graduating with qualifications in IT subjects is rising, but nowhere near fast enough to satisfy the burgeoning demand for their skills. The number of unfilled U.S. jobs in computing and information technology could top one million by 2020. Bringing skilled foreign workers to America would help decrease the shortage. However, the H-1B visa, which gives them access to the US, supplies far too few visas to make up for the shortage.

Torres 17 Nicole Torres, 5-4-2017, "The H-1B Visa Debate, Explained," Harvard Business Review, <https://hbr.org/2017/05/the-h-1b-visa-debate-explained> //DF

A literature review by Yi Xue and Richard C. Larson of MIT found that there is and isn't a STEM skills shortage — it depends on where you look. In the academic job market, for example, they conclude there is no noticeable shortage; in fact, there is an oversupply of PhDs competing for tenure-track faculty positions in many fields (e.g., biomedical sciences, physical sciences). But the government sector and private industry have shortages in specific areas. In the private sector, for instance, software developers, petroleum engineers, and data scientists were found to be

in high demand. There is other evidence of a strong demand for workers with tech skills. The Economist has reported that **the number of unfilled U.S. jobs in computing and information technology could top one million by 2020: “The number of young Americans graduating with qualifications in IT subjects is rising, but nowhere near fast enough to satisfy the burgeoning demand for their skills**. Last year, American campuses produced fewer than 56,000 graduates with the sort of qualifications sought by information technology (IT) firms.” When it comes to how much immigrant and native-born U.S. tech workers earn, research by Gordon Hanson of UC San Diego and Matthew Slaughter of Dartmouth’s Tuck School of Business has found that while immigrants usually earn less than native-born workers across most occupations (controlling for factors like age, education, and gender), this difference tends to be smaller in STEM fields. They also found that wages for immigrants in STEM have actually increased: In 1990 native-born STEM workers earned more than immigrants; by 2012, this reversed.

The Economist writes in 2013: the cap on H-1B visas, currently at around 65,000, is entirely arbitrary and unnecessary. In every year since 2003, even in the depths of the recent recession, demand from business for H1B visas has exceeded the cap, leaving companies unable to fill jobs that would have boosted the economy.

Economist 13 4-16-2013, "Not working," Economist,

<https://www.economist.com/news/united-states/21575782-how-hurt-economy-needlessly-not-working> //DF

FOR the first time in five years, America’s immigration service will hold a lottery to allocate the visas it makes available to foreigners recruited by private business to work in the country. This is because applications for the 65,000 H1B visas it issues to corporate America each fiscal year, starting on April 1st, were expected to exceed the number available by April 5th. Five days is not the record for reaching the cap on business visas. In 2007 it took one day and, in 2008, two. The silver lining—that this is yet more evidence of a stronger American economy—sits inside a very dark cloud. **The cap on visas is entirely arbitrary and unnecessary, and almost certainly imposes high economic costs on the country.** As the chart shows—and as Michael Clemens, an economist at the Centre for Global Development, points out—in every year since 2003, even in the depths of the recent recession, demand from business for H1B visas has exceeded the cap, leaving companies unable to fill jobs that would have boosted the economy. Studies have found that **skilled immigrant workers are more likely than their domestic counterparts to create patentable inventions or start new businesses**. Some say they steal American jobs. Mr Clemens retorts that, given the cost and difficulty of getting a visa, few firms would give a foreigner a job if they could find a suitable candidate at home. Measures to make it easier to recruit skilled foreign workers are part of broader immigration reform. These are likely to include raising the annual cap on H1Bs to at least the 195,000 it stood at in 2001-03, when the talent needs of the tech sector were taken more seriously; a new STEM visa for foreign students graduating from an American university in science, technology, engineering or mathematics, who must now leave after graduation; and an entrepreneur visa for foreigners who raise funds to start a company in America.

Since the demand for these workers is so high, raising the visa cap would provide the crucial source of tech workers in the US economy. Sherk at the Heritage Foundation explains in 2008:

Sherk and Nguyen, 08 (James and Diem, Heritage Foundation, March 31, “Increasing the Cap for H-1B Visas Would Help the Economy,” <http://www.policyarchive.org/handle/10207/bitstreams/13613.pdf>, CW, accessed on 7/27/10)

Insourcing Jobs. Increasing the cap on H-1B visas creates new jobs for American workers, not just H-1B immigrants. Employees do not compete for a fixed number of jobs so that when more H-1B workers come to the United States, an equal number of Americans lose their jobs. Instead, businesses create jobs when they grow and shed jobs. Currently, the economy has a severe shortage of workers for many high-skilled positions. The unemployment rate in computer and mathematical occupations, like computer programming, was 2.1 percent in 2007—essentially full employment after accounting for workers between jobs.² **There are not enough high-tech workers in America to fill the jobs that employers want them to do. By increasing the H-1B cap, Congress would allow companies to fill vital positions and enable them to expand** within the United States, which avoids the problem of companies outsourcing

work or moving overseas. Take the example of an engineering software company that hires an engineer and a software developer on H-1B visas. Without those key workers, the company could not expand. Because it hired those key workers, however, the company grows and creates many new domestic jobs: software programmers, software salesmen, and technical support staff. A study by the National Foundation for American Policy found that the average S&P 500 company creates five new domestic jobs for each highly skilled H-1B visa employee it hires.³ By raising the H-1B cap, Congress “insources” jobs, allowing companies to fill vital positions and expand their operations in America instead of moving overseas. This benefits both American workers and the U.S. economy.

In fact, Treyz at REMI found in 2013: an expansion of the H-1B visa program would create 1.3 million jobs, increase GDP by \$158 billion, and increase personal income by \$146 billion by 2045. Expanding the visa program leads to long-term growth.

Treyz 13 Frederick R. Treyz, Ph.D., 7-17-2013, "Key Components of Immigration Reform: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas, & Reforming Lesser-Skilled Visas," Regional Economic Models, Inc. (REMI),

<http://www.remi.com/wp-content/uploads/2017/10/50-Key-Components-of-Immigration-Reform.pdf>
//DF

Industries with the most job creation due to the Pathway to Legal Status include retail, ambulatory health care services, construction, administrative support services, and professional, scientific and technical services. On a national level, the Pathway increases retail jobs by 16 thousand in 2014 and over 82 thousand in 2020. As the Pathway increases wages for a large number of workers, this adds to consumption and retail expenditures grow. As retail is a labor-intensive industry, this leads to a large increase in the 0 0.0005 0.001 0.0015 0.002 0.0025 0.003 0.0035 2014 2016 2018 2020 2022 2024 2026 2028 2030 2032 2034 2036 2038 2040 2042 2044 Percent of Increase 13 number of retail employees. Construction employment rises as housing, in particular, sees a rapid expansion as incomes increase. Ten thousand construction jobs are added in 2014, and job gains of over 80 thousand are expected in this industry by 2020. Table 2 shows the major economic effects of the expansion of the high-skilled (H-1B) visa program. Employment increases by 227 thousand in 2014, and continues to expand to over 1.3 million by 2045. Gross domestic product rises by \$22 billion in 2014, and also continues to grow, increasing by \$158 billion over the baseline economic forecast by 2045. Corresponding increases are also seen in personal income, which increases by \$13.7 billion in 2014 and \$146 billion in 2045, and real disposable personal income, which rises to \$10.48 billion in 2014 and \$115 billion in 2045. The total U.S. population increases as the visa program expansions allow new workers to enter the U.S., and also grows as the workers’ dependents join and enter the U.S. As a result of the expansion of H1-B visa program, U.S. population increases by 91 thousand in 2014 and 4.6 million, or over one percent of the U.S. total, by 2045.

Link: increasing the H-1b cap supplies more skilled workers

Internal Link: skilled H-1B workers innovate

Impact 1: more jobs for Americans

Impact 2: higher wages for Americans

Foreign Students

Impact – Innovation

A 1% increase in the share of immigrant college graduates in the population increases patents per capita by about 15%.

Hunt, Jennifer "How Much Does Immigration Boost Innovation" National Bureau of Economic Research Nber.org. 5 Dec. 2011. Web. 10 Mar. 2018. <<http://www.nber.org/papers/w14312.pdf>> NS

This could overestimate the contribution of immigrants, if immigrants crowd out natives, but using the panel of states we show this does not happen. This is consistent with Borjas (2006), who finds that immigrants do not crowd out natives as a whole from graduate school. Instead, the state panel data show evidence of positive spillovers of natives, since the estimates of the immigrant impact on patents per capita are higher than in the NSCG: **a one percentage point rise in the share of immigrant college graduates in the population increases patents per capita by about 15%.** The state-level results mean that the 1990–2000 increase in the population share of this group from 2.2% to 3.5% increased patents per capita by about 20%. Consistent with the individual-level analysis, we find that immigrants have more than double the impact on innovation that natives do. We find that **immigrants who are scientists and engineers or who have post-college education boost patents per capita more than immigrant college graduates.**

Kapadia 16 Kalpesh Kapadia, 7-19-2016, "How international students are keeping US colleges afloat and powering the tech industry," TechCrunch,

<https://techcrunch.com/2016/07/19/how-international-students-are-keeping-us-colleges-afloat-and-powering-the-tech-industry/> //DF

This trend is seen across U.S. college campuses. International students at Idaho State University, for instance, pay more than \$20,000 a year in tuition, around 2.5 times more than what in-state students pay. At Purdue University in Indiana, the tuition paid by international undergraduates amounts to almost half of all new revenue it has raised through tuition since 2007. At Oregon State University, where state subsidies per full-time college student dropped 45 percent in the past five years, the international student population now exceeds 3,000 (up from 988 in 2008). This allowed them to add 300 tenure-track professors and expand enrollment to approximately 29,000 students. **Once on campus, around 40 percent of international students end up studying fields related to science, technology, engineering and mathematics (STEM), creating a solid pipeline of talent for jobs in the U.S. technology sector.** As recent research shows, immigrants already contribute heavily to the U.S. tech industry, having started more than half (44 of 87) of America's startup companies valued at \$1 billion dollars or more ("unicorns"). Specifically, **nearly one-quarter of U.S. unicorns had a founder who first came to America as an international student, which shows their path to success often begins on U.S. college campuses.** Thus, in addition to addressing higher education budget woes and enrollment issues, international students are also filling the STEM gap in the labor market. To retain its historical preeminence, the U.S. will need to produce approximately 1 million more STEM professionals beyond the current rate over the next decade, according to the President's Council of Advisors on Science and Technology. Currently, there are 478,815 international students studying STEM topics.

Gallagher 16 Dr. Patrick Gallagher [Under Secretary of Commerce for Standards and Technology and NIST Director], 10-1-2016, "Innovation as a Key Driver of Economic Growth & Competitiveness," National Institute of Standards and Technology

<https://www.nist.gov/speech-testimony/innovation-key-driver-economic-growth-competitiveness> //DF

But I want to back up a little bit and from a very government-centric viewpoint, talk about why we're talking about innovation. And I'm going to be more specific—we're talking about technological innovation. The reason we're focused on it, the reason the President, for me, did this rather startling thing of putting it at the centerpiece of our economic agenda, is because the truth of the matter is **it has been the key**

driver to our economy. Well over half of the economic growth in this country since the end of World War II has been directly attributable to technological innovation. It accounts for most of the positive difference in per capita income. It drives almost all of the growth in economic output and productivity. And it's really the key to competitiveness for almost every company that's there.

If you look at how innovative companies are, you can directly correlate that with how competitive and successful they are. So in the midst of one of the deepest recessions this country has had since the Great Depression, the reason we're talking about innovation is because it matters. It drives our economy. The other problems, or a thought about innovation, is that we tend to talk about innovation in the context of its moving parts. We talk about research and development, the generation of new ideas, science, obviously a critical part. We talk about the role of the creative engines of innovation, the entrepreneurial community, the risk takers, the ones who have that vision and took a chance to make it happen. Increasingly, we're talking about manufacturing, the producers, the ones who take those ideas to scale and generate the products and services in our economy.

Impact – Education Gap

Decreases in state funding have pushed tuition costs up by 28%

Kapadia 16 Kalpesh Kapadia, 7-19-2016, "How international students are keeping US colleges afloat and powering the tech industry," TechCrunch, <https://techcrunch.com/2016/07/19/how-international-students-are-keeping-us-colleges-afloat-and-powering-the-tech-industry/> //DF

Since the 1950s, the United States has been the destination of choice for foreign students seeking higher education. However, the explosive growth in recent years is no happy accident. The rapid arrival of international students in the U.S. is coincident with the Great Recession, when public and private coffers tightened dramatically. Investment in higher education from state and local governments dropped to a low point in 2012 (\$71.9 billion). Since then, state and local government investment has grown to \$91 billion in 2015, but that's still below pre-recession levels. Meanwhile, as a result of declining investments since 2008, tuition and fees at both two-year and four-year public institutions rose 28 percent. Between 2008 and 2015, international students have essentially functioned as the bailout for U.S. colleges and universities. This is largely because foreign students often pay two to three times the tuition and fees of domestic students, which helps compensate for declining subsidies and smaller budgets. Furthermore, most of these international students don't require any financial assistance from U.S. colleges. Around 72 percent of them receive the majority of their funds from personal and family income, as well as assistance from their home country governments or universities. This trend is seen across U.S. college campuses. International students at Idaho State University, for instance, pay more than \$20,000 a year in tuition, around 2.5 times more than what in-state students pay. At Purdue University in Indiana, the tuition paid by international undergraduates amounts to almost half of all new revenue it has raised through tuition since 2007. At Oregon State University, where state subsidies per full-time college student dropped 45 percent in the past five years, the international student population now exceeds 3,000 (up from 988 in 2008). This allowed them to add 300 tenure-track professors and expand enrollment to approximately 29,000 students.

More low-income students are going to college; also, there is a direct tradeoff between state funding and tuition costs

AAAS 15 2015, "Public Research Universities: Why They Matter," American Academy of Arts & Sciences, https://amacad.org/multimedia/pdfs/publications/researchpapersmonographs/PublicResearchUniv_WhyTheyMatter.pdf //DF

The average price of tuition, room and board, and other on-campus fees at public research universities for in-state students is about \$24,000 per year. With financial aid, that amount is reduced on average to about \$14,000 per year.³⁰ The number of students at public research universities who receive federal Pell Grants, an indicator of the volume of students from

low-income families, has increased by 8 percent over the past five years.³¹ Many states, university systems, and individual institutions have created their own affordability initiatives that target low- and middle-income students. In California, the uc Blue and Gold Opportunity Plan lowers the cost of tuition to \$0 for students from families with household incomes at \$80,000 or below.³² The University of Delaware's Commitment to Delawareans guarantees to meet the full demonstrated financial need of all qualified residents who submit a fafsa (Free Application for Federal Student Aid); Delaware hopes to ensure that no student will graduate with loans in excess of 25 percent of the cost of a four-year education. Moreover, low-income students at public research universities typically graduate at higher rates than their peers at other public colleges and universities and private for-profit institutions.³³ Recognizing that there are different paths to four-year degrees, many institutions also work closely with high school and community colleges to develop dual enrollment, joint admission, automatic admission, and transfer articulation policies (such as 2nau at Northern Arizona University) that provide students with lower-cost options for transfer and graduation. The Garden State Louis Stokes Alliance for Minority Participation and the Northern New Jersey Bridges to the Baccalaureate programs, for example, are pioneering the development of a streamlined model for community college students to complete their degrees and continue to obtain bachelor's degrees and beyond. Tuition at public research universities often covers only one-third of the actual cost of a student's education.³⁴ Grants, state appropriations, endowment earnings and contributions, and philanthropy subsidize the remaining costs. Thus, as states have reduced higher education appropriations and enrollments have increased, universities have been forced to raise tuition. There has been a direct correlation between the reductions in state support and tuition increases even while taking into account the many cost-cutting measures individual institutions have employed.³⁵ About half (54 percent) of all undergraduates at public research universities take out loans to pay for their bachelor's degrees.³⁶ Among them, the average debt at graduation is about \$25,000, or \$6,300 for each year of a four-year degree. Of those students who take out loans, 33 percent borrow less than \$10,000 and 70 percent owe less than \$25,000 at the time of graduation.³⁷

EOP 14 1-2014, "Increasing College Opportunity for Low-Income Students: Promising Models and a Call to Action," The Executive Office of the President ,

https://obamawhitehouse.archives.gov/sites/default/files/docs/increasing_college_opportunity_for_low-income_students_report.pdf //DF

The benefits of postsecondary education are well documented and have major implications for economic growth, equality, and social mobility. Getting a postsecondary credential leads to greater lifetime earnings, lower unemployment, and lower poverty. Over the course of one's working lifetime, the median earnings of bachelor's degree recipients are 65 percent higher than median earnings of high-school graduates. ³⁰ College graduates are also more likely to find a job; the unemployment rate for bachelor's degree recipients is half the unemployment rate of high school graduates – and this gap grew during the Great Recession, which hit lowwage, low-education workers especially hard.³¹ Gaining a postsecondary education has positive effects beyond higher earnings. Individuals with higher education levels are more likely have retirement benefits and health insurance through their employer.³² Education also leads to better decision making about health, marriage, and parenting; improves patience; and makes people more goal-oriented.³³ College access and attainment also leads to positive externalities and benefits to taxpayers by reducing crime and the need for social services, and increasing taxes paid and civic engagement.³⁴ Importantly, the returns to higher education have increased over time as the demand for college-educated workers has outpaced the number of students getting a college education.³⁵ Over the past four decades, the median earnings gap for full-time workers aged 25-34 with and without a college degree increased substantially for women and more than doubled for men; from 1971 to 2011 the earnings premium for men increased from 25 percent to 69 percent.³⁶ Likewise, the earnings gap between those with and without a college degree increases as workers age.³ In response to the growing earnings gap between those with and without postsecondary education, a report from the Pew Economic Mobility Project remarked that, “unless something is done to boost the number of young people earning postsecondary credentials, millions of Americans will

continue to be limited in their economic mobility.”³⁸ Without a college degree, children born in the lowest fifth of the income distribution children have a 45 percent chance of staying in the bottom, and just a 5 percent chance of moving to the top [Figure 1]. Yet when these same children go on to earn a college degree, their chances of making it to the top nearly quadruple, and their chances of moving out of the bottom increase by 50 percent.³⁹

Impact – Jobs

Foreign students are major contributors to the economy and create tons of jobs because of spending they do while in America

New American Economy 17 6-1-2017, "Reflecting on the Economic Value of International Students," New American Economy,

<https://research.newamericaneconomy.org/report/reflecting-on-the-economic-value-of-international-students/> //DF

With that that in mind, we use estimates on the economic activity and jobs created and sustained from international students produced by NAFA, a national association for professionals working in international education, to calculate the total economic contribution of international students during their studies in the United States. We found that international students who received their diplomas in 2016 contributed \$19.6 billion to the American economy over the course of their studies. Moreover, in just the last year of their programs, they created or supported more than 81,000 U.S. jobs. These positions were in a variety of industries, from educational services, to accommodation, to retail. How did they contribute so much? Largely from their spending on tuition and course materials, as well as rent and other everyday expenses (gas, groceries, food, and the like) for themselves and their dependents. Travel for visiting family members played a role too. Regardless of the source, however, their massive economic impact was no doubt important to the U.S. education system, particularly in an era of shrinking budgets for many publicly-funded schools. To put the contribution of international students in context, \$19.6 billion amounts to 86.6 percent of the amount requested by the Department of Education in 2015 for Pell grants, the largest federal grant program that helps low-income students pay for college.

Indian Economy

Students

a. College students

Gaurav Khanna at the Center for Global Development explains in 2017: Computer Science wages in the US are many times higher than in India, and a significant fraction of Indian born CS workers are employed in the US. Given this large wage differential and a non-trivial probability of migrating to the US, many Indians are induced to study in college with the hope of securing an H-1B visa.

Khanna 17 Gaurav Khanna [Center for Global Development and University of California – San Diego], 4-2017, “The IT Boom and Other Unintended Consequences of Chasing the American Dream,” Center for Global Development

<https://www.cgdev.org/publication/it-boom-and-other-unintended-consequences-chasing-american-dream> //DF

In Section 1 we first use descriptive trends and background information to describe our storyline and ground our model. Starting in the early 1990s, innovation in the US IT sector led to a growth in IT firms, computer science (CS) employment and wages, and enrollment in CS degrees (Figures 1a to 1c). An immigration policy that favored high-skill immigrants led to an increasing proportion of foreigners in the US computer-science workforce (Figure 1e). The foreign fraction of CS workers grew considerably from 9% in 1994 to 24% in 2012; much faster than the foreign fraction of all workers in STEM occupations (Figure 1d). By the mid-2000s more than half of all H-1B visas were awarded to Indians (USCIS, 2014). This fraction was higher among CS occupations: by 2014, 86% of all computer science H-1B visas were awarded to Indians, and only 5% were awarded to candidates from China (Computerworld, 2015). This made India the largest contributor of foreign computer scientists (Figure 2d). Even though all the top firms that hired H-1Bs are in IT, the top 9 had India as their primary employment base (Table 1). **CS wages in the US are many times higher than in India , and a significant fraction of Indian born CS workers are employed in the US** (Figure 1f and Clemens (2013)). **Given this large wage differential and a non-trivial probability of migrating to the US, many more Indian students started enrolling in engineering schools** (Figure 2a). **However, the number of available H-1B visas was capped, so a large number of Indian workers that would have preferred to work in the US, had to seek employment in India.** Furthermore, **since H-1Bs expire after 3 to 6 years, many of these workers returned to India, bringing with them their accumulated human capital, technological knowhow and connections, facilitating further technological diffusion** (Kerr, 2008). This educated workforce in India enabled the Indian IT sector to grow rapidly, with new firms joining the race and older firms expanding, and over time, India became a major producer of software eroding the US dominance in IT exports (Figure 2b and 2c). This boom missed many other countries but settled on India. India has not only historically had high quality engineering schools that train potentially lower-wage, English-speaking workers but had also developed strong networks with the US sector during the earlier hardware boom (Arora et al., 2001; Bhatnagar, 2005). In Section 2 we capture these descriptive patterns within the framework of a general equilibrium model that contains five crucial features. First, we model how US firms hire both US and foreign workers, and Indian firms hire workers from India. Importantly, firms hire three different types of workers – computer scientists, non-CS college graduates and non college graduates. As immigration increases the size of the computer science workforce, firms demand more workers in complementary occupations, such as managerial positions. At the same time, skill-biased technical change shifts labor demand in favor of high-skill occupations. Computer scientists, both domestic and foreign, are innovators and increase the overall productivity of firms in the IT sector via the generation of non-excludable ideas (Kerr, 2010). Under this directed technological change, an increase in the relative size of the computer science workforce makes India relatively more productive over time. In India, the return migrants are not perfect substitutes with those that never migrated, as they may return with acquired human capital.

Since a higher visa cap means a higher likelihood of getting a US job, more Indians go to higher education when the cap increases. When that happened in the late 90's, Bhavya Dore of Quartz found: STEM graduates rose from 176,000 in 1990 to 455,000 in 2000.

Dore 17 Bhavya Dore, 6-2-2017, "Stop blaming the H-1B visa for India's brain drain—it actually achieved the opposite," Quartz, <https://qz.com/997172/you-can-thank-the-h-1b-visa-programme-for-the-it-boom-in-india/> //DF

However, a paper published last month by researchers from the University of Michigan and the Center for Global Development, a Washington DC-based think tank, shows that as more Indian students enrolled in computer science programmes with the hope of working abroad, the cap on H-1B visas meant that many had to stay at home, helping India grow a skilled workforce of its own and boosting its IT sector. Moreover, Indians whose visas had expired after the six-year term often returned to the country, bringing back technological know-how and connections with them. As a result, the researchers say, the presumed brain-drain eventually alchemised into a brain-gain, with India overtaking the US when it came to software exports by 2005. The study used economic models that factored in college choices, wages, visa figures, and IT productivity, based on data from the start of the IT boom in 1994 to 2010. "Because of the software boom in the US, coupled with its immigration policy, it became an incentive for Indians to acquire the computer science skills valued in the US," said Gaurav Khanna, an economist at the Center for Global Development who wrote the paper with Nicolas Morales. "If US immigration had been restricted in the 1990s, it would not have allowed the Indian IT sector to develop." In India, degrees conferred in science and engineering rose from about 176,000 in 1990 to 455,000 in 2000. Meanwhile, the cap on H-1B visas went from 65,000 at first to 115,000 in 1999; it then rose to 195,000 in 2000 to 2003 before going back to 65,000 from 2004. "We find that US immigration policy, coupled with the US tech boom, helped develop the Indian IT sector," the authors write. "This transformation in India boosted IT exports and raised average incomes. The prospect of migrating to the US was a considerable driver of this phenomenon and led to a 'brain-gain' that outweighed the negative impacts of 'brain-drain'."

More Indian STEM graduates is really good for the economy. Khanna furthers: Those who could not join the US workforce, due to the H-1B cap, remained in India, and along with return-migrants, enabled the growth of an Indian IT sector.

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>

With the majority of all H-1B visas going to Indians, we study how US immigration policy coupled with the internet boom affected both the US and Indian economies, and in particular both countries' IT sectors. The H-1B scheme led to a tech boom in both countries, inducing substantial gains in firm productivity and consumer welfare in both the United States and India. We find that the US-born workers gained \$431 million in 2010 as a result of the H-1B scheme. In India, the H-1B program induced Indians to switch to computer science (CS) occupations, increasing the CS workforce and raising overall IT output in India by 5 percent. Indian students enrolled in engineering schools to gain employment in the rapidly growing US IT industry via the H-1B visa program. Those who could not join the US workforce, due to the H-1B cap, remained in India, and along with return-migrants, enabled the growth of an Indian IT sector, which led to the outsourcing of some production to India. The migration and rise in Indian exports induced a small number of US workers to switch to non-CS occupations, with distributional impacts. Our general equilibrium model captures firm-hiring across various occupations, innovation and technology diffusion, and dynamic worker decisions to choose occupations and fields of major in both the United States and India. Supported by a rich descriptive analysis of the changes in the 1990s and 2000s, we match data moments and show that our model captures levels and trends of key variables in validation tests. We perform counter-factual exercises and find that on average, workers in each country are better off because of high-skill migration.

Khanna 17 Gaurav Khanna [Center for Global Development and University of California – San Diego], 4-2017, "The IT Boom and Other Unintended Consequences of Chasing the American Dream," Center for

Global Development

<https://www.cgdev.org/publication/it-boom-and-other-unintended-consequences-chasing-american-dream> //DF

In Table 7 we also look at how the IT sector and total income evolves in the US and India when moving from the H-1B regime to the restricted immigration one. **The H-1B regime incentivizes students and workers in India to switch to CS occupations, growing the IT sector in India.** In 1995, the quantity of IT sector output is higher by as much as 6%, and **at the end of this period it is about 5% higher under the H-1B regime.** Since we model the IT sector output as an intermediate input into final goods production, we are introducing a degree of complementarity in production. So **an increasing CS workforce, and therefore increasing IT productivity, may have ambiguous effects on total IT sector employment.** Total income and total IT output in both countries combined is higher under the H-1B regime. **The gains from immigration are large in this context, with the combined income of the US and India being higher by about 0.36%, or about \$17.3 billion.** Total IT output rises steadily under the H-1B regime to about 0.45% in 2010. As IT output rises, production shifts to India. In the data, we see that over time India takes over as the major exporter of IT. Under the H-1B regime, due to the large wage premium in the US, Indian students and workers switch to CS occupations and degrees raising the size of the CS workforce. This increasing CS workforce increases productivity in the Indian IT sector. Furthermore, those who return from the US bring with them technical knowhow also increasing productivity and growing the Indian IT sector. Under the H-1B regime, therefore, in 2010 the share of world IT output for the US is lower by about 1.2%. The shift in production to India, does hurt the US IT sector. By the end of this period, in 2010, US IT sector output is lower by 0.77% and the income of US natives is lower by 0.07% even though overall incomes in the US (including migrants) are higher by 0.37% or \$16.6 billion. 5.3 The Welfare of Workers Migration leads to distributional gains and losses in the welfare of different types of workers in each economy. In Table 8 we also split up workers by whether they were always in a specific occupation or switched occupations. This distinction is important given the heterogeneity in preferences for different occupations. Even though the CS wage may be higher than the non-CS wage, the marginal CS worker is indifferent between CS and non-CS jobs. As the CS wage falls, the first workers to switch to non-CS jobs are unaffected in terms of utility even though they may have a large wage drop. As more workers get pushed into other occupations they experience utility losses that are not equal in magnitude to their income losses. This is also why the welfare impacts on the average worker reported at the bottom of Table 8 are different from the income changes for average worker in Table 7.

These employment shifts are accompanied with changes in wages for each of these groups. In India, the drastic increase in the CS workforce leads to an initial fall in the CS wage by as much as 13.9% in 1995. However, a larger CS workforce also leads to more productivity in the IT sector, raising wages for all workers and mitigating the negative effect for CS workers over time. By the end of the period, in 2010, CS wages in India are lower by 10.6%. Wages for other workers in the Indian economy will be higher when there are more CS workers because of three reasons. First, other workers are complements in production, and as college graduates choose CS over other occupations, they decrease the total number of other college graduates and therefore increase their wages. More importantly, CS workers are innovators and raise productivity in the IT sector. Many of the H-1B workers are trained in the US and acquire technology that they bring back to India with them, also raising productivity in the Indian IT sector. Since the IT sector output is an intermediate good into the final sector, this raises productivity in the entire economy, raising all wages. The wages for non-CS workers in the Indian economy are higher by between 1.12% and 0.31% in 2010 under the H-1B regime. In the US, on the other hand, there are very mild negative effects on real wages for college graduate workers, but increases in real wages for non graduates. This not only captures the effect of labor-market crowd out, but also the fact that output prices in the open economy may change. Furthermore, under the H-1B regime, the IT sector grows in India and production shifts away from the US potentially having a negative impact on workers. Even though CS workers are the worst affected, their wages only fall at most by 1.5% in 2010. As workers switch into non-CS work, their earnings dip by at most 0.14% in 2010. The least worse off are the non graduates as their real wages in 2010 are higher by 0.24%.

In Section 5, we conduct counter-factual exercises to study the impact of less restrictive immigration policy on both the US and Indian IT sectors. We also evaluate the effects of possible policies being circulated in Congressional draft bills. By shutting-down certain parts of our model we are able to ascertain how important each feature of our model is in contributing to our results. 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. An increase in the size of the Indian CS workforce also led to an increase in productivity in the Indian IT sector. Under the H-1B program, production shifts to India – the share of world IT output that comes from the US is 1% lower, and Indian IT output increases by 5% in 2010. The shift in production to India, however, hurts some US workers – most notably, US born computer scientists. World IT output increases by 0.45% and the US-India combined incomes are higher by 0.36% under the H-1B regime.

Brain drain is the best antidote to brain drain for three reasons:

Stephen Ernst. (Brandeis University). The Paradox of High-Skilled Migration: Is the Brain Drain the Best Antidote to the Brain Drain? August 2015. <http://bir.brandeis.edu/bitstream/handle/10192/31111/ErnstThesis2015.pdf?sequence=1&isAllowed=y>

First, they **[high skilled migrants] acquire social capital abroad**— through industry hubs and ethnic professional networks—**which they may pass on to business connections in their home countries or, if they return home, may use to better market their own businesses to developed countries.** Furthermore, **high-skilled migrants may use social capital they acquire abroad when they return home to build companies with domestic target markets,** just as the founders of the Indian e-commerce websites Flipkart and Jabong, discussed in Chapter X, seem to have done. As Docquier and Rapoport observe, **“having personal experience abroad allows [Indian] entrepreneurs based in smaller cities, with weaker networking and financing environments, to gain access to business and financial opportunities through diaspora networks”** (2012, 43). The access afforded to these entrepreneurs from smaller cities levels the playing field, creating a more inclusive business climate and ultimately bolstering economic development. **Second**, migrants may **influence the direction of policy in their home countries,** as **the Indian diaspora** may have done in the 1991 reforms, and the Chinese seem to have done in the 1979 reforms. While the Indian diaspora seems to have **played a role in making liberalization a success,** Min Ye argues that **“ties between local governments and diaspora” were the catalyst for the 1979 liberalization reforms that** opened China to the world and **instigated its phenomenal economic growth** (Ye 2009, 399). As Ye explains, **diaspora communities “provided a mix of ideas and resources favorable to liberal FDI policies”** (2009, 401). Through personal connections, **diaspora persuaded local government officials to open their districts to FDI** and even to lobby the higher ranks of the Chinese central government for liberalizing reforms. In China, the causal link between high-skilled migrants (since low-skilled diaspora were not the ones

creating large businesses) and policy change is clear. In India, it seems that the **high-skilled diaspora exercised influence in policy change mostly by their active investment in their homeland once liberalization was underway.** Their investments made the 1991 reforms a success. Even so, it seems that **the Indian government** may have **had more confidence to implement the reforms because of their anticipation of Ethnic Direct Investment by the Indian diaspora**. **Third, high-skilled migrants may import inclusive economic institutions like venture capital and information and communications technology clusters, which have the potential to galvanize significant economic reform.** As demonstrated in Chapter XIII, **venture capital is a powerful facilitator of launching new companies, increasing employment within existing industries and other new firms, and raising the average wages.** Thus, venture capital is vital for growth. In Taiwan, for example, two **high skilled returned migrants used venture capital to expand their country's government-sponsored ICT industry**, helping make Taiwan a major information and communications technology hub and fueling the country's economic development. Scholars also observe that a large portion of Taiwan's ICT companies were started by high-skilled migrants. And, as Saxenian points out, the Taiwanese government fashioned Hsinchu Science Industrial Park from high-skilled migrants' descriptions of Silicon Valley (2001). Saxenian also notes that Israel modeled its information and communications technology clusters on Silicon Valley and that its high-skilled migrants were integral to the creation of Israel's venture capital industry (2007). The result is that Israel, with a population of just 6 million, became an information and communications technology hub larger than any other outside of North America—dubbed Silicon Wadi.

More H-1Bs increases foreign enrollment in colleges in their own country, which results in a more skilled workforce.

Bach 06 Stephen Bach [Reader in Employment Relations and Management, Department of Management, King's College, University of London] 2006, "International mobility of health professionals: Brain drain or brain exchange?," United Nations University (UNU) //DF
The mobility of highly skilled labour is associated with a number of positive feedback effects as skilled emigrants continue to affect the economy of their origin country. The main benefits are associated with the remittance of income, the knowledge and skills acquired by returnees, and spill over effects when migration increases the incentives to obtain higher education, increasing the stock of education in the source country, with only a proportion of this accumulation of skills 'lost' to out-migration (see Mountford 1997). An illustration of these spill over effects is the degree to which the educational level of applicants to nursing schools in Ghana has risen to the equivalent of university entrance level and the number of applicants has also risen sharply, as applicants start to view a nursing qualification as an investment in leaving the country (Mensah et al. 2005: 19). Much attention has focused on remittances. It is difficult to estimate the scale of remittances because of the often informal manner in which they are returned but there is little doubt of their contribution to the national income of many countries. India (US\$11.5 billion), Mexico (US\$6.5 billion) and Egypt (US\$3.5 billion) received the largest share of remittances (IOM 2003: 2). There are few studies of remittances specifically related to the health sector. An exception is a study of Filipino physicians practising overseas in which it is suggested that the volume of remittances was sufficient to compensate for the associated economic losses of emigration (Goldfarb et al. 1984). Nonetheless the study is far from conclusive because as the authors acknowledge their analysis is weakened by data limitations and the questionable assumptions incorporated into their model. A number of caveats have been raised about their impact because remittances benefit the families of migrant health professionals rather than the health systems that they leave behind and are therefore used to boost private consumption rather than investment (ICFTU 2004: 2).

FDI

India has never had a lot of FDI

Mitra 16 Ananya Mitra [Research analyst at Project Guru], 12-27-2016, "Impact of gross domestic product on inflow of foreign direct investment in India," Knowledge Tank, <https://www.projectguru.in/publications/impact-gross-domestic-product-inflow-foreign-direct-investment-india/> //DF

GDP as one of the main determinant of foreign investment has initiated the inflow. At the same time the higher inflow of foreign capital has led to a further economic growth of the country (Agrawal & Khan 2011). This is because with higher capital inflow there is increase in production of

goods and services and the employment opportunities. As a result this increases the gross domestic product and makes the economy more attractive to foreign investors. However despite the rapid economic growth, **India has faced a low foreign investment inflow as compared to other developing nations. This is because other determinants were not suitable to attract the investors.** Besides economic growth other determinants also plays an important role. The focus should also be in development of country along with the economic growth. This will further lead to the evolution of India as a developed nation in the future.

Gheasi 11 finds:

Masood Gheasi. (Tinbergen Institute). Migration and Foreign Direct Investment: Education Matters. 2011.

<https://research.vu.nl/ws/portalfiles/portal/2936759>

It is often suggested that education matters in the impact assessment of migrants. And therefore, we included the education level of immigrants living in the UK. Our results show that immigrants with a higher education have a positive impact on both the inward and outward volume of FDI, respectively. We find that **a one percent increase in the number of immigrants with a higher education** from a source country into the UK, **increases** ceteris paribus the **outward** volume of **FDI by 1.26 percent**, while a one percent increase in the stock of immigrants with a higher education raises the inward stock of FDI by 1.48 percent, respectively. Thus, higher educated migrants have a higher impact on inward FDI to the UK. The presence of educated migrants in the UK apparently reduces the transaction cost of FDI in both directions.

India is still quite underdeveloped and needs more jobs

Rahman 18 SHAFEEQ RAHMAN, 2-6-2018, "Why 8.94 per cent fall in remittance poses a grave cause of concern," No Publication,

<https://www.dailyo.in/business/remittances-unemployment-in-india-job-creation-ecr-emigration-migrant-workers/story/1/22205.html> //DF

Despite being poised to become the world's fifth largest economy, India still ranks as a developing country due to widespread poverty, illiteracy, and lack of equal employment opportunities. A large section of the population continues to be employed in the unorganised sector working under miserable conditions and denied even the basic minimum wages in many cases. **Inadequate job creation and the increasing youth population have remained a huge challenge for successive governments.** However, the problem has acquired grave proportions in the last few years. For a developing nation trying to get its economy on track, remittance coming from overseas is a major external component that helps to ease out the domestic unemployment pressure. It also helps the exchequer. According to the estimates released by the World Bank in 2016, with an inflow of \$63 billion, India is the world's largest recipient of remittance, followed by China (\$61 billion), Philippines (\$31 billion) and Mexico (\$29 billion). Both India and China receive around 10 per cent of the global share of \$574 billion remittances, but the ratio of remittance as a percentage of GDP is higher for India at 2.54 per cent from China at 0.64 per cent. This clearly reflects the Indian economy's greater dependence on foreign remittance.

Increasing the H-1B cap will grow India's economy because it will raise FDI flows.

FDI flows to India are increasing, but they will not help Indian economic growth. Nagaraj at the Gandhi Institute of Development Research explains in 2017: Currently, FDI does not come from leading global producers of goods and services, but from shadow banking entities such as private equity funds. PE firms do not commit to fresh capital formation or invest in technology, as expected of FDI. This is why despite rising FDI inflows, domestic capital formation rate has declined. The current growth pattern would only contribute to economic fragility under free capital flows

Nagaraj 17 Professor R. Nagaraj [Indira Gandhi Institute of Development Research], 4-2017, "Is FDI the New Engine of Growth," Quarterly Journal of the Bombay Chamber of Commerce and Industry Trust for Economic and Management sales,
[http://bombaychamber.com/admin/uploaded/ANALYTIQUE/Analytique%20\(April%20-%20June%202017\).pdf](http://bombaychamber.com/admin/uploaded/ANALYTIQUE/Analytique%20(April%20-%20June%202017).pdf) //DF

There is an exception, however. Flagging the boom in foreign direct investment (FDI) inflows, the paper claims it as a badge of success for the official policy. The report says, "Total FDI inflow was \$156.53 billion since April 2014 (\$45.15 billion in 2014-15, \$55.56 billion in 2015-16, and \$60.08 billion in 2016-17). Highest ever annual inflow (\$60.08 billion) was received in 2016-17. FDI equity inflows increased by 52% during 2014-16 and 62% since the launch of Make In India. India is now ranked amongst top 3 FDI destinations (World Investment Report 2016, Unctad) and ninth in the FDI Confidence Index in 2016, up two places from 2015 (AT Kearney)". Laudable as that may be, what did the FDI inflow do for the economy? Did it augment industrial output and investment growth (meeting Make In India goals) as expected in theory? The official paper claims it has. But has it really? In principle, FDI—as against foreign portfolio investment which flows into the secondary capital market—brings in long-term fixed investments, technology and managerial expertise, together with foreign firms' managerial control. FDI in green field investment is for fresh capital formation, and in brown field investment for acquiring existing enterprises with the expectation of improving the firm's productivity and profits. In practice, however, this may be different. Currently, FDI does not come from leading global producers of goods and services, but from shadow banking entities such as private equity (PE) funds. In 2014-15, PE accounted for 60% of total foreign inflows, and the top three recipients were Flipkart, Paytm and Snapdeal (Bain & Co.'s "India Private Equity Report 2016"). These funds are used to finance retail trade of mostly imported consumer goods to expand their market shares, in order to boost the firm's market valuations. Since PE investments are highly leveraged (high debt-equity ratios), rising markets valuations help them reap disproportionate gains when they make their exit. PE firms do not commit to fresh capital formation or invest in technology, as expected of FDI. India being a bright spot in world economy lately, global retailers such as Amazon are rushing here to build their brand's value and acquire market share using abundant low-cost international capital. Could such financing of retail trade with short time horizons constitute the (new) engine of India's industrial growth and employment generation? I wonder. This is why despite rising FDI inflows, domestic capital formation rate, or industrial capacity utilization, have declined secularly. What is going on, I would contend, is foreign capital financed import-led consumption growth, not augmenting domestic output to meet Make In India goals. Therefore, the current growth pattern would only contribute to economic fragility under free capital flows, as the social costs of servicing the external capital in rupee terms could be significantly high in the longer run.

Raising the cap on H-1B visas will increase more valuable foreign investments for three reasons.

1. Signals higher potential growth because there's more human capital

2. When they return they have more productivity

3. They literally invest in these countries and change the firms. If there are more Indian workers, they're going to invest more in India.

a. Incentivizing Investment. Volker Grossmann at the University of Fribourg explains in 2016: investors in developed countries with little advance information about the quality of the labor force in developing countries may observe a rather high productivity of immigrants, take it as signal of the quality of the labor force in the home country of the immigrants, and thus may be more positively inclined to invest there than they would be without that signal.

Grossman 16 Volker Grossman, [University of Fribourg, Switzerland], 2016, "How immigration affects investment and productivity in host and home countries," IZA World of Labor

<https://wol.iza.org/uploads/articles/292/pdfs/how-immigration-affects-investment-and-productivity-in-host-and-home-countries.pdf> //DF

There is also evidence that a higher stock of immigrants has a positive impact on the stock of international bank loans from the host country to the immigrants' home country [8]. The effect is particularly large when the immigrants are high-skilled and the two countries do not share a common language, legal heritage, or colonial past. This suggests that immigrants are particularly important for facilitating cross-border financial flows when informational problems are severe. As is the case for bank loans, there may also be a positive effect from immigration on outward FDI from the host country to the immigrants' home country. One study suggests that a larger immigration stock of both low- and high-skilled workers in the US in 1990 led to higher subsequent growth of outward FDI financed by US firms over 1990–2000 [9]. The channels through which immigration affects outward FDI may differ for low- and highskilled migrants, however. One hypothesis is that investors in developed countries with little advance information about the quality of the labor force in developing countries may observe a rather high productivity of immigrants despite their few formal qualifications, take it as signal of the quality of the labor force in the home country of the immigrants, and thus may be more positively inclined to invest there than they would be without that signal. High-skilled immigrants, by contrast, may actively contribute to the creation of international business networks. Demonstrating causality despite the weak correlation shown in Figure 1 is usually tackled by predicting migration using variables that affect migration but have no direct effect on investment or productivity gains. Using predicted rather than actual migration avoids that the estimated migration effects actually come from omitted determinants of investment and productivity that are correlated with migration and would therefore bias estimation results. The most common approach to avoiding such omitted-variable bias is to use historically rooted migration stocks of different immigration groups as a predictor of migration. The approach is based on the notion that potential migrants determine where to migrate based on the number of prior migrants from their country, who can ease their migration by providing a social network based on family or cultural ties. This method is used, for instance, in a study that accounts for the possibility that outward US FDI induces migration of workers in foreign subsidiaries to the US headquarters of multinational companies [10]. The study predicts the total stock of migrants from a home country using the share of the stock of migrants in that country's population 30 years earlier. The results suggest that a 1% increase in the stock of college-educated immigrants in the US raises the stock of outward FDI from the US to the home country of the immigrants by about 0.5%. The effect is slightly lower for an increase in the stock of all immigrants

B. Cutting Costs. Jose Groizard at the University of the Balearic Islands 07 writes: information on market related issues is easier to obtain in the presence of ethnic networks. For example, emigrants have more information on consumer preferences, product providers, regulatory regimes, and business ethics which reduces transaction costs, and creates business opportunities.

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>

Skilled worker migration also affects sending economies through other channels. One of which is worker remittances. It is not clear whether skilled migrants send more remittances to their home country than non-skilled migrants. Cinar and Docquier (2004), emphasize the positive effect of remittances in the case of liquidity constraints for education; in this case, a brain drain can enhance human capital in the country, if it reduces these limitations. However, other studies (e.g. Faini, 2003) show that when there is a high proportion of skilled individuals among emigrants, there is a low volume of remittances to the home country, hence, remittances cannot compensate for the negative effects of brain drain. The formation of migrant networks creates FDI and trade linkages which help strengthen the gains from trade and the dissemination of knowledge, which ultimately spur growth in the sending economy.

Networks or diaspora externalities emerge as a consequence of a reduction in transaction and other information costs associated with the commitment problem that is inherent in agency relationships. For example, in business-related services operating at distant locations, diaspora creates or replaces a weak international environment based on trust and punishment mechanisms that prevent opportunism and contract violation among individuals belonging to the same community. Moreover, information on market related issues is easier to obtain in the presence of ethnic networks. For example, emigrants have more information on consumer preferences, product providers, regulatory regimes, and business ethics in both receiving and home

countries, which in fact reduces transaction costs, facilitates exchange in goods and services and creates business opportunities. Relevant references with respect to trade networks are Gould (1994), Rauch and Trindade (2002) and Rauch and Casella (2002), none of whom consider educated migrants separately from total migrants. Furthermore, there is an increasing number of studies evaluating the FDI network channel. For example, Tong (2005) uses a gravity model to explain bilateral investment as a result of the number of ethnic Chinese in 1990, Javorcik et al. (2006) find that the US FDI abroad between 1990 and 2000 is positively associated with the presence of skilled migrants from the receiving country and Kugler and Rapoport (2007) suggest that skilled migration is negatively correlated with US FDI inflows contemporaneously and positively correlated with future increases in FDI inflows. Surprisingly there is only one unpublished study reporting cross-country evidence that suggests a positive relationship between skilled migration and FDI (Docquier and Lodigiani, 2007).

As a result of these factors, Grossman finds: a 1% increase in the stock of college-educated immigrants in the US raises the stock of outward FDI from the US to the home country of the immigrants by about 0.5%.

Grossman 16 Volker Grossman, [University of Fribourg, Switzerland], 2016, "How immigration affects investment and productivity in host and home countries," IZA World of Labor <https://wol.iza.org/uploads/articles/292/pdfs/how-immigration-affects-investment-and-productivity-in-host-and-home-countries.pdf> //DF

Demonstrating causality despite the weak correlation shown in Figure 1 is usually tackled by predicting migration using variables that affect migration but have no direct effect on investment or productivity gains. Using predicted rather than actual migration avoids that the estimated migration effects actually come from omitted determinants of investment and productivity that are correlated with migration and would therefore bias estimation results. The most common approach to avoiding such omitted-variable bias is to use historically rooted migration stocks of different immigration groups as a predictor of migration. The approach is based on the notion that potential migrants determine where to migrate based on the number of prior migrants from their country, who can ease their migration by providing a social network based on family or cultural ties. This method is used, for instance, in a study that accounts for the possibility that outward US FDI induces migration of workers in foreign subsidiaries to the US headquarters of multinational companies [10]. The study predicts the total stock of migrants from a

home country using the share of the stock of migrants in that country's population 30 years earlier. The results suggest that **a 1% increase in the stock of college-educated immigrants in the US raises the stock of outward FDI from the US to the home country of the immigrants by about 0.5%.** The effect is slightly lower for an increase in the stock of all immigrants. Savings and remittance behavior of immigrants It is also interesting to examine the savings behavior of migrants, to see whether they invest their savings in the host country or remit them to their family members who have not migrated. The literature suggests that both the savings rate and the amount of remittances depend on whether migrants are temporary or permanent. For example, immigrants in Germany seem to have lower saving rates, on average, than native-born residents with similar characteristics. Immigrants who plan to stay only temporarily, however, tend to save more and not less than natives; they remit more than immigrants who plan to stay permanently [11]. Thus, remittances are a major motive for savings, particularly for temporary migrants who plan to return home some time in the future. Those savings are not invested in the host country but may help to accumulate productive capital in the home country. Particularly in home countries where credit markets for financing productive investments are underdeveloped, remittances may be able to boost school enrolment, reduce child labor, and promote entrepreneurship.

Higher FDI flows increase economic growth. Agrawal 11 finds that one percent increase in FDI inflow increases GDP by 7% because FDI fosters business formation, increased employment, and complementary domestic investment.

G. Agrawal. *Impact of FDI on GDP growth: A panel data study*. 2011

https://www.researchgate.net/publication/289416230_Impact_of_FDI_on_GDP_growth_A_panel_data_study

This work is aimed at studying the impact of FDI on GDP growth. For this purpose we chose top 5 Asian economies by GDP (PPP) that came to be China, Japan, India, South Korea and Indonesia. To take care of the issue of structural change in economy, time period of the study is taken to be 1993-2009. To assess the impact of FDI on growth, panel data regression is used with pooled and fixed effect models. The study confirms that **FDI promotes economic growth** and further provides an estimate that **one dollar of FDI adds about 7 dollars to the GDP** of each of the five countries. It also reveals the effect of Asian currency crisis on Asian economies and shows that India and China were the least effected. The study could also provide policy implication to other Asian economies that while designing their foreign policy and other strategies they should take a cue from India and China to remain less susceptible to global agitations.

Second, rejuvenating the tech sector.

India's tech sector is stagnating now. Nagaraj reports in 2017: the Indian IT industry must change its business model to one focused more on innovation

Nagaraj 17 Professor R. Nagaraj [Indira Gandhi Institute of Development Research], 4-2017, "IT revolution in service sector," Quarterly Journal of the Bombay Chamber of Commerce and Industry Trust for Economic and Management sales,

[http://bombaychamber.com/admin/uploaded/ANALYTIQUE/Analytique%20\(April%20-%20June%202017\).pdf](http://bombaychamber.com/admin/uploaded/ANALYTIQUE/Analytique%20(April%20-%20June%202017).pdf) //DF

The initial euphemism surrounding the Y2K innovations as propagated by Indian IT industry appeared to be short-lived. Indian IT sector must move on beyond its comfort zone. Ganesh Natarajan, Former CEO, Zensar Technologies and Chairman, 5F World has categorically mentioned that **Indian IT industry must change its business model**. The new model should concentrate on product and platform development and have lesser reliance on wage arbitration, as argued by Ganesh Natarajan. **The focus should be more on innovation**. Design thinking in IT space should be the new normal. India has done enough work on routinized response mechanisms as applicable to outsourced services. Indian technology giant Infosys is quite upbeat about the new dawn in Information Technology space heralding in United States (Jha, 2017). Infosys senior leadership opines that the Indian IT industry has delivered a tremendous amount of value, especially in the US. Infosys, in a phased manner, plans to hire 10,000 new recruits in the US in the next two years. With this in mind, Infosys has opened the first US Development Center in Indianapolis. In this direction, what the company is focusing on, is that, in addition, beyond hiring and the local economy and the contribution and so forth, it is about creating strategic innovation. It is about creating jobs with new kinds of skills in United States. It is time to look forward beyond this horizon. **Indian Engineering Institutes and academic**

fraternity should encourage more on bringing more “new” to the technology space, albeit through more investment in research that results in newer patents. We should have the ability to move to newer markets and newer verticals. There is a great opportunity in the technology space, which India can explore beyond US. The general impression that Indian IT industry’s outsourcing business is dependent on H-1B visa is slowly giving way, thanks to the pioneering innovation path followed by companies like TCS, CTS, Infosys and Tech Mahindra. And it is just the beginning of a new revolution in Indian Digital Journey. As it is rightly said, the times are indeed changing!

Raising the H-1B would solve India’s innovation issue. Gaurav Khanna at the Center for Global Development explains in 2017: CS wages in the US are many times higher than in India , and a significant fraction of Indian born CS workers are employed in the US Given this large wage differential and a non-trivial probability of migrating to the US, many more Indian students started enrolling in engineering schools the number of available H-1B visas was capped, so a large number of Indian workers that would have preferred to work in the US, had to seek employment in India. Furthermore, since H-1Bs expire after 3 to 6 years, many of these workers returned to India, bringing with them their accumulated human capital, technological knowhow and connections, facilitating further technological diffusion This educated workforce in India enabled the Indian IT sector to grow rapidly, with new firms joining the race and older firms expanding, and over time, India became a major producer of software

Khanna 17 Gaurav Khanna [Center for Global Development and University of California – San Diego], 4-2017, “The IT Boom and Other Unintended Consequences of Chasing the American Dream,” Center for Global Development

<https://www.cgdev.org/publication/it-boom-and-other-unintended-consequences-chasing-american-dream> //DF

In Section 1 we first use descriptive trends and background information to describe our storyline and ground our model. Starting in the early 1990s, innovation in the US IT sector led to a growth in IT firms, computer science (CS) employment and wages, and enrollment in CS degrees (Figures 1a to 1c). An immigration policy that favored high-skill immigrants led to an increasing proportion of foreigners in the US computer-science workforce (Figure 1e). The foreign fraction of CS workers grew considerably from 9% in 1994 to 24% in 2012; much faster than the foreign fraction of all workers in STEM occupations (Figure 1d). By the mid-2000s more than half of all H-1B visas were awarded to Indians (USCIS, 2014). This fraction was higher among CS occupations: by 2014, 86% of all computer science H-1B visas were awarded to Indians, and only 5% were awarded to candidates from China (Computerworld, 2015). This made India the largest contributor of foreign computer scientists (Figure 2d). Even though all the top firms that hired H-1Bs are in IT, the top 9 had India as their primary employment base (Table 1).

CS wages in the US are many times higher than in India , and a significant fraction of Indian born CS workers are employed in the US (Figure 1f and Clemens (2013)). Given this large wage differential and a non-trivial probability of migrating to the US, many more Indian students started enrolling in engineering schools (Figure 2a). However, the number of available H-1B visas was capped, so a large number of Indian workers that would have preferred to work in the US, had to seek employment in India. Furthermore, since H-1Bs expire after 3 to 6 years, many of these workers returned to India, bringing with them their accumulated human capital, technological knowhow and connections, facilitating further technological diffusion (Kerr, 2008). This educated workforce in India enabled the Indian IT sector to grow rapidly, with new firms joining the race and older firms expanding, and over time, India became a major producer of software eroding the US dominance in IT exports (Figure 2b and 2c). This boom missed many other countries but settled on India. India has not only historically had high quality engineering schools that train potentially lower-wage,

English-speaking workers but had also developed strong networks with the US sector during the earlier hardware boom (Arora et al., 2001; Bhatnagar, 2005).

This is key to economic growth. The India Brand Equity Foundation explains: the IT industry now accounts for 7.5% of Indian GDP, a significant share

IBEF 18 3-21-2018, "IT & ITes Industry in India: Market Size, Opportunities, Growth...IBEF," India Brand Equity Foundation, <https://www.ibef.org/industry/information-technology-india.aspx> //DF

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITes industry is divided into four major segments – IT services, Business Process Management (BPM), software products and engineering services, and hardware. India has come out on top with the highest proportion of digital talent in the country at 76 per cent compared to the global average of 56 per cent! Market Size **The internet industry in India is likely to double to reach US\$ 250**

billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM). Indian IT exports are projected to grow at 7-8 per cent in 2017-18 to US\$ 126 billion, in addition to adding 130,000-150,000 new jobs during the same period. Indian IT and BPM industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

A one percent increase in the rate of GDP growth increases the average of income for the poorest 40% by 1%.

Tulus Tambunan. (University of Trisakti). THE IMPACT OF FOREIGN DIRECT INVESTMENT ON POVERTY REDUCTION. A SURVEY OF LITERATURE AND A TEMPORARY FINDING FROM INDONESIA. http://www.iese.ac.mz/lib/saber/fd_996.pdf

that the general effects of FDI on growth are indeed essential, that growth tends to lift the incomes of the poor proportionately with overall growth. Deininger and Squire (1996) found that, for the 95 growth spells for which data on income shares were available, there was no systematic link between growth and inequality, but there was a strong positive relationship between growth and poverty alleviation. In particular, growth benefited the 9 poor in the vast majority (87.5%) of cases, whereas economic decline hurt the poor disproportionately (in five out of seven cases). Similar evidence also provided by Ravallion and Chen (1997). By using data from household surveys for 67 developing and transitional economies over 1981-94, they found that almost always, poverty fell with growth in average living standards and rose with contraction. By regressing the growth of average income for the poorest 20% and the poorest 40% of the population against the growth of GDP per capita, Roemer and Gugerty (1997) found that **on average the poor do benefit from economic growth. An**

increase in the rate of per capita GDP growth translates into a one-for-one increase in average income of the poorest 40%. For the poorest 20%, the elasticity of response is 0.921. Another conclusion of this study is

that income distribution changes only very slowly, and that a policy that aims at redistributing income at the expense of economic growth may have very low payoffs in terms of poverty reduction. By using data on income distribution for 27 developing countries, Timmer (1997) estimates the impact of average per capita income growth on the growth of per capita income of each income quintile. He found that the elasticity of overall growth and the growth in the per capita income of the poorest quintile was only 0.8 (and significantly less than one) and rose steadily to slightly greater than one for the richest quintile. With this result, he argues that the apparent failure of growth to reach the poor in the countries with wide income gaps, while disappointing, should not be taken as a general indictment of economic growth itself.

Remittances

Huge lack of remittances

Rahman 18 SHAFEEQ RAHMAN, 2-6-2018, "Why 8.94 per cent fall in remittance poses a grave cause of concern," No Publication,

<https://www.dailyo.in/business/remittances-unemployment-in-india-job-creation-ecr-emigration-migrant-workers/story/1/22205.html> //DF

Inadequate job creation and the increasing youth population have remained a huge challenge for successive governments. However, the problem has acquired grave proportions in the last few years. **For a developing nation trying to get its economy on track, remittance coming from overseas is a major external component that helps to ease out the domestic unemployment pressure.** It also helps the exchequer. According to the estimates released by the World Bank in 2016, with an inflow of \$63 billion, **India is the world's largest recipient of remittance,** followed by China (\$61 billion), Philippines (\$31 billion) and Mexico (\$29

billion). Both India and China receive around 10 per cent of the global share of \$574 billion remittances, but the ratio of remittance as a percentage of GDP is higher for India at 2.54 per cent from China at 0.64 per cent. **This clearly reflects the Indian economy's greater dependence on foreign remittance.** India receives a significant share of this money from the countries where criteria of emigration check required (ECR) are applied for migrants. ECR, a kind of protective measure for the non-graduate migrants to the 17 Arab and Southeast Asian countries, has been adopted under the Emigration Act 1983. Over 9 million Indian migrants (around 54 per cent of the total) live in these countries and make a significant contribution of 56.48 per cent to India's remittance inflow. Unemployment and hope of better payment spur the flight of Indian workers to these regions. An average remittance \$5,385 per Indian migrant for a year in the ECR countries is substantially higher than the average earnings of \$2,860 per year in India. The wages earned in the ECR countries are at variance. Qatar being the highest payer on an average pays \$6,916 to each Indian migrant. Kuwait, UAE, Saudi Arabia and Malaysia pay \$5,713, \$5,544, \$5,112 and \$4,278 per migrant, respectively. However, **the remittance inflows to India declined by 8.94 per cent in 2016 against the previous year.** A major fall of 9.45 per cent in the inflow was noted from the ECR countries. Interestingly, emigration of workers through ECR clearance has nearly reduced to half from 804,000 in 2014 to 391,000 in 2017. This decline can be attributed to a stressed labour market in ECR countries on the back of ongoing economic downturn in the Gulf countries, fall in crude oil prices, internal political disturbances, the extra burden of taxes on expats like the family dependent tax in Saudi Arabia and the growing inclination to recruit locals.

Rahul Pandey (National Herald India). "The US Department of Homeland Security's plan to curb H-1B visa extensions could cause serious problems if the workers have to come back home, especially because the Indian IT sector is not doing well." January 5, 2018. <https://www.nationalheraldindia.com/national/india-should-halt-defence-purchases-from-the-us-to-counter-trumps-h1-b-visa-stand>

Forget the economics, this issue could cause serious problems for the Indian IT and ITES industry, already under disrupted by automation and AI. The government needs to go beyond niceties and do some serious diplomatic muscle flexing and fight for the future of our young women and men who will face serious problems if they have to come back home. As an option, the government should halt defence purchases from the USA, to build serious pressure. The move is going to hurt the Indian IT sector and the Indian economy at large. A large part of the IT business in the country comes from foreign operations. A change in the rules could not only send Indian techies back home, it would also impact the profit margins of Indian IT companies like Tata Consultancy Services, Cognizant Technology Solutions and Infosys who get a large share of the H1B visas. The indirect impact would be felt in the broader economy. **Total remittances to India are in the range of US \$ 65-68 billion per annum and around US\$ 10 billion comes from the United States, a lot of this money is coming from H1B visa holders. With a slow down in the oil economies in the middle east, remittances saw a five percent decline in 2016 and the American situation could make matters worse.** While some of these may be absorbed in domestic IT firms, it would mean a shakeout for the Indian IT sector employees working at home. And the Indian IT sector is not doing well. There are about 39-40 lakh people who are employed in the IT sector and about six lakh are expected to lose their jobs over the next three years. With H1B now reducing margins and bringing home another five lakh professionals, the industry is headed for serious trouble. The economic and human impact of this could be devastating. The crisis has been brewing ever since Trump took office about a year ago, but Indian diplomatic corps have not been able make a significant intervention on the issue. Union External Affairs Minister Sushma Swaraj's meeting with US Secretary of State Rex Tillerson in September 2017 did not help in making any impact.

The ongoing economic downturn in the Gulf due to the fall in crude oil prices, internal political disturbances, the extra burden of taxes on expats (like the family-dependent tax in Saudi Arabia), **and the growing inclination to recruit locals could account for the fall in remittances.**

Impact – Poverty

360 million Indians in poverty

Biswas 12 Soutik Biswas, 3-23-2012, "Who are the poor in India?," BBC News,
<http://www.bbc.com/news/world-asia-india-17455646> //DF

The fact is nobody quite knows. There are various estimates on the exact number of poor in India, and the counts have been mired in controversy. This week the Planning Commission said 29.8% of India's 1.21 billion people live below the poverty line, a sharp drop from 37.2%

in 2004-2005. (This means means around **360 million people currently live in poverty**.) But one estimate suggests this figure could be as high as 77%. The problem, believe many, is that the new count is

based on fixing the poverty line for a person living on 28.65 rupees (56 cents/35p) a day in cities and 22.42 rupees (44 cents/33p) a day in villages. This was lower than last year's recommendation by the Planning Commission to set the poverty line at 32 rupees (65c/40p) a day which stirred up a major debate across the country. Last year activists dared the head of the country's planning body to live on half a dollar a day to test his claim that it represented an adequate sum to survive in a country with high inflation and leaky and shambolic social benefits. They concluded that the claim appeared to be grossly unfair and scandalous.

Summary Explanation:

IF we go for Foreign College Students

Start with foreign college students. Kato explains that foreign college students study in US universities seeking American jobs. Raising the cap increases the chance of getting that work, incentivizing more foreign students to come. There's precedent for this, because when the cap was raised in the 90s, 14% more foreign students enrolled. That's really good, because these students have discretionary spending – everything from food to Uber Rides –which creates jobs for both white and blue collar workers. Craig finds if foreign students were just 11% of US college students instead of the current 5%, that spending would create 440,000 jobs.

4. India's growth is in America's interest as well. DW reports that India will become the fastest global economy and will be key to US growth

Their response that more foreign students would push native students out is

On college students, they delink themselves saying that the number of US students declines with foreign students.

Their turn on foreign college students is incorrect, because they pay full tuition. This means that for every one foreign college students there are 8 slots for American students

IF we go for Indian Development

Go to our second warrant about tech innovation.

Nagaraj explains that India's IT sector is stagnating; it needs innovators in order to grow. H-1Bs provide that. Khanna explains that raising the cap allows more Indian workers to get jobs in the US, where they work with other innovators and acquire

unique knowledge. When they return, they are far more productive and far more likely to innovate – this is what happened in the 90s. Innovation is key to growth because new products, everything from Javascript to iPhones are more efficient and cheaper. That's why the sector accounts for 7% of GDP growth. Rahman explains that higher GDP is key to lifting 360 million Indians out of poverty, since growth creates jobs and increases consumer spending. Every 1% increase in GDP increases incomes for the poorest by 1%.

1. Doesn't make sense: why can't the US take a policy action that works for the greater global good?
2. Problematic restriction: the idea that we should preclude discussion of the effect of policy on other peoples presupposes American superiority and justifies mistreating others in the name of nationalism. Ex. deporting illegal immigrants that are violating our laws but fleeing violence and poverty
3. Thompson 17 explains that we have an obligation to help others because birth is a lottery, by which some infants are randomly gifted the guarantees and opportunities of a rich country while other infants are randomly subjugated to poverty and suffering – nationalist justifications are illusory because we're randomly born into this nation

Offshoring: offshoring is ONLY an issue when there is a visa lottery, because H1Bs are driven to companies that file more visas and increase their chance of getting the job. Raising the cap eliminates the lottery because now there will be more available visas than workers to fill them.

Wage decrease for US citizens: the workers referenced are CS workers who are already high paid, only a marginal decrease so there is no impact.

Additionally CS workers are highly educated and can easily get jobs in other sectors.

Weighing:

We help middle class, 440,000 jobs, They only help STEM workers who can easily get another high paying job

Outsourcing: The entire business model of the outsourcing company is to be the middleman between a worker and a firm; they pay the visa fees, they have contacts in American companies. When there isn't a binding cap, any worker is virtually guaranteed to get the visa, so the outsourcing companies have no reason to exist.

Ex. more liberal trade policies that may be somewhat disadvantageous for a US industry, like steel, but good for global free trade.

Starting with their overview:

They claim that the US economy is currently Goldilocks state, don't want econ growth as that will lead to overheating and subsequently recession

This has never happened before, Recession is not caused by things like this

Recessions are caused by shocks to the economy, 2009 by housing bubble. If anything is going to cause a recession, it's going to be a huge tax cut, not the H1B program.

Fed would really have to mess up

All of their FDI responses are talking about the type of FDI we have in the status quo, but we are talking about a different kind of FDI, FDI that is helping innovation. Now this is crucial as it says in our second contention.