



H1-B Visas Are a Key to U.S. Competitiveness

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Elon Musk and Vivek Ramaswamy, are coordinators of the incoming administration's Department of Government Efficiency (DOGE, have recently advised the president-elect to increase the number of H-1B visas that bring thousands of foreign engineers and other skilled workers into the U.S. to bolster the competitiveness of the American economy. Donald Trump himself has one-upped the game by advocating an automatic green card for any foreign student who graduates from college.

“Epiphany”? “Game-changer”? You choose the term; but this is a far cry from the policies of Trump’s first administration. Musk and Ramaswamy are already getting blowback from the hard-right fringe of the MAGA base. These individuals, most notably Steve Bannon, Matt Gaetz, Marjorie Taylor Green and influencer Lorna Loomer, believe H-1B is a scam. At a minimum they believe that increasing the number of green cards will harm job-seeking U.S.-born graduates. They are oblivious to the fact the wages paid to H1-B holders must not be lower than that paid to similarly qualified U.S. workers or below the prevailing wage for the specific job in question.

Presently, the U.S. caps the number of H-1B visas at 65,000 although an additional 20,000 can be granted for those with a masters or doctoral degree. India accounts for 70% of the H-1B visas with China, Canada, South Korea, Mexico, the Philippines, Mexico and Taiwan accounting for the bulk of the remaining ones.

The question is why cap H-1B visas or even have an H-1B program if we presently have and project to have all the STEM workers we need? After all the U.S. turns out over 4 million college graduates each year. However, as Elon Musk wrote on X on December 15: “There is a permanent shortage of excellent engineering talent. It is the fundamental limiting factor in Silicon Valley.” Vivek Ramaswamy added his two cents on X (much to the dismay of not only MAGA stalwarts but even Nikki Haley) that American culture “has venerated mediocrity over excellence.”

The country—especially Congress and the administration (current and future)--needs to face the fact that U.S. competitiveness has been on a steady decline. The OECD’s PISA student assessment rankings place the U.S. at #17. The IMD’s World Competitiveness Report ranks the U.S. at #12, and China places first in international patent rankings.

The culprit here is our education system. There is an under-enrollment of American students in STEM (science, technology, engineering and math). College majors of choice tend to be psychology, education, government, law and business, while over 80% of computer and electrical engineering students are foreigners.

Also, educational standards have been watered down in recent decades, with many American teenagers being poorly educated in the STEM basics of math and science. At the higher education level, low standards, grade inflation and flaky majors such as gender and sexuality studies (University of Connecticut), thanatology (University of Maryland), and popular culture (Bowling Green State) waste taxpayer dollars provide few if any jobs for graduates in their major.

While there is little that can be done to purge public education—K-12 and university—of waste, inefficiency, the regressive grip of teacher unions, useless majors and wokeness in teaching—an expanded H-1B program and reformed immigration policies can go far in invigorating U.S. competitiveness.

The United States has faced a persistent shortage of STEM graduates for decades. To begin with, the US produces fewer STEM graduates than it needs, with only about 500,000 new graduates joining companies each year. The U.S. is falling behind other countries and is no longer the leader in science and engineering research, patents, or natural-science Ph.Ds. Additionally, international student enrollment rates have been declining, and graduates may leave the US due to limited postgraduate immigration options.

The reality is that the U.S. will need to fill about 3.5 million jobs by 2025, but 2 million may be unfilled due to a skills gap.

Not to be overlooked in any discussion of immigration policy and workforce is that foreign-born STEM graduates often create additional jobs for US-born workers. These STEM workers also go on to create companies here in the U.S.—companies that recruit additional technical workers as well as support (service) workers. It is important to note, as well, that 55% of America’s billion-dollar start-ups have an immigrant founder or offspring, including Google, Apple, eBay, Yahoo!, and Space X were founded by immigrants or their offsprings.

Short of Donald Trump’s plan to provide a green card to every college graduate from a foreign country, the U.S. should adopt a merit-based immigration system as in the case of Australia, Canada, and New Zealand. Immediate action, however, should include Congress doubling or even tripling the number of H-1B visas and dramatically increase funding for vocational and technical education.

In the Council on Competitiveness report *Competing in the Next Economy*, a distinguished cadre of private, public, academic, and non-profit sector experts cite the urgent need to accelerate American innovation and secure a strong competitive position for the future—one driven by high-quality human capital. Addressing the H-1B visa issue is a critical first step.

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