

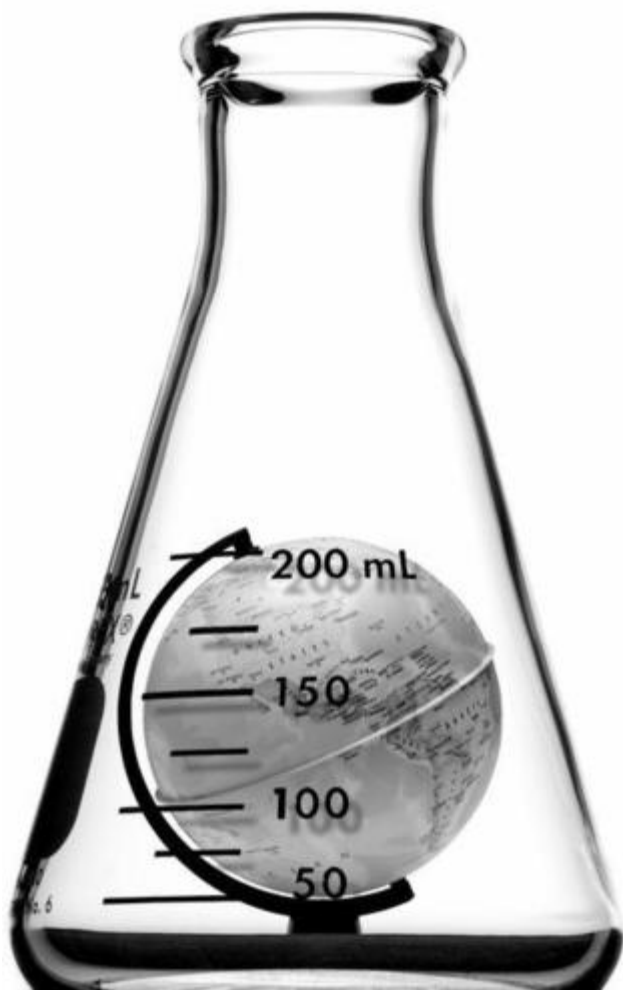
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## U.S. immigration policy undermines our competitiveness

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Poet Emma Lazarus' immortal words on the base of the Statue of Liberty exclaim: "Give me your tired, your poor, your huddled masses yearning to breathe free ... providing of course, they have a relative who is a U.S. citizen to sponsor them." (italics my own).

In the name of family reunification — a noble and laudable aim — the United States has created an immigration system that discriminates against highly skilled and talented individuals who do not have relatives in this country to sponsor them. My Honduran housekeeper, a U.S. citizen, can readily bring her ailing 81-year-old aunt to reside in the United States, while a Ukrainian scientist with double doctorates in computer science and biomedical engineering and four patents to his name, but no kin in this country, needs to wait years to secure an immigrant visa.

"Mindless," "irrational" and "absurd" are appropriate epithets to describe our nation's complicated and confusing immigration system. This system clearly undermines our country's economic competitiveness.

The United States has slipped to fourth place during the past decade in rankings by the World Economic Forum's Global Competitiveness Report and to fifth place in the Global Innovation Index. Poor performance among American secondary-school students worldwide (we rank No. 36) and declining college majors in STEM (science, technology, engineering, math) are contributing factors. As for STEM majors in college, these students make up only about 25

percent of enrollment; and, sadly, nearly two-thirds traditionally switch to another major prior to graduation, according to the U.S. Department of Education.

Just as companies outsource parts of their operations to boost their productivity and competitiveness, the United States needs to "in-source" — produce more in-house — to achieve that goal; and recruiting foreign talent (particularly via an expanded H1-B visa program) is the quickest and surest way to do that.

The evidence is overwhelming that immigrant scientists, engineers and entrepreneurs contribute immensely to our economy. Research reveals that an increase in foreign STEM workers of 1 percent of total employment boosts the wages of native college-educated workers by 4 percent to 6 percent and provides greater job opportunities for them, as well. Immigrants account for one quarter of patents, twice

their share of the population, and are three times more likely than native-born individuals to file a patent.

As for immigrant entrepreneurs, they founded or co-founded more than 25 percent of technology and engineering companies started between 1995 and 2005, employing 450,000 workers and have produced over \$52 billion in sales. More than half of Silicon Valley start-ups were founded by immigrants.

Congress, no doubt, will take up immigration reform this year. H1-B visa expansion should be a top priority, as ample evidence shows that it spurs innovation, patent applications, employment and knowledge spillovers to citizens who work in scientific and technological industries.

Hopefully, the Senate and House can come together and reach agreement in this arena. Last June, the Senate passed a bill that would increase the H1-B visa cap from 65,000 to 115,000 and add another 25,000 visas for those holding STEM degrees from American universities. The Senate bill also creates an “X” visa category for entrepreneurs with venture backing of \$100,000 or who own a business that generates more than \$250,000 annually.

It also creates an EB-6 visa category for immigrant investors that hold major ownership in a U.S. business that generates over \$750,000 in annual revenue. The House Judiciary Committee passed a SKILLS VISA Act that raises the H1-B visa cap and provides related incentives for immigrant investors, linked to the size of their investment and job creation.

Meanwhile, countries such as Canada, Chile, Australia and the United Kingdom are wooing foreign talent and investors with visas and financial incentives. Obviously, improving our schools and student performance and encouraging college students to major in STEM are indispensable courses of action. In the interim, we need immigrant talent and investors to strengthen our national competitiveness. Congress must act on visa reform — immediately.

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