

FINANCIAL TIMES

May 29, 2008
Bob Greifeld

America Cannot Afford to Drive Away Talent

On April 1, the US Bureau of Citizenship and Immigration Services began accepting applications for the coveted 65,000 H-1B visas that allow foreign students with a bachelor's degree to work in the US, in their area of speciality, for up to six years. The programme includes an additional 20,000 visas for foreign students with advanced degrees from US schools. Both quotas were quickly oversubscribed as 163,000 applications poured in – a 32 per cent increase over last year. The USCIS closed the application process after five days and chose the lucky 85,000 applicants through a computer-generated lottery on April 14.

Once again, the arbitrary cap on H-1B visas, part of our strident national debate over immigration policy, has played a cruel joke on US competitiveness by needlessly penalising some of our highest-growth industries. Paralysis on immigration policy has created a classic lose-lose situation for our economy. Tens of thousands of talented graduates from all over the world have been “capped out” of the opportunity to work in the US, while American employers are denied access to legions of bright and motivated candidates for employment. It would be difficult to imagine a less rational system.

It is to be hoped that this latest H-1B fiasco will embolden policymakers in Washington to lower the rhetoric and produce some results in the divisive, long-running and emotional debate over immigration policy that so frequently seems to miss the point.

From our offices at Nasdaq I can look out over New York harbour and be inspired by the Statue of Liberty that welcomed my grandparents to this country. It has stood for almost five generations as a beacon of hope and opportunity, not just for the tired and oppressed, but for those anxious to participate in a free-market economy. These individuals, and the part they play in the social contract, have become casualties of our failure to find the consensus required to resolve the problem of immigration policy.

Last year's attempt to work out a comprehensive solution acceptable to all parties was quickly wrecked on the rocks of a misplaced debate over amnesty, leaving urgent competitive issues, such as reform of the H-1B visa programme, stuck in legislative limbo at a time when our economy could greatly benefit from all the highly trained help we can recruit.

In a competitive global economy, policy paralysis on urgent issues is no longer an option. The world is not going to stand still and wait for the US to come to its senses. If we cannot tackle a daunting task such as comprehensive immigration reform, let us at least break it into key components and make progress where we can. Addressing the H-1B visa programme would be a good place to start.

After all, it is a tribute to the US that so many of the world's smartest, most motivated young people choose to study here. They work hard, succeed and when they receive their advanced degrees in engineering, science or mathematics, they become among the most highly prized recruits in business and academia. Yet our visa policies compel half of them to leave the country and seek employment elsewhere.

At the same time, the European Union is considering a "blue card" programme designed to attract highly educated workers with a quickly attainable and renewable two-year visa. We have all seen recent press accounts of how countries such as China and India are offering significant incentives to lure their graduates back home.

Many US companies rely on researchers, inventors, scientists, engineers and academics who are foreign-born but US-trained. Proponents of limiting H-1B visas to 65,000 a year maintain that, without arbitrary limits, foreign-born graduates would take jobs from Americans. The fact is that the demand for individuals with advanced degrees in growth industries such as technology often exceeds the supply. It also overlooks the fact that, over the past 15-plus years, foreign nationals have started 25 per cent of US venture capital-backed companies.

After an extended period of political trench warfare, the US has an opportunity to refocus the debate on immigration and make progress where we can. Specifically, we need a new approach to H-1B visas, one that would bring together public and private sectors to negotiate a market-based solution suited to today's economic conditions. We can no longer afford policies that drive away the talented young leaders we need to keep the US at the heart of the 21st-century economy.

The writer is chief executive of Nasdaq OMX

Reprinted with permission of author