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Immigration reform took a big leap forward on Thursday when the Senate approved a sweeping immigration reform bill. The bill is far from perfect, but goes a long way towards solving Silicon Valley’s talent shortage—and America’s immigrant exodus.

The biggest hurdles lie ahead, however. The House version of the bill goes further than the Senate in addressing the technology sector’s talent woes in some respects, but makes things much worse in others. Negotiations will no doubt be difficult as groups on the right and the left bicker over closing the borders and high-skilled immigration.

As Immigration Voice founder Aman Kapor explained in an e-mail, the Senate version of the bill has many of the provisions that his group has been lobbying for—such as the elimination of per-country limits and expansion in the numbers of green cards. The House bill also eliminates per-country limits but doesn’t go very far in increasing the number of green cards. He estimates that the House bill will provide 350,000 fewer green cards for skilled workers annually than what the Senate approved.

This is a serious problem.

In 2007, my research teams at Duke, Harvard and New York University estimated that there were more than one million skilled workers and their
families in the U.S. who were waiting for green cards. We learned that these workers were getting frustrated and returning home. This backlog has likely increased since then. It is the primary cause of the continuing reverse brain drain I and others have been tracking.

The only solution to slow this tide is to increase the number of green cards. An immigration bill making it’s way through the House, which is of course subject to change, goes further than the Senate in providing something that technology executives have been asking for: an increase in the number of H-1B visas to 195,000 versus 110,000 in the Senate bill. This is good, but increasing the number of workers on temporary visas without proportionately increasing the numbers of green cards will only worsen the brain drain. Immigration Voice’s Kapor says that by some estimates, over a 20-year period, the House bill will add 14 million skilled immigrants on temporary work visas, while there will only be 3.3 million green cards issued to these workers over the same period. If that’s indeed the case, it will spell disaster for the tech industry.

Additionally, one of Silicon Valley’s most critical needs is for a Startup Visa. The Senate version provides this, but it is highly restrictive. Senator Jerry Moran (R-Kan.) attempted to pass legislation that improved this bill, but was unsuccessful. My hope is that the House incorporates key parts of his recommendations, including the tightened-up language that requires jobs created by immigrant entrepreneurs be held by Americans, and the requirement for reduced paperwork and lowered barriers between family members and the ability to invest in their startup company. We need to make it as easy as we can for innovators to come to the U.S. to start their companies here.

As I have explained, a Startup Visa is immigration reform’s free lunch. Kauffman Foundation estimated that within ten years this could lead to the creation of between 500,000 and 1.6 million jobs—a potential boost to the economy of between $70 billion and $224 billion a year. By some estimates, this translates into a rise in GDP of between 0.5 and 1.6 percent.

No doubt, we will see ugly battles being fought in the halls of Congress over immigration reform in the coming months. Let’s hope that Congress defies the odds and approves a bill that gives the economy the boost it needs.