



## HALT AMERICA'S DECLINE BY WELCOMING SKILLED AND ENTREPRENEURIAL IMMIGRANTS

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In recent times, there has been a confluence of diverse events, if stitched together, make immigration reform a virtual no brainer even if we have yet to come out of the economic doldrums. Indeed, immigration reform in favor of skilled immigration, even if it is piecemeal and not comprehensive, can stimulate our economy in unimaginable ways.

First, the Census Bureau has officially indicated that [white births are no longer a majority in the US](#). Non-Hispanic whites accounted for 49.6 percent of all births in the 12-month period ending last July. This is not something to be alarmed about; rather it is cause for celebration. The population in the US is now multi-ethnic and represents the diverse nations of the world. In our [hyper-connected world](#), Americans who can adapt and interact with others across national boundaries can gain more benefit, bringing about further innovation, ideas and the understanding of other cultures. Of course, critics of increased immigration will bemoan this fact and blame it on the 1965 Immigration Act, which abolished the national origin quota system and opened up immigration to people from all countries. But such fear is driven more by xenophobia than anything else. It is the 1965 Immigration Act, which has brought diversity into the US. Those who have come to the US regardless of their country of origin have clearly contributed to the country in immeasurable ways. They have also forged closer ties between the US and their country of origin. The symbiotic relationship between Silicon Valley and Bangalore is one such example. While it has become a national obsession to comment about America's declining superpower status, one way for it to continue to remain a superpower and be respected as well as admired is to foster a multi-ethnic population that represents all the countries of the world. Even the rest of the world will sit more comfortably with a multi-ethnic superpower than a superpower that favors one

group over all others.

Second, we are on the cusp of what The Economist has called [The Third Industrial Revolution](#). New advances in manufacturing will soon make the factory as we now know it obsolete. As manufacturing is going digital, especially with the advent of 3D Printer, we will no longer need long lines of factory workers. A product can be designed on a computer and “printed” on a 3D printer, which will have the potential of rendering supply chains obsolete. Also, the factory of the future will run on its own devoid of workers in oily overalls, and as The Economist presciently notes, “ost jobs will not be on the factory floor but in the offices nearby, which will be full of designers, engineers, IT specialists, logistics experts, marketing staff and other professionals. The manufacturing jobs of the future will require more skills. Many dull, repetitive tasks will become obsolete: you no longer need riveters when a product has no rivets.” The US needs to attract these new skilled professionals who will run the factories of the future.

Third, a new report, [Not Coming to America: Why The US Is Falling Behind In the Global Race for Talent](#), reveals how foreign countries are reshaping their immigration policies to boost their economy while the US remains mired in an obsolete and broken immigration system. The US is thus losing talent to other countries. The report, which has been issued by Partnership For A New American Economy, headed by NYC Mayor Michael Bloomberg, identifies three major risks if it does not reform its immigration laws: a shortage of workers in innovation industries, a shortage of young workers and slow rates of business startup and job creation. US companies are hungry for jobs in science, technology, engineering and math (STEM), but these jobs are hard to find among native US workers. The report also explores the more business friendly immigration policies of Australia, Canada, Chile, China, Germany, Ireland, Israel, Singapore and the United Kingdom in attracting talented immigrants and entrepreneurs. For instance, New Zealand has a rather broad welcoming policy for foreign entrepreneurs. There is no specific job creation or minimum capital requirement, and after two years of self employment “beneficial to New Zealand,” the entrepreneur can apply for permanent residency.

This fortuitous alignment of the stars bodes well for reform of our immigration system, which is not just creaky and obsolete but completely broken. The US has no special visa category that would encourage entrepreneurs to start innovative businesses and become permanent residents. The H-1B visa, which

US companies rely on to bring in foreign skilled employees, especially in the STEM fields, is hobbled by a 65,000 annual cap, and the numbers under the FY2013 cap are expected to be reached many months ahead of the start of the next fiscal year, October 1, 2012! Even the employment-based immigration system has broken down even though there is no national origin quota. If you are born in China and India, and have been sponsored by an employer through the onerous labor certification process, it can take several years, even decades, before you get permanent residence.

One wonders how the US has an immigration system dominated by quotas, which also micromanages the employer and foreign national worker, when it espouses free market capitalism. Such a system is more reminiscent of one that could have been [designed by communist apparatchiks in the former Soviet Union](#). In order to unleash economic growth, it is essential to allow foreign nationals easy access into the US so that they can implement their ideas, create companies and employ more Americans. In a recessionary economy, we need more entrepreneurs to set up businesses and create jobs, and immigrants may have a greater propensity to engage in entrepreneurial activities. There may be a ray of hope. In a rare bipartisan move, freshman senators Marco Rubio (R-FL), Chris Coons (D-Del.), Jerry Moran (R-Kan.), and Mark Warner (D-Va) have introduced [Startup Act 2.0](#), which includes immigration-related provisions to attain the following objectives:

- Creates a new STEM visa so that U.S.-educated foreign students, who graduate with a master's or Ph.D. in science, technology, engineering or mathematics, can receive a green card and stay in this country where their talent and ideas can fuel growth and create American jobs;
- Creates an Entrepreneur's Visa for legal immigrants, so they can remain in the United States, launch businesses and create jobs;
- Eliminates the per-country caps for employment-based immigrant visas – which hinder U.S. employers from recruiting the top-tier talent they need to grow.

While the chances of this bill passing in the current partisan political climate, prior the 2012 Presidential elections remain remote, one can still be surprised. After all, immigration ought to cut across partisan lines, and our elected representatives need to enact sound immigration proposals for the good of the country and the world. Although it would be ideal to comprehensively reform

our immigration system, which would include providing a path to legalization for the millions of undocumented immigrants, small but meaningful initiatives such as Startup 2.0 could still be passed in the mean time. In the event that Startup Act 2.0 goes nowhere, [there is still scope within our existing system to encourage skilled and entrepreneur immigration if only our immigration](#) bureaucrats interpret existing immigration visa categories generously rather than in a mean spirited and niggardly manner. For instance, the intra-company transferee L-1A visa ought to remain a viable option for an entrepreneur to establish a branch or subsidiary of a foreign business in the US. Yet, in recent times, L-1A petitions get turned down wholesale on the ground that a small startup entity can never support a person in an executive or managerial capacity. This is nonsense and bureaucratic gobbledygook, as Congress never intended that small businesses could not support entrepreneur executives or managers. Sad to say, we happen to be in double whammy mode of no good legislation, along with bureaucrats reading out existing visa categories out of the law. The writing is on the wall, and unless we want to perversely see America spiral into decline, it is time to act fast and enact sound immigration reform.