



## WANTED: GREAT STEM AND TANDOORI CHICKEN

*Posted on March 4, 2013 by Cyrus Mehta*

By [Gary Endelman](#) and [Cyrus D. Mehta](#)

There is no doubt that a Startup Visa would unleash amazing entrepreneurial activity in the United States, which would result in many jobs. The latest version of the [Startup Visa Act 3.0](#) would provide 75,000 visas to individual who are already here in F-1 and H-1B status if their companies receive an investment of \$100,000 per year and employ a minimum of two workers in the first year. A three year visa would be given to those who meet this condition. If within the three years, they employ an additional worker each year, they can apply for permanent residency.

According to a [Kauffman Foundation study](#), the Startup Visa could conservatively lead to the creation of between 500,000 and 1.6 million jobs, which in turn could give a boost to the US economy of between \$70 billion and \$224 billion a year. A more optimistic estimate would result in 889,000 jobs and a boost to the economy of around \$140 billion per year. [Vivek Wadhwa](#), a big proponent of this bill, [estimates](#) an even bigger boost if half of these companies are engineering and technology companies. Many of these entrepreneurs, according to Wadhwa, will go on to build new companies based on their success, and could also develop breakthrough technologies and some of them could also be the next Google or Apple.

So if this is a no-brainer, why is Congress not passing the Startup Visa Act 3.0? The truth is that no standalone immigration bill will pass unless it is tied to a broader Comprehensive Immigration Reform bill. Indeed, there is an interesting debate between Wadhwa and [Congressman Luis V. Guterrez](#) on this issue. Guterrez, although he supports a Startup Visa, [has openly admitted](#) that he will not allow it to pass unless Congress is willing to reform the entire immigration system. Wadhwa feels this is “political gamesmanship” on the part of Guterrez, and that the Startup Visa can be passed first in order to give the

American economy a big boot and this would lead to increased public acceptance for broader immigration reform. Guterrez, on the other hand, feels that once he allows this to happen, it will be more difficult to pass comprehensive immigration reform.

The disagreement between Gutierrez and Wadhwa may be a false polarity. A nation needs both social justice and good economics; indeed, social justice is the best economics. A good example of the synergy between social justice and economics is [Sergey Brin](#), who is the co-founder of Google. He came to the US with his parents at the age of six because they faced anti-Semitism in their native Russia. Although Brin graduated from Stanford in computer science, he did not come to the US on an H-1B visa or benefitted under any employment or investor visa category in our immigration system. His parents were able to come into the US based on an immigration program that was designed to protect foreign nationals from intolerance in their native countries. Still, Brin after coming to the US as a youngster was able to go on to found Google, considered one of America's best and most innovative companies today.

Both Wadhwa and Guterrez have a point. However powerful the stimulus flowing from the Start Up visa, enactment of Comprehensive Immigration Reform along with the Startup Visa would be infinitely more potent. Reforming a broken system, which includes legalizing the 10 million plus undocumented immigrants in the US, as well as providing quicker and more sensible pathways to legal status, could unleash even greater wealth. Immigrants of all stripes are essentially very entrepreneurial. An undocumented person who is provided legal status can also start a business and this individual need not be a STEM (Science, Technology, Engineering or Math) graduate. Even a non-technology company can create jobs such as a restaurant or grocery chain. Immigration should not be viewed as a zero sum game, and giving opportunities to foreign nationals in the US can result in more American jobs. Under our broken system, it is virtually impossible for an entrepreneur who wishes to start a North Indian cuisine restaurant to bring in a foreign national tandoori chef. A reformed immigration system should hopefully give this entrepreneur access to such a chef from India. A restaurant's success is possible because of its chef, and when that great tandoori chef can be quickly hired from India, people will start coming to the restaurant resulting in the hiring of restaurant managers and waiters locally in the US. This restaurant's success can then be replicated, and the entrepreneur can develop a branded chain of tandoori restaurants all over

the US, resulting in many more jobs locally.

According to another report sponsored by [Cato Institute – The Economic Benefits Of Comprehensive Immigration Reform by Raul Hingosa-Ojeda](#), the legalization of 11 million immigrants would be equivalent to more than \$1.5 trillion added to GDP over 10 years. The study considered the economic impact under three scenarios: a legalization program that would ultimately result in a pathway to citizenship, a temporary worker program with no option for permanent resident status and the deportation of undocumented immigrants. Hingosa-Ojeda concludes that the legalization of undocumented immigrants would provide the most economic benefits to the US. On the other hand, removing undocumented immigrants would be most expensive, costing \$2.6 trillion to the GDP over a 10 year period.

The debate between Wadhwa and Gutierrez can be put in a larger perspective. If you believe, as Wadhwa does, that the purpose of immigration is to create wealth, unleash creativity and foster productivity, then the focus should be on entrepreneurs and highly skilled professionals. This explains his approach. If, however, you are mainly concerned with social justice, then you argue for a more comprehensive approach which is what Gutierrez does. It comes down to what you think is most important and what you think has true moral legitimacy. For those who use immigration to bring about social justice, it is family not employment immigration that is morally legitimate. The focus is on using immigration to help the individual immigrant, reunite families, to fight intolerance, poverty and injustice. It is not to make American employers more competitive, and there's also an impulse to protect US workers. Wadhwa, on the other hand, sees an ethical value and legitimacy in work itself, in work as a creative expression of individual talent. He looks for new avenues especially in STEM fields to unleash creative potential within the culture and context of a capitalist economy.

The economic boom that an enlightened immigration policy would ignite is generational in its dimensions. The immediate benefit from the entrepreneurial energy of the immigrant generation would be transformed and expanded by the diversified talents of succeeding generations. The Tandoori cook of one generation is often followed by the cutting-edge geophysicist of the next. Precisely as the American economy itself is inherently dynamic, the role that immigrants play in it also constantly evolves. For this reason, the sharp contrast provided by Gutierrez and Wadhwa that seem so vivid now will, over time, fade

into a more nuanced yet no less compelling portrait. Gutierrez realizes that an enlightened immigration policy can only exist in a compassionate society where social mobility is a lubricant of national cohesiveness. Wadhwa appreciates that immigration is an asset to be maximized not a problem to be controlled. Like all transformational moments in American history, this is pre-eminently a time to try something new.

A month before signing the Emancipation Proclamation, [Abraham Lincoln spoke](#) to our issue in our time:

*The dogmas of the quiet past, are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country.*