

## Prosperous Immigrants, Prosperous Americans

*How to Welcome the World's Best Educated, Boost Economic Growth, and Create Jobs*

By Allen E. Kaye



Immigrants who come to the United States to study at our best universities and then go to work at our nation's leading companies contribute directly and immediately to our nation's global economic competitiveness.

High-skilled immigrants who have started their own high-tech companies have created hundreds of thousands of new jobs and achieved company sales in the hundreds of billions of dollars.

Yet despite the critical importance of such immigrants to the nation's economic success in a global economy, our current high-skilled immigration system is a two-fold failure: arbitrary restrictions prevent companies from effectively tapping the full potential of this talent pool, while inadequate safeguards fail to prevent against wage depression and worker mistreatment.

The reforms outlined in this paper will help establish a 21st century immigration system that serves the nation's economic interests and upholds our responsibilities in a global economy.

Of course, our current immigration policies have failed the country on many fronts beyond the high-skilled policy arena. And the urgent need for comprehensive, systemic reforms is beyond question. The national debate has understandably focused up to this point on the most visible and most highly charged issue—ending illegal immigration. Solving that riddle and ending illegal immigration is indisputably a national imperative and must be at the heart of a comprehensive overhaul of our system.

But reforms to our high-skilled immigration system are an important component of that broader reform and integral to a progressive growth strategy. Science, technology, and innovation have been—and will continue to be—keys to U.S. economic growth. The United States must remain on the cutting edge of technological innovation if we are to continue driving the most dynamic economic engine in the world, and U.S. companies must be able to recruit international talent to effectively compete in the international innovation arena.

To be certain, educating and training a 21st century U.S. workforce is a paramount national priority and the cornerstone of progressive growth. Improving access to topflight education for everyone in this country will be the foundation for our continued global leadership and prosperity.

But it is shortsighted in a globalized economy to expect that we can fill all of our labor needs with a homegrown workforce. In fact, our current educational demographics point to growing shortfalls in some of the skills needed in 21st century America. Prosperous Americans today's economy. And as global economic integration deepens, the source points for skill sets will spread—such as green engineering in Holland or nanotechnology in Israel—the breadth of skills needed to drive innovation will expand, and global labor pools must become more mobile.

Reforming our high-skilled immigration system

will stimulate innovation, enhance competitiveness, and help cultivate a flexible, highly-skilled U.S. workforce while protecting U.S. workers from globalization's destabilizing effects.

Our economy has benefited enormously from being able to tap the international pool of human capital. Arbitrary limitations on our ability to continue doing so are ultimately self-defeating:

Companies will lose out to their competitors making them less profitable, less productive, and less able to grow; or they will move their operations abroad with all the attendant negative economic consequences.

And the federal treasury loses tens of billions of dollars in tax revenues by restricting the opportunities for high-skilled foreign workers to remain in the United States.

Access to high-skilled foreign workers is critical to our economic competitiveness and growth, but facilitating such access triggers equally critical flip-side considerations, in particular the potential for employers to directly or indirectly leverage foreign workers' interests against the native workforce.

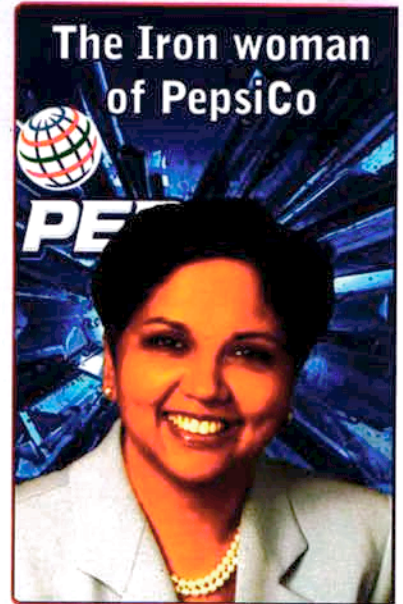
Current enforcement mechanisms are too weak to adequately prevent fraud and gaming of the system.

And current regulations tie foreign workers too tightly to a single employer, which empowers employers with disproportionate control over one class of workers.

That control enables unscrupulous employers to deliberately pit one group of workers against another to depress wage growth. Even when there is no malicious employer intent or worker mistreatment, the restriction of labor mobility inherently affects the labor market by preventing workers from pursuing income maximizing opportunities.

The end goal must be a system that inherently preferences the hiring of U.S. workers, but streamlines access to needed foreign workers and treats all workers employed in the United States on a level plane.

Reforms that enhance legal immigration channels for high-skilled immigrants must be complemented with reforms to ensure that a worker's immigration status cannot be used to manipulate wages and working conditions.



**PepsiCo CEO Indra Nooyi is an immigrant to the United States from India**