

# Catherine Zeta-Jones, Russell Crowe and Innovation in the Information Economy

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# A Nation of Immigrants



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- Without immigration, we would not have...
  - Google (Co-founder Sergey Brin, Russia)
  - Intel (Founder Andy Grove, Hungary)
  - eBay (Founder Pierre Omidyar, France)
  - Yahoo (Co-founder Jerry Yang, Taiwan)

# A Nation of Immigrants



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- Without immigration, we would not have...
  - Catherine Zeta-Jones



# A Nation of Immigrants



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- Without immigration, we would not have...
  - Russell Crowe



# A Nation of Immigrants



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- Without immigration, we would not have...
  - 27.5 percent of the New York Yankees' 40 man roster this spring



# The Argument



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- The critics claim immigration is taking jobs away from the domestic IT workforce and lowering wages
- Critics claim that immigration removes incentive to educate US workers
- No truth to either claim

# Visas Commonly Used by IT



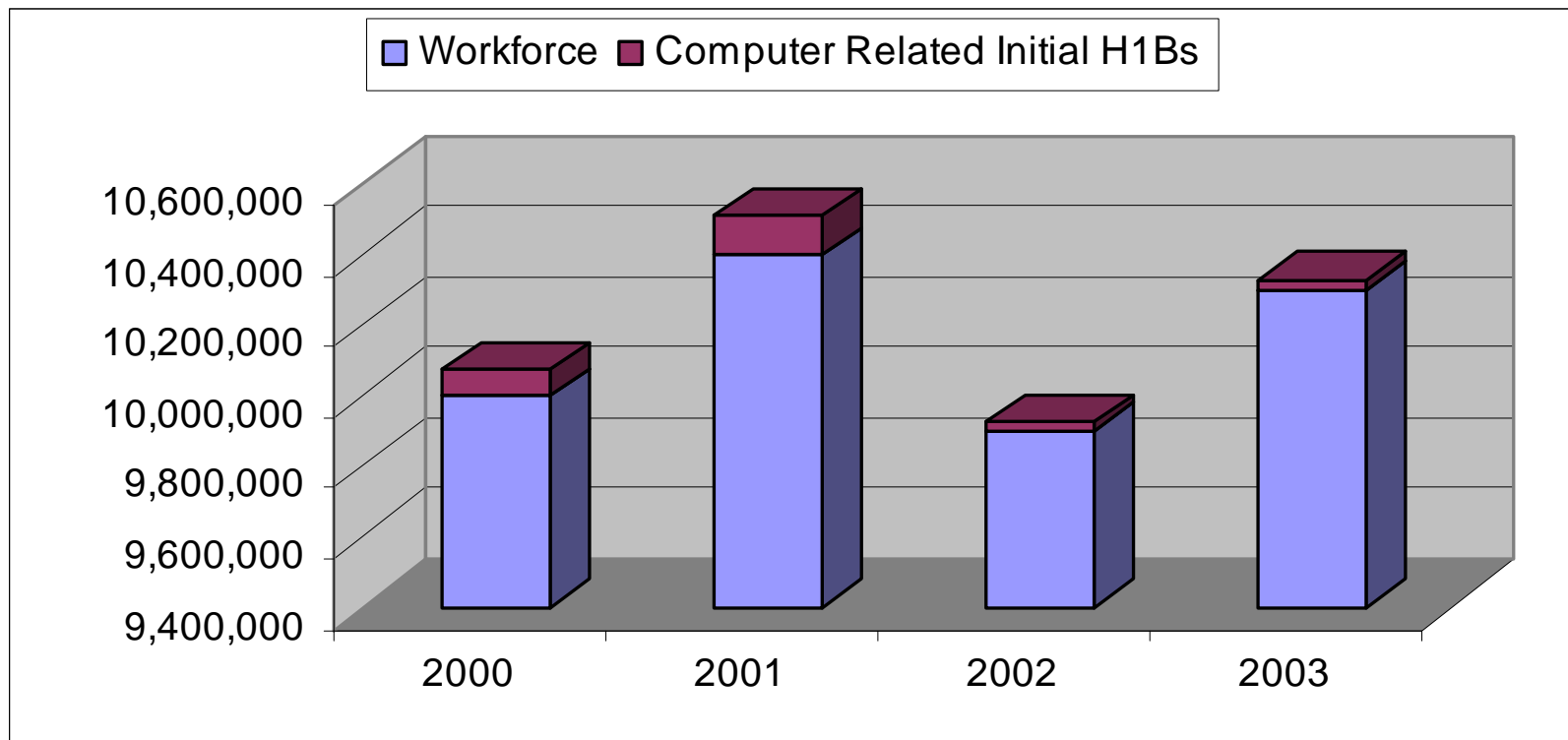
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- B-1 – temporary visitor for business
- H-1B – specialty occupations
  - DOD workers, fashion models, IT workers
- J-1 – exchange visitors
- L-1B – specialty knowledge intra-company transfer
- O-1 – extraordinary ability in sciences, arts, education, business, or athletics

# H-1Bs as Percentage of IT Workforce



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# The Numbers



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Year	IT Workforce	H1B Cap	H1Bs (Initial)	Computer Related
2000	10,000,000	115,000	136,787	74,551
2001	10,400,000	195,000	201,079	110,713
2002	9,900,000	195,000	103,584	25,637
2003	10,300,000	195,000	105,314	28,879
2004	10,500,000	65,000		

*FY 2005 cap hit of first day of fiscal year !*

# Correcting the Record



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- Controls are in place
  - All skilled worker categories include wage/benefit protection, directly or indirectly
  - H-1Bs require compensation according to the local prevailing wage or adverse effect wage rate
  - DOL can investigate claims of below market wages and sanction offending companies
    - Lack of proven complaints demonstrates solid track record
  - So not “cheap workers”

# Innovation and Immigration



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- Immigrants fill critical workforce gaps
  - U.S. education system is not producing enough native-born students in science, technology, engineering or mathematics
- Without immigrants, more U.S. firms would be forced to take work offshore
- Immigrants better enable U.S. corporations to customize products for sale in overseas markets

# Innovation and Immigration



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- U.S. R&D is competitive in part because immigration helps ensure access to the best talent in the world
- U.S. campuses depend upon high-achieving, non-citizen students and faculty

# Innovation and Immigration



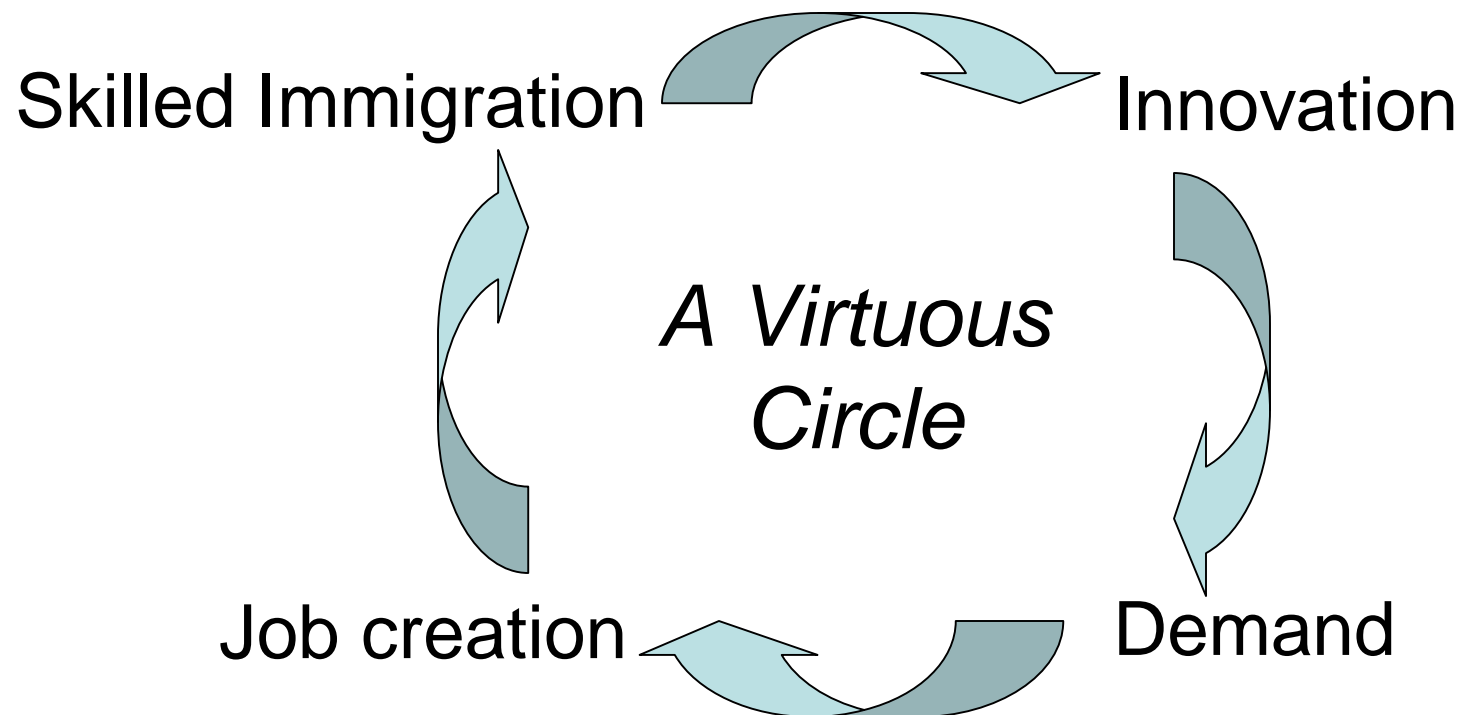
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- Immigrants are also a key source for entrepreneurs
  - Many immigrants share the dedication and courage it takes to become an entrepreneur;
  - And many entrepreneurs are drawn to America for a favorable environment
  - Unless we lock them out

# Innovation and Immigration



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# Facts



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- Particularly true for IT
  - 18.2 percent of computer scientists are foreign nationals
  - Average wages lead other industries
  - Industry innovation utterly dependant upon rapid product cycles driven by R&D
  - Strong ties to U.S. centers of education
  - Skilled workers are everything for large segments (IT Services)

# Facts



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- All related industries are committed to solving America's 'education gap'
  - The ITAA Board of Directors just this year placed top priority on a comprehensive workforce and education program
    - ITAA's workforce program was already nine years old
  - TechNet also has recently made education a top issue

# The Real Immigration Problem



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- The problem is not too many skilled immigrants, but too few
  - U.S. immigration policy is too restrictive
    - Political pressure unnecessarily delays and limits immigration
    - Prevents U.S. firms from having ready access to necessary talent
    - Assumes a zero-sum game

# The Real Immigration Problem



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- The problem...
  - The U.S. is no longer the only game in town, the best and the brightest have new options
    - The rise of foreign industries
    - The rise of foreign centers of education
    - Wages and occupational opportunities rising significantly home countries
    - Competition from Australia, Europe, etc. Even Japan studying options

# The Real Immigration Problem



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- The problem...
  - Post-9/11-era immigration procedures delay and discourage the few who are welcome
    - Background checks conducted on more applicants, Security Advisory Opinion requests more frequent
    - New screening procedures must be targeted, U.S. consulates must receive adequate staffing and training to effectively implement these measures

# Some Solutions



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- To maintain our competitive edge the U.S. must keep its doors open
  - Significantly increase the number of H-1B visas
  - Lift the H-1B exemption cap on foreign national advanced degree graduates

# Some Solutions



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- The U.S. must keep its doors open...
  - Raise the overall employment based (Green Card) visa cap
  - Establish a “pre-immigrant” (nonimmigrant) category for foreign nationals in specialty occupations that employers intend to sponsor for green card status within one year of admission

# Some Solutions



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- The U.S. should also...
  - Streamline security procedures
    - Eliminate unnecessary delays
    - Give preference to science and technologists working to benefit the U.S.
  - Carefully tailor post-9/11 requirements
    - Focus on actual security needs
    - Provide resources to implement these requirements effectively and efficiently

# Conclusions



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- Business immigration should be driven by market needs, not politics
- Emphasis must be on assuring U.S. competitiveness in global markets while also maintaining national security
- Business immigration fosters “virtuous circle” of jobs and wealth, not race to the bottom of wage scale



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