

Silicon Valley Pushes for Immigration Reform for Its Own Purposes

Tech companies are currently driving the biggest [lobbying efforts](#) on immigration reform, mostly so they can expand the H-1B visa program for high-skilled workers.

The possibility that the H-1B program speeds up innovation and increases productivity is used to argue for its expansion. Bill Gates, for example, claims that Microsoft creates four new jobs, ostensibly for citizens, for each H-1B immigrant hired.

But there is an obvious self-interest for high-tech tycoons — more programmers reduce wages and increase profits — so it's wise to ignore their promises and look at what the data actually say about the benefits for the American people, especially in a time when immigration reform is in such a heated debate. Unfortunately, the evidence is mixed.

Is the H-1B visa program that brings in high-skilled immigrant workers benefiting the American people? The evidence is mixed.

The conclusion that Americans are better off with more H-1B workers comes from studies showing higher levels of innovation in cities that host many H-1B immigrants. But sometimes the results are not credible. The correlation reported in a well-known [study](#), for instance, suggests that if Congress would just print another 15 million visas, the wage of U.S.-born college graduates would nearly double! One must have a financial stake in the H-1B program or be very gullible to take such a “finding” seriously.

The most persuasive [evaluation](#) of the program examines a peculiar lottery. Firms can apply for visas on a first-come, first-served basis until the visas run

out. On some random day, the visas run out and on that day more firms typically apply than there are visas available. A lottery determines the lucky winners. It turns out that the firms that won the lottery do not patent more, and that each H-1B visa crowds out one native worker. This evidence is far more consistent with the flood of [news reports](#) documenting how employers abuse the program and force the displaced natives to train their foreign-born replacements.

Despite the contradictory evidence, there is a sensible way to proceed. Some native workers undoubtedly lose. But let's take Bill Gates at face value. If Microsoft really creates so many new jobs, Microsoft is profiting substantially and should be willing to pay many thousands of dollars for each visa. Let's use those funds to compensate and retrain the affected workers. Actions speak louder than words: Would the high-tech tycoons actually be willing to pay substantial amounts for those permits?

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