

H-1B VISA DEMAND RISES; SKILLED FOREIGN WORKERS HIRED AMID RECESSION

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Body

U.S. **demand** for **visas** to **hire skilled foreign workers** **rose** last year despite a **recession** that caused more than 1 million people to lose their jobs.

U.S. companies and other groups applied for 342,035 **H-1B** work **visas** last year, up 14 percent from 2000, when the country's economy was strong. About 163,200 **H-1B visas** were actually granted last year, up more than 40 percent, after Congress, under pressure from the technology industry, raised the cap on the number of **visas** the Immigration and Naturalization Service can issue.

At least 29,000 more **visas** are pending.

"I think it surprised everyone," said Mark Shevitz, a vice president at Chicago-based VisaNow.com, a company that processes **visas** for clients and that studied the increase. "All you hear about in the media is these huge layoffs and the tech industry is just shedding **workers**."

The **H-1B** is a six-year **visa** used for bringing in **skilled foreign workers** in sectors where there are supposed to be shortages of qualified U.S. ones. The program is a political hot potato and last year's increases, which seem counterintuitive, are sure to fuel the ongoing debate about the controversial program.

Oracle, Cisco Systems, Intel and Sun Microsystems were among the top users of the program in 2000, as were universities such as Harvard and Yale. How many applications the tech giants filed last year **amid** layoffs wasn't immediately available. About half the **H-1B visas** the U.S. government grants each year are for computer-related jobs and about half go to people from India, with China a far second.

Demand for engineers

Supporters of the **H-1B** program say the U.S. needs it because the nation's schools aren't graduating enough computer engineers to meet **demand**. Critics say companies are just trying to get **workers** cheaply, and that **H-1B workers** get lower salaries.

INS spokesman Russ Bergeron said he's aware of VisaNow.com's report and argues that the agency is simply processing paperwork and has no role in determining **H-1B** need. That's the job of Congress and the U.S. Department of Labor, he said.

"If we had a dog in that fight, we'd be happy to weigh in," Bergeron said.

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There are several possible reasons for the increase, says Shevitz. One is that despite rough times, the technology industry created 80,000 new engineering and computer jobs, he said.

Part of the increase may be due to the fact that last year, for the first time, colleges and universities shopping for researchers were made exempt from the cap on the number of visas that can be issued. That possibly spurred more applications from this group.

The increase may also be capturing some tech-industry flux, Shevitz said, as H-1B visa workers transferring from one company to another or renewing H-1B visas granted earlier are counted as applications.

VisaNow.com based its report on data from the INS, Department of Labor and other agencies. The 2001 data reflected H-1B visa applications for the federal fiscal year that ended Sept. 30.

Lower wages

Norman Matloff, a professor of computer science at the University of California-Davis and a leading critic of the H-1B program, argues that the main reason for the increase is basic economics: During a recession, companies are more eager than ever to cut costs. Matloff cites several studies that conclude the average annual wages of computer programmers and engineers working in the U.S. on H-1B visas are 15 percent to 33 percent lower than those of U.S. citizens. That's despite laws about paying the immigrants the so-called prevailing wage, he said, because "prevailing wage" is a squishy legal concept.

Fewer than half of the young U.S. computer programmers hired that U.S. companies hire are actually placed into programming positions, according to Matloff.

"Instead, more than half of the new graduates are shunted into non-technical/semi-technical positions such as customer support, while the H-1Bs are hired into the technical positions," he said.

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