



1 Million Skilled Workers Stuck in 'Immigration Limbo'

America Faces 'Reverse Brain Drain' as Complicated Laws and Green Card Backlogs Send Asians Home

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Aug. 27, 2007

Eight years ago, India-born Sacheen Kamath was hired by a U.S. technology start-up that was so successful it was quickly gobbled up by a California networking giant.

Although Kamath's work as computer engineer has been stellar -- he's led the development of a next-generation networking product -- his life here has begun to fall apart.

With his temporary visa, he can't get a promotion because any change in his job description, or even his salary, would force him to reapply for a new visa. The temporary status makes it difficult to plan ahead and do simple things like look for a new job or even buy a house.

Kamath's wife is unhappy because under his visa she is considered a dependent and cannot work. It's a stressful situation, enough so that he has developed hypertension.

Kamath is caught in "immigration limbo" -- like 1 million other talented legal immigrants waiting for a mere 140,000 permanent residency visas that are parsed out each year to highly skilled workers.

He applied for his so-called green card, which would give him legal resident status, in 2004, but when his company was bought out, he was forced to reapply, throwing him to the back of the line, meaning another four- to five-year wait.

Now Kamath wants to take his expertise and brain power home to India.

'Reverse Brain Drain'

A recent study conducted by researchers at Duke, Harvard and New York universities suggests that the frustration of legal, skilled immigrants like Kamath is setting the stage for what could be the first "reverse brain drain" in American history.

Bureaucratic headaches and personal struggles like the ones Kamath has experienced have led as many as 20 percent of legal immigrants to consider abandoning their American dreams, according to the collaborative study, titled "Intellectual Property, the Immigration Backlog and Reverse Brain Drain: America's New Immigrant Entrepreneurs." That reverse migration could rob U.S. industry and the economy of some of its most vital brainpower.

"I have begun to hate my work and my life in the U.S." said Kamath. "I think that it is better to be king in a third world country than a helpless immigrant in a superpower, developed one."

If he returns to India's vibrant economy, Kamath would work for his company's research center, and he would likely take along others who work for him.

"My company is already thinking of outsourcing work to India," he said. "But it's not easy to pack up eight years of your life, relocate and restart in a new country, not even your own."

For decades, the backbone of America's competitive economy has been its highly educated legal immigrants. The majority come from India, China, Mexico and the Philippines, attracted to the United States by the world's best universities, most vibrant companies and highest standard of living.

The study revealed that immigrants founded half of the tech and engineering companies started in Silicon Valley between 1995 and 2005. Nationwide, about one-quarter were started by immigrants.

It also discovered that 41 percent of the U.S. government's global patents had foreign nationals listed as inventors.

But today these skilled immigrants are finding their lives in disarray because of complicated laws and a bureaucratic backlog that started after heightened security checks created in the wake of Sept. 11.

These are not the 12 million illegal immigrants who have captivated national attention and stirred congressional debate. Rather, these are doctors, engineers and technology superstars who have played by the rules and helped fuel the booming American economy.

"We are obsessed with the undocumented aliens who are unskilled, but there is a major crisis with our skilled labor," said Robert Litan, vice president of research at the Kauffman Foundation, which released the study Aug. 22.

"It would be a national tragedy if they went back," Litan told ABCNEWS.com. "We have our eyes focused on the wrong ball."

'A National Tragedy'

The study was based on data from the U.S. departments of Homeland Security, Labor and State.

According to the study, one in five new legal immigrants and about one in three business owners or investors either plan to leave the U.S. or are uncertain about staying.

Immigrants like Leigh Plimmer, an Atlanta CPA from South Africa, feel unwelcome, and Plimmer argued that the national debate on illegal workers has painted a false picture of all immigrants as "illegal, lazy, criminal, unbeneficial and parasitic."

Since the 1960s, U.S. immigration policy has been less Eurocentric, offering visas equally to all countries. Greater emphasis is placed on family ties, rather than on education and skills.

Each year, the United States gives out a total of 900,000 green cards -- the first step toward citizenship. The vast majority go to relatives of new immigrants or to refugees or asylum seekers. Just 140,000 are allotted for skilled immigrants.

The problem, said Litan, was the cap Congress put on skilled immigration -- each country can only account for 7 percent of the total 140,000 available green cards that go to skilled immigrants.

This means that a small country like Iceland is allowed the same number of immigrants -- about 9,800 a year -- as industrial giants like India and China, highly populous countries whose growing economies are now luring their emigrants back.

Some skilled immigrants could wait up to 10 years for their green cards, forcing them to make hard professional and personal choices.

Nigerian Kola Akinwande, a manager at a major Arizona company, is so discouraged that he has applied for immigration to Canada. He came to the United States in 2001, but a series of company mergers and acquisitions threw his plans into turmoil.

He cannot get a raise or switch jobs without sacrificing his green card application. His wife, with a master's in child psychology, cannot work. His two college-age sons do not qualify for in-state tuition, and a third son is headed for college next year.

"I have ideas of starting a venture that would employ at least 10 American workers, but I can't," he told ABCNEWS.com. "We are stuck in limbo. I cannot go home now without wasting six years of my life."

"But I prefer to stay here because we have put down roots," he said.

Some Prefer to Stay

Companies started by immigrants employed 450,000 workers and generated \$52 billion in revenue in 2006, according to earlier studies. Indian immigrants founded more companies than the next four countries combined -- the United Kingdom, China, Taiwan and Japan.

The largest foreign-born patent application group was from China, according to an analysis of the World Intellectual Property Organization. Indian nationals were second, followed by Canadians and the British.

Immigrant business founders were highly educated in science, technology, math and engineering-related disciplines, with 96 percent holding bachelor's degrees and 75 percent holding master's or doctorates.

"It becomes clear that we're headed for a crisis," said Vivek Wadhwa, a Wertheim Fellow at Harvard University who led the "Intellectual Property" study with noted economist Richard Freeman and NYU sociologist Guillermina Jasso.

"The data was astonishing," said Wadhwa. "No one knew how many were in line."

"We brought hundreds of thousands of workers to the U.S. on temporary visas, trained them in our technology and market and now are forcing them to leave, just when they have become even more valuable."

He predicted that unless immigration laws are reformed and backlogs corrected, hundreds of thousands of highly skilled immigrants could leave. Many who were educated in the United States and raised their families here will take American know-how elsewhere.

Many will close companies putting employees out of work and set up shop overseas, competing against the United States or attracting American companies eager to outsource, he said.

"The yearly inflow of talent from the world to the U.S. is worth billions of dollars," said Wadhwa, an India-born technology executive.

"It could be that India has provided more in intellectual-capital to the U.S. just over the last decade than all of the financial aid the U.S. has given to India over the last 60 years," he said. "So one may ask, 'Who's helping who, here?'"

Congressional Reform

Immigration Voice, a grassroots organization that represents the nation's skilled immigrants, expects 5,000 of its members to march in Washington, D.C., on Sept. 18 to press Congress for reform.

"The issue of undocumented has overshadowed the issue of legal skilled immigrants," said organization spokesman Jay Pradhan.

Pradhan, a Nevada software developer, has worked in the United States for seven years and filed for his green card in 2004. But fears he may have to wait another three to four years.

"I can't really plan my life and my career without knowing what is going to happen," he said. "Congress has to let us know if they want us here or not."

For the Kauffman Foundation, whose main mission is to advance the understanding of entrepreneurship, the stakes are high.

"Immigrants are a high-growth force and power in the economy," said Litan. "Put aside nationality, throughout American history immigrants are disproportionately entrepreneurial because they are locked out of the mainstream. The way to get to the first rung is to open their own businesses."

He rejects the notion that hiring Indians and Chinese workers takes jobs from Americans.

"We've run out of American tech workers, and companies like Cisco and Microsoft have to go follow [skilled immigrants.] If we let them go home you accelerate the outsourcing of American research and development."

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