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The Real High-Tech Immigrant Problem: They're Leaving

By *Steve Lohr*

The hiring of immigrant high-tech workers was a heated issue well before the economy went into a tailspin. So it's no real surprise that the bank bailout legislation includes language to discourage banks from recruiting skilled foreigners on work visas.

It seems to be a political gesture, understandable and probably empty. "Citibank and the others aren't hiring, they're firing," Vivek Wadhwa, a former technology entrepreneur who is an adjunct professor at Duke University, said in an interview Sunday. "It has no practical effect, other than to make a couple of senators feel good. But it's a stupid message to send."

The real worry should not be smart foreigners coming to take jobs in America, said Mr. Wadhwa, but all the bright, ambitious immigrants who are leaving the United States and returning home, especially to India and China. That is the topic of a report, "America's Loss is the World's Gain,", to be released Monday, with Mr. Wadhwa as its principal author and the Kauffman Foundation as the funder.

In the last two decades, Mr. Wadhwa estimates, 50,000 immigrants left the United States and returned to India and China. In the next five years, he projects that 100,000 more will make the return trip. "A trickle is turning into a flood," he said.

Economics, not visa headaches, is the main engine of the shift, according to the two-year research project, which surveyed 1,203 Indian and Chinese workers who had studied or worked in the United States for a year or more before returning home. Growing demand for their skills and shining career opportunities back home were cited by 87 percent of the Chinese and 79 percent of the Indians as the major professional reason for returning. Most also cited the lure of being close to family and friends.

Most of the returnees were young –- in their early 30s -– and nearly 90 percent had master's or doctorate degrees. And 66 percent said that visa considerations were not a reason for returning home. "Addressing this issue is going to entail more than solving the visa problem," said Mr. Wadhwa, referring to the waiting list of 1 million H-1B visa holders and their families who are seeking longer-term work visas.
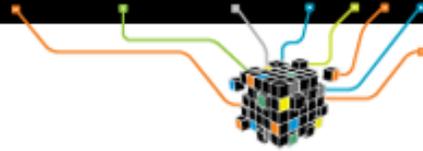
Instead of permitting skilled immigrants to enter the United States, Mr. Wadhwa insisted, the country has to start wooing them by creating "fast-track" immigration policies and incentives to stay, as nations like Singapore and Australia have done.

The United States, said Mr. Wadhwa, who is also a researcher at the Harvard Law School, has too often taken the immigrant high-tech dividend for granted. Previous research by Mr. Wadhwa and his associates found that immigrants were the chief executives or chief technologists at one of every four technology and engineering companies started in America from 1995 to 2005, and 52 percent of Silicon Valley start-ups. These immigrant-founded companies employed 450,000 workers in 2006.