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Silicon Valley Up in Arms Over Proposed H-1B Overhaul

By David Jones

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Silicon Valley is in an uproar over a proposed new executive order that would overhaul the existing policy on foreign worker visas. The goal apparently is to prioritize the

hiring of American workers first and make other changes in the way U.S. companies can recruit skilled professionals from other countries.

The Trump administration wants to revise existing policies on how American companies hire foreign workers in a way that would force them to consider U.S. citizens first and foremost, Bloomberg reported, based on a copy of a draft of the order it obtained.

The order would be part of the administration's effort to overhaul existing immigration policy. It also would apply pressure on domestic firms to hire local talent, and to prioritize investments in the U.S. over emerging markets in Asia, where wages and costs are lower and regulations are less restrictive.

The language in the draft order includes references to protecting the civil rights of American workers and current lawful residents, Bloomberg reported.

Policy should "prioritize the protection of American workers -- our forgotten working people -- and the jobs they hold," it reportedly states.

Growing Turmoil

The proposed order follows fierce political and legal confrontations over the weekend after Trump issued an executive order to halt temporarily all immigration from seven predominantly Muslim nations: Iraq, Syria, Iran, Yemen, Sudan, Libya and Somalia. The order cites concerns that unvetted refugees or others from those countries could pose a threat to the U.S.

The H-1B visa program is "part of a larger immigration reform effort that the president will continue to talk about through executive order and through working with Congress," White House Press Secretary Sean Spicer said in response to a question raised during the daily presidential briefing.

Staffing Shortfall

Within the tech industry, there is widespread fear that the proposed order could threaten the ability of Silicon Valley companies to recruit and retain a specialized workforce. Many engineers, programmers and other skilled workers come to the U.S. to fill highly sophisticated positions that otherwise would be difficult to fill due to the shortage of qualified STEM professionals in the U.S.

The success of the United States technology sector comes from "attracting the best and the brightest in the world," said Gary Shapiro, CEO of the [Consumer Technology Association](#).

The U.S. likely will face a shortfall of more than 223,000 workers in STEM fields by 2018, meaning 30 percent of STEM jobs will go unfilled, he told the E-Commerce Times. "We can either enable companies to find the best and brightest talent available, or those talented workers will find countries where companies can hire them."

Immigrants founded more than half of U.S. startup firms valued at more than US\$1 billion, noted Shapiro. Immigrants or their children founded 40 percent of Fortune 500 companies.

Further, every foreign-born worker in the U.S. with a STEM degree creates 2.62 jobs for a U.S. born worker, he added.

"The administration and Congress should work to support H-1B reforms that encourage foreign-born entrepreneurs and U.S.-educated immigrants to remain in the U.S. to build businesses and create domestic jobs," Shapiro maintained. "The very future of our tech economy is at stake."

The Long View

IBM received 1,919 new H-1B visa approvals in 2015, compared with 1,058 for Amazon, 961 for Microsoft, 833 for Google, 532 for Apple and 408 for Facebook, according to a study the National Foundation for American Policy published last summer.

"The revisions to the H-1B visa program could reduce the number of tech workers that can come into the U.S.," said Kevin Krewell, principal analyst at [Tirias Research](#), and "depending on the final version, it could reduce the ability of companies to outsource some jobs."

The proposed changes could hurt companies that depend on workers with specific skills, which would slow down development for those firms in the U.S, he told the E-Commerce Times.

"In the short term, it might create more jobs for U.S. citizens, but long term, it can hinder our ability to attract the best and brightest from throughout the world," Krewell said.

"President Trump is exploiting economic insecurity to divide our communities," said Derecka Mehrens, cofounder of [Silicon Valley Rising](#).

"To resist these attacks, we call on the tech sector to stand up for all immigrant workers," she told the E-Commerce Times, "from H-1B visa holders to service workers like janitors and cafeteria workers -- and to take on Silicon Valley's extreme inequality by raising up its low-wage subcontracted workforce." 

David Jones is a freelance writer based in Essex County, New Jersey. He has written for Reuters, Bloomberg, *Crain's New York Business* and *The New York Times*.

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