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Today 's Senate Hearing (March 18, 2015 Matloff Blog)

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March 18, 2015 matloff

In spite of my posting title here, I won’t go into detail on the hearing. I haven’t watched the whole thing yet, and won’t post a detailed analysis until I do so.

Before I get to my main point, which will concern H-1B wages, I’ll say that the hearing apparently turned out exactly as I expected: Praise the Intels and blame the Infosyses. This is the tactic the mainstream industry lobbyists have been using since back in the 1990s, designed to deflect attention away from their own abuse of foreign tech worker programs, and various senators employed this tried-and-true approach. The H-1B critics — researchers Hira, Miano and Salzman, and H-1B victim Jay Palmer — did a great job during the portion I’ve watched so far, with Palmer being especially good for a “non-pro.” Nevertheless, people hear what they expect/want to hear, and I predict that most of the senators came away thinking (incorrectly) that the four critics believe in the “Intels are good, Infosyses are bad” dichotomy.

My main point in this posting, though, is to discuss the Intels-vs.-Infosyses issue in terms of wages and other kinds of abuse.

First, there is no doubt that the Intels pay their H-1Bs higher wages than the Infosyses pay

theirs. However, that doesn't mean that the Intels don't underpay their foreign workers. The two types of companies hire quite different H-1Bs, with the Intels typically hiring workers who have a Master's degree from a U.S. school and the Infosyses hiring people with three-year Bachelor's degrees from India. But **both are underpaying for their respective levels of workers**. See my *Migration Letters*paper for details. (By the way, I did a quick analysis of the 2014 green card data this evening, and it was pretty much the same as the 2011 data I used in that paper.)

The other point is that for many of the Intels, the immobility of the foreign workers is much more important than saving in wages. If you are an employer, having an engineer leave you in the lurch during an urgent project is disastrous. Immigration attorneys openly urge employers to give hiring preference to foreign students over Americans for this reason. So the entire notion that the Intels are "better" because they hire foreign students turns the truth on its head.

By the way, the committee invited me to submit a letter discussing my views. You can download it here.

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