



Richardson Duplicitous on Outsourcing?

Close Loophole That Hurts Skilled U.S. Workers

By Froma Harrop

Published on 1/3/2009



Barack Obama's pick for commerce secretary, New Mexico Gov. Bill Richardson, vows to create millions of technology jobs that can't be outsourced. Sounds good, particularly in this melting economy.

On the other hand, Richardson supports expanding the H-1B visa program, which had greased the departure of good-paying tech jobs to lower-wage countries. The program lets U.S. companies employ up to 65,000 temporary foreign software designers, engineers and other skilled professionals a year.

When the workers go home, the jobs often go with them. That's a problem for American workers. For the businesses that abuse the program, it's a plan.

Indian outsourcing companies account for almost 80 percent of the visa petitions approved for the top 10 participants in the program, according to BusinessWeek. The Indian commerce minister has called H-1B “the outsourcing visa.”

For the record, Obama also backs issuing more H-1B visas, as does his pick for labor secretary, Hilda Solis.

Many American companies have a genuine need for specialized skills from abroad. And the H-1B visa can usefully serve as a bridge for foreign graduates of U.S. universities awaiting their green cards.

But it also helps companies replace their skilled American workers with cheaper foreign labor. Here is an example:

At the drug maker Pfizer's Connecticut campuses, American information technology (IT) workers train their H-1B understudies. Pfizer's apparent long-range plan is to have some of these jobs performed by guest workers in the United States and others taken overseas, according to The Day.

Humiliating for U.S. workers

It's baffling that the United States would have a program to hasten this humiliating scenario for its workers. And the deeper mystery is why there is so little resistance to it, especially since there are 3 million IT workers in this country. Certainly in this time of massive layoffs there can be no pretense of a labor shortage.

“IT workers make up the largest of our science and engineering occupations,” outsourcing expert Ron Hira tells me, “and they essentially have no representation in Washington.”

Not so Microsoft, Google, Intel and other heavy users of the H-1B program. They belong to Compete America, a well-funded lobby. Compete America's spokesman is Oracle executive Robert Hoffman. Oracle happens to own I-Flex, a large outsourcing firm. The companies' collective complaint is that they suffer a desperate shortage of skilled workers.

“But no one has to demonstrate that there is a shortage,” notes Hira, a professor of public policy at the Rochester Institute of Technology. The median base pay for IT professionals fell to \$73,000 this year from \$74,000 last year. “If wages are dropping, that's an indication there's not a shortage,” Hira adds.

Les French is the president of WashTech, the Seattle-based local of the Communications Workers of America. French sees a legitimate need for the H-1B program and doesn't automatically oppose raising the cap on the visas. He just wants to stop the program's abuses.

A Senate bill sponsored by Illinois Democrat Richard Durbin and Iowa Republican Charles Grassley would help do that. It would raise the floor pay for H-1B workers and require companies to make an active search of American workers before they turn to visas. And it provides for oversight of companies using the program.

French says he is “a little nervous” about Obama and his team. “I think there's going to be an uphill battle in educating the administration as well as members of Congress.”

In the meantime, someone should ask Gov. Richardson exactly what tech jobs can't be outsourced. Moving skilled U.S. jobs offshore may be a trend that's already taken off, but why should Washington provide the airplanes? Perhaps that should be question No. 1.