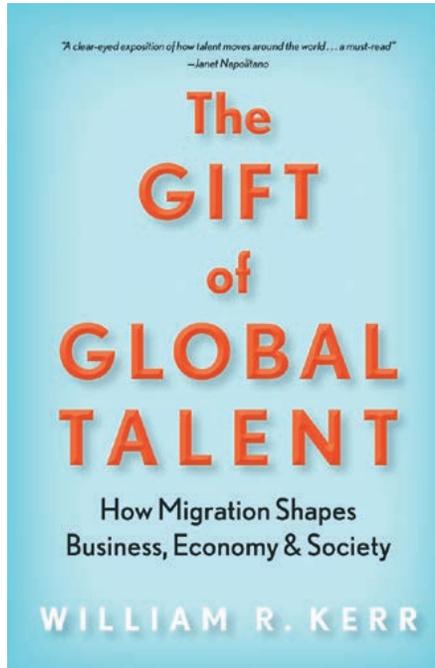


## Shutting the Door

ALBERT H. TEICH



**The Gift of Global Talent: How Migration Shapes Business, Economy & Society**  
by William R. Kerr. Stanford, CA: Stanford University Press, 2019, 256 pp.

It's something of a cliché to observe, as William R. Kerr does in *The Gift of Global Talent* (and as I have in *Issues*), that over the past 70 years or so the United States has been a magnet for highly talented scientists and engineers and bright young people from all over the world who aspire to technical careers. From the perspective of US policy-makers, this magnetism has been a gift. But even as other nations have gone as far as erecting billboards in Silicon Valley to lure away high-skilled immigrants who face legal problems with their status, the United States, as Kerr notes, "has often taken its special position for granted and has done little recently to make itself more attractive." In fact, US policy, rather than seeking to attract talented individuals, has thrown up barriers to

make immigration—and sometimes even short-term visits by scientists and engineers, including internationally known and respected experts—difficult and complicated. And in recent years, the anti-immigrant rhetoric and policies of the Trump administration have discouraged immigration even further.

William Kerr is a professor at Harvard Business School and leader of its "Managing the Future of Work" project. His book was published by Stanford University Press as a Stanford Business Book. That, and the fact that business is listed first in the subtitle, *How Migration Shapes Business, Economy & Society*, is a pretty good indication of the audience to whom the book is directed. However, there are plenty of reasons to commend it to academics, policy-makers, and others interested in pressing matters of the day. The book is largely research-based and speaks to a range of issues that overlap with, but go well beyond, business—such as government innovation policy, education policy, and international relations. It's well-written in a breezy and easy-to-read style, largely free of jargon. Kerr livens up his analysis with anecdotes, personal asides, and interesting factoids. He narrates his way through the book as if it were a journey on which he is guiding the reader ("Our next chapter takes on ..."; "We next turn to ...")—a technique that some readers may find helpful, but I found annoying.

Kerr's central thesis is that "talent" is the world's most valuable resource. He makes a convincing case that talented immigrants are critical to the US economy and society. Unlike geographic advantages, mineral wealth, or other natural resources, talented individuals are easily moveable. But rather than attempting to attract and retain these immigrants, Kerr argues, US immigration policies are "dragging the country down."

America's major economic competitors, and some industrializing nations that aspire to be competitors, to

have not failed to notice this and are offering incentives to potential high-skilled immigrants. In one of his first acts as the United Kingdom's prime minister, Boris Johnson announced plans to fast-track visas for scientists in order to "supercharge" British science. Several European Union countries, including France, Italy, and Ireland, have created special start-up visas for entrepreneurs. And countries that have traditionally sent large numbers of students to the United States to study engineering and science are increasingly providing incentives for their students to remain at home for their studies.

Reading the headlines or listening to politicians, one might conclude that border security is the United States' most serious immigration concern. There's no denying the importance of border security, but while US policymakers devote their time and energy to illegal immigration, claims of asylum, and President Trump's wall on the southern border, the vital longer-term issue of high-skilled immigration is failing to receive its share of attention. In *The Gift of Global Talent*, Kerr provides a useful corrective by focusing attention on the contributions of highly talented individuals from abroad to the US economy and society.

Citing a paper in the *American Economic Review*, Kerr notes that immigrants comprise nearly a third of the college-educated US science, technology, engineering, and mathematics (STEM) workforce. And using data from the World Intellectual Property Organization, he points out that citizens of countries other than the United States now account for about a quarter of American patents. Further, he does his own analysis using US Patent and Trademark Office data to show how inventors from ethnic groups other than Anglo-Saxons and Europeans (especially Chinese and Indians—presumably immigrants or children of immigrants) have dramatically increased their shares

of US patents over the past 40 years. Although his methodology, which involves imputing the ethnic origins of inventors in the patent database from their names, deserves careful scrutiny, the data are broadly consistent with the trends in the STEM workforce that Kerr describes elsewhere in the book.

Immigrants, in Kerr's view, not only add quantity—that is, numbers of scientists, engineers, computer programmers, and so on—but also quality to the US tech community. Immigrants' shares of patents, prizes, and other measures of distinction increase with the prestige of the metric used: their proportion compared with nonimmigrants is highest among US Nobel laureates and recipients of other elite scientific awards, somewhat lower among inventors, and then college graduates.

But probably most significant in terms of global influence, and most central to the theme of this book, is the impact of immigrants on entrepreneurship in the United States. One of the most startling statistics Kerr cites is the increase in patenting by Chinese and Indian inventors specifically working in the San Francisco Bay Area. In the late 1970s, such individuals were listed either as inventors or coinventors in one out of every 220 US patents. In recent years that number has grown to one out of every 11. That statistic highlights at least two issues: first, the growing importance of "talent clusters" such as Silicon Valley; and second, the positive impact on native—that is, nonimmigrant—STEM workers in terms of their wage growth, mobility, and job security. Kerr does a good job of discussing these and other issues that affect how immigration relates to entrepreneurship, such as the effect of points-based systems for selecting immigrants for admission versus employer-based systems.

Many nations, including Canada, the United Kingdom, and Hong Kong, use points, which grade immigrants on such criteria as work experience,

education, and language proficiency. The United States, on the other hand, uses an employer-based system, under which a limited number of H-1B visas, valid for three years and renewable, are allocated to firms that apply on behalf of individuals they intend to hire. (According to federal regulations, H-1B visas are granted to individuals in occupations that require highly specialized knowledge and at least a bachelor's degree or equivalent in that specialty.) The US system has the advantage over points-based systems of guaranteeing employment for those who are admitted and making sure that employers are able to find workers with the skills they need. Among its disadvantages is the fact that it is subject to manipulation by employers. The program was designed to bring more top-level scientists and engineers to American companies, but critics point out that Indian outsourcing firms have been the heaviest users and principal beneficiaries of H-1Bs in recent years. These firms use the system to train mid-level Indian information technology workers who then return to India and work remotely for US firms at lower wages, allowing their employers to undercut their American competitors.

US policy for high-skilled immigration badly needs to be brought up to date to reflect changes in geopolitics, technology, industry, and the nature of work. For the past 20 years the system has been hostage to the notion of comprehensive immigration reform, which incorporates the kinds of changes to high-skilled immigration policies and practices suggested by Kerr's analysis, but also includes such hot-button issues as increased border enforcement, reunification of immigrant families, and the status of twelve million illegal immigrants.

The last chapter of *The Gift of Global Talent* lays out what Kerr terms "conclusions," but what might be more accurately called "conclusions and recommendations." He starts from two related assumptions: that there is good

reason to believe that US technological leadership will continue in the twenty-first century, but that the nation's advantage will shrink in coming years as other countries grow stronger. The first is not an unreasonable assumption, although it's one that some observers might question as China and other global powers invest heavily in science and technology. The second is hard to argue with.

It's also hard to argue with Kerr's overall recommendation, which underlies the premise on which the book is based: that the United States must "pull back from its current hostility toward immigrants." This hostility, deriving from the highest levels of the Trump administration, is infecting the entire immigration policy discussion. Turning it around is a tall order and will take strong and principled leadership.

Fortunately, Kerr offers some important ideas that can be discussed, and ideally implemented, on the smaller stage of high-skilled immigration policy. Most pertain to the book's major focus, the H1-B visa system: how it's designed and how it's implemented in practice. But some recommendations—such as the need to improve selection of recipients (both the process and outcomes)—apply to all classes of visas. In the case of H1-Bs, the total number available each year is limited by law to 85,000, although there are certain exemptions. If the demand exceeds this number, which has happened annually for the past 16 years, the visas are assigned by lottery—a very inefficient system. Kerr recommends ranking applications by wage levels and proceeding downward from the top, giving priority to applications with higher wages and presumably higher (or at least scarcer) skill levels. Recent administrative initiatives have changed the picture somewhat, although it is too early to tell what their effects will be.

Some of Kerr's proposals, although attractive in concept, stand relatively

little chance of adoption in the near future. One is to give workers with H-1B visas the ability to apply directly for a green card that provides for permanent residence in the United States, rather than reserving that application right for employers, as is done today, which gives the employer a great deal of power over the employee. Supporters of the current policy say that employers have "soft" information that makes them best able to judge the employee's capabilities. Critics claim the system creates "indentured servants" and inhibits the freedom of potential entrepreneurs and other bright and strongly motivated individuals to pursue their ambitions. They worry it may drive highly skilled immigrants to other countries that are eager to snap them up.

Apart from noting the flaws in the often-heard proposal to "staple a green card" to advanced STEM degrees from US schools, *The Gift of Global Talent* pays relatively little attention to what Kerr calls "the education pathway"—that is, the talented individuals who come to the United States as students and find ways to remain in the country following completion of their degrees. He does suggest a compromise approach to the "stapling" idea that would allow promising foreign graduates to remain in the United States for a limited time, related to the length of time they've spent in school in this country.

This suggestion and the others sprinkled throughout the book, many of which seem quite reasonable, are unlikely to find receptive audiences among today's cross-pressured policymakers operating in a hostile political environment. Few people, however, would argue with Kerr's final words: "We should welcome and harness global talent, not push it away." Amen.

*Albert H. Teich is a research professor of science, technology, and international affairs at The George Washington University.*