

Businesses Say New York's Clout Is Emigrating, With Visa Policies to Blame

THE NEW YORK TIMES

March 24, 2008

By PATRICK McGEEHAN and NINA BERNSTEIN

New York officials have long taken pride in the city's status as a global gateway. But lately, senior executives of some of the country's biggest corporations, like Alcoa, have been complaining that American immigration policies are thwarting New York's ability to compete with other world capitals.

Every big employer in the city, it seems, can cite an example of high-paying jobs that had to be relocated to foreign cities because the people chosen to fill them could not gain entry to the United States.

In Alcoa's case, one of its chief financial executives, Vanessa Lau, who is from Hong Kong, is working from the company's offices in Geneva when she should be at headquarters on Park Avenue, according to Alain J. P. Belda, the chairman and chief executive.

Officials of large investment banks on Wall Street said the difficulty in obtaining visas for foreign workers, many of them graduates of American universities, had caused them to shift dozens of jobs to other financial capitals this year. In some cases, foreign-born professionals have grown weary of the struggle to get and renew a work visa in the United States and moved on to cities like London, where they say they feel more welcome.

"In a company like ours, we have people moving all over the place all the time," Mr. Belda said. "This visa situation is causing difficulty."

Mr. Belda is particularly frustrated, given that he is a Moroccan-born citizen of Brazil whom Alcoa brought to the United States in the early 1990s when immigration rules were looser. Now, with visas for immigrants with special skills tightly controlled and awarded in an annual lottery in early April, managing a global enterprise from New York can be a competitive disadvantage, he said.

"After 9/11, it just became more and more complicated," Mr. Belda said. "You're fighting to get everybody in, "he said, then fighting for renewal of their visas so that they can stay more than three years. "How do you move somebody with a family if they don't know they're going to be renewed?" he said.

Until now, visa restrictions have been seen as a problem that primarily affected technology companies in Silicon Valley and elsewhere in the West. Bill Gates, the chairman of Microsoft, has been railing against them for years.

But according to the Partnership for New York City, a business advocacy group, there is more demand for visas for specialized jobs in New York, New Jersey and Connecticut than in California, and most of the demand comes from small and midsize companies, not the largest corporations. The partnership, whose members include many of the city's biggest employers, has lobbied legislative leaders, including Speaker Nancy Pelosi and Senator Charles E. Schumer, for a relaxation of visa policies.

“New York’s ability to compete with London, which has much more open immigration, or with the emerging financial capitals in Asia and the Middle East, depends on mobility of talent, both in terms of new and current employees,” said Kathryn S. Wylde, president of the partnership. “What people miss is, New York’s standing as an international capital of business and finance depends on the professionals within these companies being able to come to New York to be trained and groomed for leadership positions around the world.”

Indeed, companies are capitalizing on more open visa policies elsewhere to recruit some of the leaders educated and trained in New York. Gaurav Gaur, for example, an Indian who earned his M.B.A. from Cornell in 2004, said he seized the chance to leave New York last year for London to work for Barclays, though it meant turning his back on opportunities at Bloomberg L.P. and other American companies.

“The whole visa situation was one of the biggest reasons that I took the job,” Mr. Gaur said in a telephone interview from London, where he is a senior project manager for the British bank. “I didn’t want to keep going through this uncertainty — it’s just a nightmare.”

In New York, Mr. Gaur, 33, had managed to secure one of the three-year visas for professionals known as H-1B visas, and he probably could have renewed it for another three years, he said. But after that he knew he would be faced with the prospect of year-to-year renewals while he waited in a long and unpredictable line for permanent residency — and remained tethered to whatever company was sponsoring him for a green card.

Moreover, he said, his wife, Bhavna, who has a master’s degree in social work from Washington University in St. Louis, had work visa woes of her own in a field where few employers were familiar with the H-1B program.

In Britain, he said, “it’s drastically different.” There is no cap on work visas, and since he had a work permit, his wife was automatically allowed to work; she quickly found a good social work job.

“If I stay here for five years,” he added, “I automatically become eligible for a green card, for permanent residency.”

In the United States, companies apply for the three-year H-1B visas annually, starting on April 1. The demand typically far outstrips the total supply of visas, limited to 65,000 a year, with an additional 20,000 available for those with advanced degrees from American universities. Last year 120,000 applications came in on April 1 alone, including hundreds of duplicates, and United States Citizenship and Immigration Services conducted a lottery for the first time.

This year, officials warned, multiple petitions by the same company for one candidate will be disqualified, to prevent businesses from trying to game the system.

In 2006, more than 10,000 companies sought H-1B visas for jobs in New York City, according to the partnership’s analysis in a soon-to-be-published report. Only about one-tenth of those applications came from the country’s 1,000 biggest companies, it said.

Data about who holds these visas and where they work is closely guarded. But judging by the applications filed, the partnership concluded that the greatest demand is from the New York area.

More than one-fifth — 21 percent — of the applications were for jobs in New York, New Jersey and Connecticut, according to the report, titled “Winning the Global Race for Talent.” In contrast, about 18.2 percent of the H-1B visa applications were for jobs in California. Texas ranked fourth behind New York and New Jersey with about 7.7 percent of the applications, according to the report. A survey by the partnership found that employers had complaints about other immigration policies, including long delays in obtaining visas for employees transferring from offices in other countries and visas for their employees to make short-term visits to the United States. They also said they were constrained by big backlogs on applications for employment-based green cards, which offer permanent residency to sponsored workers.

The partnership recommended adjusting the cap on H-1B visas to meet demand and more than doubling the annual limit on employment-based green cards to 290,000 from 140,000. It also suggested exempting workers with advanced degrees in science and math from any cap on H-1B visas and extending the term of visas for workers receiving practical training to 29 months from 12 months.

Mark Krikorian, executive director of the Center for Immigration Studies in Washington, which advocates less immigration, dismissed the partnership’s argument as merely “trying to bend the law to benefit them financially.”

The H-1B visa program creates a form of indentured worker whose pay, on average, is lower than that of American counterparts, Mr. Krikorian contended. The only morally defensible way to bring workers into the country, he said, is with green cards that allow them to quit working for the sponsoring employer and stay in the United States. Still, he

added that he opposed increasing the number of such green cards without the immigration service's raising its standards "so that it's really Einstein immigration."

Ms. Wylde disagrees.

"It's a 20th-century, pre-globalization mentality that thinks somehow American companies and jobs can grow if we cut ourselves off from foreign talent," she said.