



Motivation For Hiring Alien Workers?

Hint: It's Not a Labor Shortage

By David North

Why do U.S.-based employers, who are quite happy to make things in the United States, sell things to American consumers, and accept lush contracts and tax-breaks from Uncle Sam, want to hire temporary foreign workers, such as those in the H-1B program?

They make two basic arguments: 1) there are labor shortages that hamper production; and 2) many of the firms claim that they cannot hire the “best and the brightest” without looking beyond the citizen and green card workforce.

In reality, the employers' motivation is primarily to cut labor costs by hiring less expensive foreign workers, but it is more complex than that in many cases; there are three other factors, rarely mentioned, that underpin the decision to seek nonimmigrant workers:

1. All temporary alien workers are *indentured* by the terms of admission to the United States, and do not have the ability to fend for themselves as do citizen and green card workers. When is the last time you read about temporary foreign workers forming a union?
2. Temporary alien workers are, in addition to their indentured status, recruited from among *docile*, authority-fearing Third World populations and are thus relatively easy to manage. When is the last time you read of massive admissions of temporary workers from lands with strong histories of worker rights, such as Canada, Sweden, or Germany?
3. Temporary alien workers are often *younger* than the work force as a whole, and employers can use (and rig) the rules to hire primarily young people via the visa route.

In addition, in some circumstances, tradition, ethnocentrism, and physical beauty are factors within the minds (or perhaps subconsciousnesses) of some employers.

This report, incidentally, does not cover the purely criminal motivations sometimes at play in the use of nonimmigrant programs, both fraud for monetary reasons and the illicit use of nonimmigrant women in the sex trade. There is much more of this than reported because of generally lax enforcement of the immigration process, but that is another subject.

Before looking in some depth at the rarely discussed indenture, docility, and youth variables, let's briefly review the shortage/wage-reduction and “best-and-brightest” issues that usually draw more attention from scholars, advocates, and politicians.

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Labor and Wage Shortages

A former boss of mine, the late U.S. Secretary of Labor W. Willard Wirtz,¹ used to tell people that when there is a mismatch of workers and jobs, employers have two choices: they can adjust the wages offered or they can seek to adjust the work force. Routinely, he said, they chose the latter. That this choice always exists is rarely mentioned by employers, who, instead, argue that there is a “labor shortage”, never finishing their thought by adding “at the wages we are willing to pay”.

The favored adjustment of the labor force by such employers is to seek temporary foreign workers, something that can be arranged through a variety of congressionally shaped programs, almost always designed by employers. These include the H programs, which are partially managed by the Department of Labor: H-1B, for high-tech workers; H-2A, for farm workers; and H-2B, for non-skilled, non-agricultural workers. There are also a batch of other working visas, which do not relate to DoL, such as F, J, L, O, P, Q, R, and TN (Nafta); all of these can be used, one way or another, to legalize the employment of aliens in the United States.

Are there some U.S. skills shortages that cannot be solved by raising wages and changing training patterns? Of course, but they involve thousands of jobs, not hundreds of thousands or millions of them. If a university seeks a professor of Mongolian languages and literature who must have a PhD and a native’s skill with that language, the university should be able to recruit overseas; so should a zoo that needs a veterinarian really skilled with the diseases of the water buffalo.

But nonimmigrant worker programs started decades ago to handle such one-off shortages have morphed over time into massive admissions systems that not only fill jobs with aliens that could have been filed by residents (citizens and green card holders) they lower wages for all concerned where they concentrate. Thus, these systems impose both displacement and wage-depression impacts on the U.S. labor markets.

For more data and insights into these labor/wage shortage arguments, one could read my colleague Steven Camarota on Census data showing, on a macro scale, that 59 million Americans of working age are *not* working, or, for a more focused look at the high-tech labor market, the work of Hal Salzman, et al., showing that we have many more Americans with high-tech backgrounds than the number working in those fields, and for the contrary point of view, one could consider Stuart Anderson’s writings on industry’s alleged needs for more high-tech workers.²

Best and Brightest

Industry leaders, from Bill Gates on down, have said that America must have the best and the brightest, and that such persons can be found among foreign students getting technical educations in U.S. institutions; they usually join that statement of need with policy proposals calling for extensive increases in initial H-1B admissions, and/or the stapling of a green card to all STEM (science, technology, engineering, and math) advanced degrees granted to aliens by U.S. universities.

That need-and-policy mix does not make sense. While the words “best” and “brightest” are absolutes, as is “unique”, the industry policy remedies involve tens of thousands of persons, many with totally undistinguished master’s degrees from undistinguished state colleges.

NFL teams hire new quarterbacks from time to time. Most of those chosen are 21- to 23-year old males. Do the teams announce tryouts for all healthy males between the ages of 21 and 23? Hardly. They have far more sophisticated selection techniques. So should the nation if it is seeking someone with rare skills, and we have such systems.

My personal reaction to the plea that we need to change the rules for immigrant and non-immigrant workers to accommodate some of the world’s ablest people is to ask this question: If the alien is talented enough to, say, crack the Kremlin’s computers or cure cancer, is that individual, and his or her handlers and lawyers and friends and would-be U.S. employers, totally dumbfounded by the American immigration system? If so, one wonders about the brilliance and creativity of all concerned.

Computer science professor Norman Matloff (UC-Davis) takes a different approach. He writes:

Though the United States should indeed welcome the immigration of the “world’s best brains” are foreign students typically of that caliber? ... [T]he tech industry’s “genius” claims for these groups are not supported by available data. Compared to Americans of the same education and age the former foreign students turn out to be weaker than, or at

*most comparable to, the Americans in terms of salary, patent applications, PhD dissertation awards, and quality of the doctoral programs in which they studied.*³

He then cites chapter and verse to prove his points. His research framework excludes the Indian outsourcing firms, whose wage levels would skew the results (but in a way that would support Matloff’s basic point).

Dismissing the “best and brightest” argument for the moment, and over and above the obvious attraction of lower wages through the H-1B and other nonimmigrant programs, are there other lures for employers in such programs?

I think so: notably the indentured status of such workers, their generally docile nature, and their comparative youth. Each of these attractions, of course, has favorable economic overtones for the employers, but economics is not the whole story.

Let’s look at these other factors one at a time.

Indenture

A basic truth of America’s foreign worker programs is that the alien, like the coal miner in the Merle Travis/Tennessee Ernie Ford song, “Sixteen Tons”, owes his soul to the company store.

Nonimmigrant workers are not free men and women; they act accordingly and employers love it!

If an American loses his or her job, that’s bad news for the individual, but the newly fired citizen worker is not in danger of being thrown out of the county and is likely to be consoled for the job loss with some months of unemployment insurance payments.

The nonimmigrant worker, on the other hand, when he loses his job loses his legal right to remain in the country, and has no unemployment checks as compensation.

So, as another former Labor Secretary, Ray Marshall, puts it, the foreign worker always “works hard and scared”.

But, as is so much in life, it is more complex than that. While all nonimmigrant workers are, theoretically at least, in danger of losing their legal status at all times, there are six circles of indenture or purgatory, as Table 1 indicates.

Workers’ Wants	Workers’ Status
1. To keep the employer happy who has already filed for his green card	H-1B
2. For his employer to file for his green card	H-1B
3. For his employer to renew his H-1B status	H-1B
4. For his employer to improve his nonimmigrant status to that of H-1B	OPT phase of F-1 status (see text)
5. To keep his job and stay in the U.S. legally	All nonimmigrant workers programs
6. To keep his job, stay legally in the U.S., and to avoid being blacklisted from ever working in the U.S. again as a farmworker	This situation, which may not still exist, pertained to all Jamaican farm workers under the old H-2 program (see text)

The spectrum in the table starts, at its bleakest, with Circle 6; here we have, at least in the past, the Jamaican farm worker fearing that if he loses his job, not only does he lose the paycheck and legal presence in America, but he also forfeits any chance of ever working (as an alien farm worker) in the United States again.

This system may not still be in operation, but it served as a major incentive to Jamaican farm workers in the 1960s. Since the H-2 worker⁴ recruitment was centralized for all U.S. employers in an agency of the Jamaican government, that entity could, and did, maintain a black list. A worker fired by one American employer for cause would be forever barred from being referred to another U.S. employer as long as he lived. Needless to say, despite the abundance of unions in Jamaica, none ever appeared among the sugarcane cutters or apple pickers recruited through that procedure.

Higher in the table we see other, more nuanced, forms of indenture. The recent college graduate working in Circle 4 on a 29-month-long OPT visa,⁵ a spin-off of the F-1 visa he used as a student, works hard so that his employer will convert him to the longer-range H-1B program. In Circle 3, the still-indentured worker, while in H-1B status, wants it to be renewed, and in Circle 2 his desire is for the employer to file for a green card. There is still an aura of indenture in Circle 1 where the H-1B labors while waiting — often for years — for the promised green card.

It is possible for an H-1B worker to switch from one H-1B employer to another, but the indenture continues. Workers in Circle 1 are unlikely to change employers (although it is possible) for fear of upsetting the green card scenario.⁶

To further strengthen the bond of the indenture — at all stages and in all programs — there is the variable of the debt that may have been incurred to get the nonimmigrant visa. This is not always a factor, but when it is present it makes the worker that much more tied to the employer because if the job ends before the debt is paid off, the alien worker is in a terrible jam.

Such a debt can now accrue in one of three ways:

1. The worker must bribe his or her way into the program in the course of the recruiting process; such bribes are more likely to be paid to middlemen than to government officials;
2. The worker is charged excessive (and illegal) fees by the recruiting agency, often fees that should have been paid by the employer; and/or
3. The worker or his family has paid for education in a U.S. university that is used (such as a master's degree) to secure the nonimmigrant employment.

In the bad old days (the 1990s) of the garment sweatshops in the Commonwealth of the Northern Mariana Islands (CNMI), just north of Guam, the workers (young Chinese women from Mainland China) were routinely charged a *prospective* income tax by the Communist provincial recruitment agencies, a tax on moneys not yet earned, before they were granted permission to leave China.⁷ Since this was the case, they arrived in Saipan heavily in debt.

Returning to the basic situation, one of the glories of the indenture system for the employers is that they have to do nothing to secure its benefits. Everyone knows the rules of the game and acts accordingly, without a word being said.

It is one of the strong reasons — in addition to lower wages — that make nonimmigrant programs attractive to so many employers.

Docile Workers

Nonimmigrant workers tend to be more docile (i.e., more easily managed) than resident workers not only because of the enduring nature of their second-rate legal status, as noted above, but because they are chosen from parts of the world where submission to authority is a way of life for workers generally.

We import few temporary workers from other functioning, prospering democracies; we get them from Second (China) and Third (India and Mexico) World nations where authoritarian systems predominate and where workers' rights, and poor people's rights, are rarely enforced.

We do not, for example, use our nonimmigrant worker programs to bring in Australian dockworkers or Swiss technicians.

We are hiring out of economies less successful than ours, which means that a relatively poorly paid job by American standards looks attractive from the point of view of the people we get in the nonimmigrant programs.

As a result, American employers obtain workers who are used to hierarchal systems, are accustomed to small paychecks, and work hard to keep what they regard as better jobs than they could get in their homeland.

Such workers are easy to manage and employers like the nonimmigrant worker programs for that reason, among others.

Youth

The H-1B program allows U.S. employers, in effect, to avoid the nation’s age discrimination laws and to hire a disproportionately young work force.

A glance at Table 2 shows that H-1B workers are more than three times (69.7 percent) as likely to be in the 25-34 age bracket as American workers generally (22.9 percent). At the other end of age scale, 0.1 percent of the H-1Bs are older than 65, while 3.8 percent of the U.S. work force is in that age bracket.

This power to hire primarily the young has had a major impact on the IT industry, as Matloff has argued. He points out:

*Five years after finishing college about 57 percent of [U.S.] computer science graduates were working as programmers ... and at 20 years, when most were still only age 42 or so — it was down to 19 percent. ... By contrast, six years after graduation, 61 percent of civil engineering graduates were working in the field, and 20 years after graduation the rate was still 52 percent.*⁸

It is not that the IT industry is immune from age-discrimination laws if they are hiring in the United States. As I reported in a CIS blog earlier this year,⁹ if an employer is stupid enough to put either a maximum age in its job requirements or a maximum amount (as opposed to a minimum amount) of experience, in its ads, it can be zapped for violating the law.

Most IT firms are too savvy to do that.

But if the recruitment is taking place in a distant land, then U.S. law seems not to apply, and this appears to be a major motivation for the use of nonimmigrant worker programs.

Young workers, of course, are less expensive — all else being equal — than older ones, so there is a strong economic overtone to the emphasis on youth in the H-1B using industries.

Let’s now turn to three other, less universal motivations that, in some cases, encourage employers to use foreign workers.

Tradition and Comfort

Earlier in the summer of 2013, television personality Paula Deen got in hot water for using some derogatory racial expressions. Among other things she told of a preference for a traditional work force (in this case, a resident one). She said that in connection with planning a “plantation wedding” that she wanted, as the wait staff, middle-aged African-American men wearing tuxedos.

Table 2. Age Distributions of H-1B Workers (2011) and All U.S. Workers (2010)

Age Range	H-1B Workers	All U.S. Workers
Under 20	0.1%	3.4%
20-24	4.7%	10.0%
25-34	69.7%	22.9%
35-44	21.5%	22.0%
45-54	3.4%	23.3%
55-64	0.7%	14.7%
65-plus	0.1%	3.8%

Note: Data for H-1B workers are for all petitions, both initial ones and renewals; the distribution for only the initial petitions shows an even more pronounced tilt to the 25-34 range. The columns do not add to 100 percent due to rounding.

Sources: Second column: [“Characteristics of H-1B Specialty Occupations Workers: Fiscal Year 2011 Annual Report to Congress”](#), U.S. Department of Homeland Security, March 2012, Table 5; third column, [Statistical Abstract of the United States, 2012](#), U.S. Census Bureau, 2012, Table 605.

This kind of desire for a workforce that is defined in terms of the demographic characteristics of the workers (if not their costumes) sometimes pops up in the thinking and even the conversation of some of the users of foreign workers.

“But we have *always* had Mexicans” said many a Western grower as the Bracero program terminated in 1965. I was Assistant for Farm Labor to the U.S. Secretary of Labor at the time; we were encouraging growers to use resident American workers — including southern Blacks — and it was an up-hill struggle.

The Bracero program, which started as an emergency World War II fix for some genuine labor shortages, had continued after the war, when it was no longer needed. It brought all-male seasonal workers from Mexico to harvests across the nation, but they were concentrated in California and Texas. Needless to say, their wages were lower than those that would have attracted U.S. workers to the fields.

“All of our housing consists of barracks, we do not have family housing,” was another comment, as was this one: “But my foremen only speak Spanish.” The growers were unhappy with the prospect of southern migrant crews after decades of employing single, Mexican males. And they did not want to tell someone from Washington that they really, really did not want to hire Negroes, the term at the time.

A few years earlier, while I was working for the New Jersey State Department of Labor and Industry, and when the agency’s leadership was seeking to get southern New Jersey growers to switch from foreign workers (primarily Jamaicans in the H-2 program) to citizen workers from Puerto Rico, I heard the reverse twist on both tradition and language. In these cases, the foremen only spoke English and the work force had been, traditionally, black.

These traditions can be quite nuanced at times. Into the 1960s the source of seasonal workers for the apple harvest in the Winchester, Va., area, and at Chazy Orchards, a very large operation in uppermost Upstate New York, were blacks from the Bahamas; they were regarded fondly by their employers, such as Senator Harry Byrd, Sr. (D-Va.), as news stories of the time indicated.¹⁰

After a while, I am happy to report, the Bahamas, as a nation, got prosperous enough to terminate the country’s participation in the H-2 program (a rare if not unique event in foreign worker history) and the apple growers were seriously put-out that they had to accept a different black work force, even though it also consisted of single men, also from the British Empire, but they were from Jamaica and Barbados, not the Bahamas. That time they could not blame those nasty bureaucrats in Washington.

Paula Deen’s recipes focus on traditional, highly caloric, often deep fried “comfort food”; similarly employers who cling to certain sets of foreign workers are, consciously or unconsciously, seeking to hold onto work forces with which they, the employers, are comfortable. That is a variable that is rarely, if ever, discussed.

Ethnocentric Hiring Practices

While the Byrds preferred their Bahamians, which was an *ethnic* preference, it was not an *ethnocentric* one.

What I have in mind here is the situation in which the decision makers of a particular nationality use their power as employers in nonimmigrant worker programs to hire workers from their home country.

As background, when an H visa employer secures permission from the government to hire a certain number of workers to do a specific task, he can do his recruiting in just about any nation in the world (with the obvious exceptions of Cuba, Iran, North Korea, and a few others.) As he does this recruiting he can decide, if he wants to, to do it all in, say, Mexico, and thus hire nothing but Mexican nationals. No U.S. employer could legally, while operating within the United States, hire only from a given ethnic group — but once the process moves overseas, our equal employment opportunity law seems to lose any practical significance.

Sometimes rather small-scale users of the H-1B program, such as, say, a Thai physician who wants to expand his practice, will hire another Thai physician, or a restaurant owned by an Italian family will decide that it needs an H-2B chef from Italy. But what is of greater interest is when an entire industry engages in deliberate ethnocentric hiring practices.

This may happen more often than I am aware, but there are two more or less prominent examples that have been reported on in the recent past. These are the Indian outplacement firms, active in computer and IT-related fields, where there is much hiring of Indian programmers and engineers. Similarly, there is the somewhat smaller pattern in which a group of charter schools, funded totally by taxpayers, but dominated by managers drawn from the Turkish-American community, hire teachers from Turkey. Over time, hundreds of millions of tax dollars have been siphoned out of the public school systems by these charters, while creating unemployment for thousands of trained, experienced, but unemployed American school teachers.

These two hiring systems have emerged quite separately from each other, but both are made possible by the H-1B program. I have never seen the two of them, the Indian and the Turkish, discussed in a single document, and for all I know these two sets of employers may not even be in touch with each other — though they both have strong, parallel interests in maintaining a lightly regulated H-1B program. Here is more information on these two situations.

The Indian Pattern. A glance at Table 3, a listing of the 12 largest H-1B employers in the United States in FY 2012, shows the major roles played by corporations with Indian affiliations. Of the listed firms, seven are Indian in origin, and an eighth, though incorporated in Dublin, has its largest number of workers in India. Leading the list are Infosys, Wipro, and Tata, all based in India. Microsoft trails in sixth place.

Table 3. The 12 Largest H-1B Employers in FY 2012

Rank	Name	Based in	Number of LCAs	Average Salary
1.	Infosys, Ltd.	India	15,810	\$75,062
2.	Wipro	India	7,178	\$76,920
3.	Tata	India	6,732	\$64,350
4.	IBM	U.S.	6,190	\$82,630
5.	Deloitte	U.S.	4,735	\$98,305
6.	Microsoft	U.S.	4,067	\$109,566
7.	Larsen Toubro	India	3,253	\$59,241
8.	Accenture	Ireland*	2,653	\$72,704
9.	Ernst & Young	U.K.	2,316	\$86,428
10.	Satyam Computer Services	India	2,310	\$70,495
11.	HCL Technologies America	India	2,238	\$76,042
12.	Patni Americas	India	2,152	\$65,511

* Though its largest “employment base” is in India.
Note: The data above were drawn from a (pro-H-1B) [website](#) and show the largest H-1B visa users in FY 2012 (though the website heading calls it “2013 H1B Visa Reports”). Those data, in turn, are based on U.S. Department of Labor listings. An exception, the “Based in” column, is from the author’s reading of Wikipedia listings. “LCAs” are defined in the text.

The totals from the table, in terms of workers sought (LCAs) are:

Indian firms (7)	39,673
U.S. firms (3)	14,972
Anglo-Irish firms (2)	4,969
Total (12)	59,614

Were one to examine the entire list of H-1B users, and over time this runs into tens of thousands of them, the proportion of foreign workers hired by Indian firms would drop below the levels shown above but those firms would continue to dominate the field.

An article in the *Wall Street Journal*¹¹ says these Indian outplacement firms are:

[S]taffing the [work] sites overwhelmingly with Indian expatriates, who earn significantly less than their American counterparts. ... Indian outsourcing giants sponsor more than half of the 65,000 ... H-1B visas that the United States issues annually. ... Many of the [Indian] firms have as much as 80 percent of their staff in the United States on H-1B and other visas.

Table Three supports the *Wall Street Journal's* statement about wage rates. The average wages offered by the 12 largest H-1B users in fiscal year 2012 were as follows:

U.S. firms	\$96,834
Anglo-Irish firms	\$79,566
Indian firms	\$61,197

The Labor Condition Application (LCA), a document filed with the U.S. Department of Labor, and mentioned in Table 3, is the first step in the process when an employer wants to hire an H-1B worker. Employers of all kinds tend to file two or more of these for every foreign worker they actually hire. After securing DoL approval, the employer must file an acceptable petition with the Department of Homeland Security, and then the job applicant must successfully survive an interview with a consular official of the Department of State.

It is a longish process, with multiple fees, but the employers clearly feel that the resulting lower-than-normal wage level makes it worthwhile.

Indian firms not only dominate the H-1B field, so do Indian workers. In FY 2011, the latest year for which we have these data, 58.0 percent of all H-1B beneficiaries (including new hires, and visa extensions and transfers) were from India. China accounted for 8.8 percent and Canada for 3.5 percent, being in second and third place. These data are from the second step in the process, the issuance of a petition by DHS.¹²

When continuing employment alone is measured in the annual DHS report, 61.5 percent of the workers are from India. If one were to apply 60 percent to my estimate for the total population of H-1Bs in the United States in 2009 (650,000), that would produce an estimated population of 390,000 Indian H-1Bs, mostly working in IT and computer-related fields.¹³

Were that estimate to be updated to 2013, by increasing the total H-1B population by 200,000 that would suggest a total population of 850,000, of whom 510,000 would be from India. More than half a million!

Although I have not seen data on the exact extent to which Indian firms hire Indian workers, one can safely conclude, as the *Wall Street Journal* did, that a lot of that is going on.

The Turkish Model. While a smaller operation than that of the Indian out-placement firms, the Turkish-controlled charter schools in the United States are equally adamant about hiring their countrymen, in this case school teachers from Turkey.

Did you know that there is a shortage of U.S.-credentialed and unemployed school teachers in the United States? Well, these so-called Gülen Schools (more on them later) act as if there were such a shortage, and, according to *USA Today* they “have imported thousands of Turkish educators over the past decade.”¹⁴ This they have done primarily through the H-1B program, as a CIS examination of DoL records confirms.¹⁵

While the Indian outplacement firms are clearly in the private sector (busily taking advantage of the public sector’s immigration policy), the Turkish charter schools are involved only in the public sector, making extensive use of both the immigration system and America’s recent tolerance for publicly funded private (i.e., charter) schools. Another comparison: The Turkish system does not seem to exploit their countrymen, as the Indian system does, but both displace large numbers of resident workers from their jobs in favor of foreign ones.

The Turkish model has many of the characteristics of the old Tammany Hall and its manipulation of local tax moneys — patronage (in the form of visas) for some of the followers and, according to many press reports, juicy contracts¹⁶ for some well-connected businessmen as well as other indicia of conflicts-of-interest. In the old days it was Irish district leaders getting

city (i.e., taxpayer-funded) jobs for Irish immigrants; it is a similar story with the charter schools, again using local tax money with only the names being changed.¹⁷

The Turkish pattern is dominated by a single man, a charismatic Islamic theologian from Turkey who plays an apparently secular role in the United States. He is Fethullah Gülen, a green card holder living in Saylorsburg, Penn.¹⁸ The operations of these schools are noted for their lack of transparency and there is a tendency for them to deny that they are Gülen schools, which complicates any examination of them as a group.

He started the Gülen Movement, which has, among other things, caused the creation of a series of charter schools, mostly high schools, that have a strong emphasis on science and math. Some of these schools, *USA Today* reports, get high marks for science instruction.

This is an extensive operation. According to an organization critical of this phenomenon, Citizens Against Special Interest Lobbying in Public Schools (CASILIPS), there are 135 such schools in the United States and there is a complex interlocking network of charter holders and management organizations.¹⁹ One or more such schools have been started in 26 states, with a strong concentration in Texas, where there are 43 of them.

Over and above the replacement of thousands of native-speaking English teachers with those from Turkey (some of whom are reportedly hard to understand) and in addition to the patronage elements noted above, there is another, less well-publicized outrage, and that is the use of both the H-1B system and local school tax funds to import people (from Turkey) to teach Turkish at the high school level.

These are not Turks hired to teach science; these are people hired, with public funds, to teach Turkish in public schools. Further, local tax funds were used to pay H-1 fees and apparently some of the overseas travel costs of these teachers.

There is clearly no demand for instruction in Turkish at the high school level (though there is at the college level, another subject entirely). But if an employer wants an H-1B worker, for whatever activity, and fills in the forms correctly, the worker is admitted. It does not matter to the federal government that the “need” for the job is manufactured out of whole cloth, nor do the public school systems notice these purely patronage arrangements, funded with local tax dollars, so the Gülen schools keep requesting such people, and the government keeps approving their entrance.

We at CIS poured over the detailed spreadsheets²⁰ provided by the Department of Labor on H-1B applications (good for DoL for its transparency on this variable!) and found that in the fiscal years 2009 through 2012, the Gülen schools applied for LCAs for 132 people to teach Turkish. Of these, 103 were approved.

This is undoubtedly the most flagrant example of ethnocentric hiring through the H-1B system.

Good Looks

The economic utility of bringing people to the United States to teach a language no one wants to learn is about equal to the economic utility of bringing good-looking fashion models to the United States where we have a plethora of beautiful people.

Do we have a shortage of remarkably attractive young women (and young men)? Is there a danger that the covers of *Vogue* and its cosmetic ads will consist of image-free, empty spaces because of such a shortage? I doubt it.

But the H-1B program works on the theory that all employers — if they apply lawfully and pay their fees — can get visas for whatever they want, in this case fashion models.

In FY 2012 there were 239 applications for H-1B models in the DoL records, 171 of which were approved. About 90 percent were for part-time jobs, with their earnings being expressed in hourly rates, often \$100 or \$500 an hour, with no information on the number of hours to be worked.

But not all is strawberries and cream on the model circuit. In 2010, one would-be employer of H-1B models²¹ wanted to hire four of them on a part-time basis for \$7.30 an hour, at a time when the minimum wage was just a nickel less. Puzzlingly, two

of the applications were approved, one was withdrawn, and one was denied. It is amazing to me that the Department could have approved any of them.

In summary, while the main reason employers want H-1B workers is because they are cheaper than comparable U.S. workers, there are a series of other motivations, ranging from the attractions of indenture — or those of a pretty face — that are sometimes stirred into the decision-making process.

End Notes

¹ Secretary Wirtz served in both the JFK and LBJ cabinets.

² See, for example, Steven A. Camarota and Karen Zeigler, [“Immigrant Gains and Native Losses in the Job Market, 2000 to 2013”](#), Center for Immigration Studies, July 2013; Hal Salzman, Daniel Kuehn, and B. Lindsay Lowell, [“Guestworkers in the high-skill U.S. labor market: An analysis of supply, employment and wage trends”](#), Economic Policy Institute Briefing Paper, April 24, 2013; and Stuart Anderson, [“H-1B Visas Essential to Attracting and Retaining Talent in America”](#), National Foundation for American Policy, April 2013. Also see David North, [“America Has more Trained STEM Graduates than STEM Job Openings”](#), CIS, Washington, May 2013.

³ Norman Matloff, [“Are Foreign Students the ‘best and the brightest’? Data and implications for immigration policy”](#), Economic Policy Institute, February, 2013.

⁴ The H-2 program provided mostly East Coast growers with farm workers from the British West Indies, primarily Jamaica and Barbados. It ran concurrently with the Bracero program that provided Mexican farm workers under a different piece of legislation. The H-2 program eventually morphed into the current H-2A program for farm workers.

⁵ The Optional Practical Training (OPT) extension of the F-1 visa is for foreign college graduates and gives those with STEM degrees legal work opportunities for 29 months after graduation; it is often used as a stepping stone toward the H-1B visa. For more on this multi-step process, see my CIS blog [“More on the Innards of the H-1B Program: Indenture Starts in OPT period”](#).

⁶ My grandson-in-law, a native of India, was rescued from Circle 1 when he married my granddaughter, thus making him a conditional resident, rather than an H-1B. In his case, however, the employment relation was a good one and he continued to work for the same employer though the indenture bonds were broken. He is in the process of getting a green card as an immediate relative.

⁷ Immigration to the CNMI was then controlled by the less-than-admirable territorial government, as the federal immigration law did not then extend to those islands. It does now. The territorial government also presented the young nonimmigrant women with a three-way choice should they get pregnant, as they were not supposed to do under the contracts they had been forced to sign: they could return to China for, possibly, an abortion that was both legal and involuntary; they could go through an illegal abortion in CNMI, which to this day has not implemented *Roe V. Wade*; or they could become illegal aliens in the islands. A class action lawsuit, brought by a mainland firm, ended that practice, not an act by either the federal or the territorial governments. (I was with the Department of the Interior’s Office of Insular Affairs at the time, and interviewed many former CNMI garment workers. They were, when I talked with them, asylum applicants on Guam, which has always been covered by the INA.)

⁸ Norman Matloff, [“The Adverse Impact of Work Visa Programs on Older U.S. Engineers and Programmers”](#), *California Labor & Employment Law Review*, August 2006.

⁹ David North, [“A Hopeful Story — H-1B Age Discrimination Victim Fights Back”](#), CIS, May 13, 2013.

¹⁰ See this [news story](#) in the *Plattsburgh Press* (N.Y.) in September 1961.

¹¹ [“Face-Off on Visas Pits U.S. Against India”](#), *Wall Street Journal*, April 23, 2013.

- ¹² [“Characteristics of H-1B Specialty Occupation Workers: FY 2011 Annual Report to Congress”](#), U.S. Department of Homeland Security, March 12, 2012, Table 4B.
- ¹³ David North, [“Estimating the Size of the H-1B population in the U.S.”](#), CIS, February 2011.
- ¹⁴ Greg Toppo, [“Objectives of charter schools with Turkish ties questioned”](#), *USA Today*, August 17, 2010.
- ¹⁵ David North, [“H-1B + K-12 + ?: A First Look at the Implications of Foreign Teacher Recruitment”](#), CIS, April 2011.
- ¹⁶ Stephanie Saul, [“Charter Schools Tied to Turkey Grow in Texas”](#), *The New York Times*, June 6, 2011.
- ¹⁷ For an all-too-brief discussion of a governmental audit of a subsequently closed Gülen school in Georgia, and the conflicts and waste it discovered, see Bob Pepalis, [“Fulton Superintendent Plans to Close Fulton Science Academy High”](#), Sandyspring-spatch.com, December 5, 2012.
- ¹⁸ This appears to be the Gülen [website](#).
- ¹⁹ The nation-wide list can be found [here](#).
- ²⁰ To access the DoL raw data, go [here](#) and click on “LCA Case Data FY 2012 csv” for detailed information for that year’s H-1B applications and decisions. In this case we keyed on “Teacher of Turkish” and “Turkish Teacher”.
- ²¹ The firm was Next Management LLC, at 15 Watts St. in Manhattan. In July 2013, it was still in business at the same address, had an active website, and a telephone that was answered.