Changes to H1B Visa Rules - Implications for India

What is the issue?

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The U.S. government is proposing to change H1B visa rules that may have a significant impact on Indians.

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What are the proposed changes?

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- The H1B visa is an employment-based, non-immigrant visa for temporary workers in the U.S.
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- It allows US companies to employ graduate level workers in specialty occupations that require theoretical or technical expertise in specialized fields.
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- The proposed rule will require potential H1B petitioners to electronically register with U.S. Citizenship and Immigration Services (USCIS).
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- This should be during a designated period, prior to petitions being filed.
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- It also changes the order in which the advanced degree lottery and general H1B lottery are conducted.
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- Under the proposed rule, advanced degree registrations will be selected first up to a cap of 20,000.
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- After this, the regular H1Bs, up to a cap of 65,000, are selected from all the unselected registrations.
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- The unselected registrations will also include those advanced degree registrations that did not get selected in the exclusive advanced degree

lottery.
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Whom will it benefit?

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- There is a higher probability that advanced (U.S. masters and higher) degree holders will be selected in larger numbers than regular H1B applicants.
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- It is aimed at awarding this popular work visa to the most skilled and highest paid foreign workers.
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- The changes could also potentially bring down the costs for sponsoring companies, by reducing the paperwork of sponsors.
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- Only those H1B sponsoring employers who get selected from the list of registered petitioners will be required to actually submit H1B petitions.
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- This applies for both regular and advance degree categories.
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What is U.S.'s rationale?

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- Foreign students are a $40 billion export market.
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- So favouring students helps university budgets and America’s trade balance.
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- Also, foreign students on H-1Bs are more likely to secure green cards and gain US citizenship, becoming productive members of society.
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- They are more likely to be upwardly mobile, switching from job to job.
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- On the other hand, the IT H-1Bs are more likely to be bonded to the majors, with most profits flowing to native countries (E.g. India).
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What are the implications for India?

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- This will have a significant impact on Indians, as 74% of H1B petitions were on behalf of India-born workers in the fiscal year 2018.
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- The two major H-1B beneficiary groups are:
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i. Indian employees that work for the big IT majors in the US
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ii. Indian students who obtain a US Master's/Ph.D. degree and then apply for H-1B visas at US-based companies
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- The proposed rules, if implemented, will dramatically tilt this competition in favour of the students.
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- The new process could increase the number of H-1B holders who have advanced degrees by up to 16%.
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- So the IT majors will lose heavily to a tune of over 10,000 visas each year.
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Source: The Hindu, BusinessLine

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