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OUTSOURCING OF JOBS and IMMIGRATION POLICY

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Outsourcing of jobs, particularly the software jobs to India and manufacturing jobs to China, has become a source of contentious debate.

Recently, the President's Chief economic counsel noted that exportation of jobs is good for the country in the long run -- productivity and prosperity would increase. Most reasonable observers agree that outsourcing is a natural outcome of free trade, globalization and market economy.

But the political reality, especially when the country has lost about 2.2 million jobs in the last three years and when there are more than 8 million unemployed citizens, does not allow for acceptance of this economic reality.

Without arguing the merits of outsourcing, what can we do to keep these jobs at home and yet be competitive? The answer is simple: import skilled technology workers.

Would an Indian programmer like to work in Bangalore, India for about \$20,000 annual salary or work in the U.S. for about \$40,000?

On 7 out of 10 occasions, the choice will be to work in the U.S. though \$20,000 has probably slightly higher purchasing power in India than \$40,000 in the U.S. This choice of preferring to work in the U.S. is based not only on simple economic computations but on the general quality of life and potential for further professional development.

When we import technology workers from India or Ireland to work on the software development in U.S. instead of exporting those jobs, we are adding to the consumer spending in U.S. thus growing the economy.

Consumer spending accounts for two-thirds of the U.S. economy. So by increasing the consumer spending, we are increasing the total pie of the economy.

But this approach requires different thinking. If we approach the challenge as foreigners taking away our jobs in the U.S. then it will not work. Surely, when programmers from India come to US they will put pressure on the wages of American workers. But this is a smaller burden to bear than losing those jobs completely.

We also need a different approach to the U.S. immigration policy. We should be increasing the numbers of H1 visas (i.e. professional visas) for such countries as India and China. We would thus be encouraging the US firms to import the technology workers into the U.S. and work here.

The immigration policy should be based on the self-interest of the U.S. Counterintuitive as it may appear, the self-interest would dictate increasing the immigration of the skilled technology labor into U.S.

As has been argued in this page by Ruben Navarrette, the same argument of self-interest would provide an opportunity to about 8 million immigrants, largely Hispanics from Mexico, to become legal residents.

These illegal immigrants are doing skilled labor work such as farming, ranching, and processing fruits and vegetables that most US citizens are not interested in doing. Further more, the illegal immigrants are cost efficient.

What better way to add to the US economy in terms of increasing efficiencies and consumption than to legalize the residency of these immigrants so that they do not have to live in fear and lead a shadow life.

The argument that these illegal immigrants are a threat to national security is misplaced. They are already here, and legalizing their residency only shines light on their lives and keeps them law-abiding.

The President's proposal and Senator John Cornyn's legislative suggestion of guest worker program is in the right direction.

However, there is a major hurdle to the guest worker or any such program which intends to provide an opportunity to illegal immigrants for legalizing their residency. And the hurdle is the 1996 Anti-Terrorism and Effective Death Penalty Act. One of the provisions of this act is that any non-citizen found to be of "moral turpitude" is subject to immediate deportation without recourse to any judicial or administrative hearings or proceedings.

There are many examples of how the 1996 Act has torn lives asunder. Steve Blow of this newspaper has illustrated this dilemma poignantly in his narrative about two women facing deportation orders (date: February 11, 2004.) The violation by one of the

women is so minor that it has prompted Congressman Martin Frost to sponsor private legislation to lift her deportation order.

Such being the case, how can we legalize the residency of the illegal immigrants? Per 1996 Act, each one of the illegal 8 million immigrants is subject to immediate deportation.

Yet again, we need a more coherent thinking in the immigration policy --- we have to eliminate the serious unintended consequences of the 1996 Act before we can enact the guest worker program or any such other program.