

Imperative Modi speaks to Obama on immigration reform – before it becomes law

The American Bazar | August 15, 2014

India's IT in danger of being torpedoed if Obama goes in for executive action this Fall.

NEW YORK: Even as India and the US try to firm diplomatic relations following the tumble-down from the DevyaniKhobragade fiasco, and are creating platforms for collaborations in different sectors of the economy, create more business and jobs, there is a factor that could unravel a lot of the good will being created, force them to confront each other more aggressively: immigration reform.

A plethora of reports say that President Barack Obama will go in for executive action this Fall on comprehensive immigration reform, as the Democrats and the Republicans have not been able to see eye to eye with each other on it, both in the House and the Senate.

Both parties, however, acknowledge that a solution has to be found on the issue of illegal immigrants flooding the country's borders.

Piecemeal legislation that the Republicans favored, starting with border enforcement, has seen little headway with Democrats waving it aside as a gimmick and party ploy. Both parties circle warily around the issue of illegal immigrants, unsure of how a reaction on granting legalization to more than 11 million of them and tens of thousands pouring in more each month from Central America, would impact the party as a whole in the upcoming November elections. Both parties are weighing the possibility of securing Latino votes versus losing mainstream votes.

On legal immigration, while multinationals favor more skilled workers being allowed to work in the US, and reducing the wait time for legal workers and STEM graduates to get permanent residency, growing resentment by anti-immigration groups, who condemn the proposed action as foolhardiness, given the delicate economy and tens of millions of Americans still out of work, has created friction on Capitol Hill.

But for India, comprehensive immigration reform has more to do with how it would impact their economy, rather than get a few of their citizens living in the US illegally resident status.

A dire warning now comes from a group called the Indian American Advisory Council (IAAC) of House Republican Conference of US Parliament, founded by maverick GOP and BJP supporter Shalabh Kumar.

According to a study by the group, the Indian economy could lose \$30 billion annually with the Information Technology industry being the hardest hit if the immigration bill under consideration in the US Congress becomes law.

The IAAC, according to a report by the Press Trust of India, based its study on the negative impact the bill's provisions has on India's IT industry, including the impact it would have on hiring H-1B and L1 workers, which over a period of time would be cut down dramatically.

"If the bill becomes a law, then India's GDP gets reduced by about \$30 billion a year. On top of that, employment situation will be badly hit. Direct impact will be 10 million Indian IT professionals will no longer have any work and 500,000 in the US," Kumar was quoted as saying.

He also says that hundreds of small IT related companies founded by Indian Americans would be forced to close shop, as they would have no choice but to hire locally, and find it hard to survive financially.

The proposed bills in both the Congress and the Senate, bans outplacement of H1 or L1 visa holders if they form more than 15 per cent of a firm's US workforce. It also limits the proportion of H1B and L1 visa workers relative to a firm's total US employees to 50 per cent by financial year 2017, starting October 2016.

"About 98 per cent bill is focused on providing relief to 20 million Hispanic Americans. Democrats wants them to give citizenship that will give them huge vote bank. If Democrats get that part of the bill passed, they will gain at least 10 senate seats and take control of the house," Kumar said.

He said the clause that adversely impacts India's interest was added in the bill following complaints by some American corporations and a poll campaign slogan 'Say No to Bangalore and Yes to Buffalo' used by Barack Obama in 2009, PTI reported.

Kumar added: "For US Parliamentarians, India related issues are small. There are about 2 million eligible Indian origin people that can vote but hardly we have seen more than 30 per cent of them voting. India has no time now. It has to make its voice heard."

If Obama indeed decides to go for executive action on immigration reform by next month, the issue could be the biggest talking point when the Indian Prime Minister Narendra Modi comes to town. But maybe, by then the damage would have been done, it would be too late to discuss the issue.

The time to talk about the issue is right now. If India manages to convey its fears and sway Obama's decision in its favor, it would be a diplomatic coup for India.