



## USA Extends Ban on Work Visas

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### Why in News

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Recently, the USA has decided to **extend the 60-day ban** on **immigrant and non-immigrant worker visas** till the end of 2020.

The **ban is effective immediately** so the processing of **all new H-1B, H-2B, J and L visa** categories stands suspended.

There will be an exemption for professors and scholars on J visas as well as for some food industry workers needing an H-2B visa.

### Key Points

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- **Work Visas:**

- The IT revolution, **arrival of internet and low-cost computers** in developing nations like India has given rise to the number of people who are **willing to work at relatively low costs** in the USA which is a win-win situation for both the employer and the employee.
- The USA administration **issues a certain number of visas each year to fill a vacuum of highly-skilled low-cost employees** in IT and other related domains.
- These visas allow companies from outside the USA to send employees to work on client sites.
- **H-1B Visa:**
  - These are issued to skilled workers and the most popular among Indian IT companies.
  - H-1B is for people in Specialty Occupation and requires a higher education degree or its equivalent.
- **H-2B Visa:** These are issued to seasonal workers in the landscaping and hospitality industries.
- **L-1 Visa:** It allows companies to transfer highly skilled workers to the USA for a period of up to seven years.
- **H-4 Visas:** It is for dependents of H-1B visa holders.
- **J-1 Visas:** It is for students on work-study summer programmes.

- **Reasons Behind the Suspension:**

- The move intends to **protect the domestic workers** who had been impacted due to a contraction in the economy in the wake of the **Covid-19 pandemic**.  
The overall unemployment rate in the USA nearly quadrupled between February and May of 2020, producing some of the most extreme unemployment rates ever recorded.
- The **entry of additional workers** through the H-1B, H-2B, J, and L non-immigrant visa programmes presents a significant threat to employment opportunities for domestic workers by **undercutting their jobs**.
- However, the USA held that post-ban, under normal circumstances, properly administered temporary worker programs can provide benefits to the economy.

- **People Affected:**

The new rule would **apply only to those who are outside the USA and do not have a valid non-immigrant visa** as of 23<sup>rd</sup> June and an official travel document other than a visa to enter the country. They will not be allowed to enter the USA until 31<sup>st</sup> December 2020.

- **People not Affected:**
  - No impact on **lawful permanent residents of the USA and foreign nationals who are spouses or child of an American citizen.**
  - **Foreign nationals seeking to enter the USA to provide temporary labour or services essential to the food supply chain** are also exempted from the latest proclamation.
- **Impact on Indian IT Companies:**
  - **Indian IT companies are amongst the biggest beneficiaries** of the USA H-1B visa regime and corner a huge share of the total number of visas every year.
    - As of 1<sup>st</sup> April 2020, the **US Citizenship and Immigration Services (USCIS)** had received about **2.5 lakh H-1B work visa applications and 67% of that was applied by Indians.**
  - It will significantly **impact the margins and worker wages of Indian IT companies which send thousands of low-cost employees** to work on client sites in the USA.
  - Though the large Indian IT companies in the USA have cut down their dependency on H-1B and other worker visas by hiring as much as 50% of staff locally, they **still rely on these visas to keep costs in check.**

## Criticism

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- The move has been criticised for being **misguided and harmful to the USA's own economy.** It has the **potential to do permanent damage** to the USA's reputation of attracting the best and the brightest.
- The ban on issuing visas will **harm employers, families, universities, hospitals, communities and delay America's economic recovery.**
- Without highly skilled immigrants, the industry will slow down and the economy will worsen affecting the timeline for a treatment and cure of Covid-19 as well.
  - The H-1B programme in particular plays a crucial role in addressing the shortage of healthcare professionals while also providing other key sectors of economy with talent from around the world to not only fill jobs but create new ones.
- **Legal immigration is a positive for the American economy** and visa programs allow American companies to secure qualified, legal labour throughout the world which will not be the same after the move.

## Way Forward

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- Immigrants have played a crucial role in making the USA a global leader in cutting edge technology.

- Suspending the visas will only weaken the USA's economy and its health care workforce at a time when there is a need to strengthen the both.
- Politics should not trump smart policy and the ingenuity of migrant workers should be harnessed to revive an economy in dire straits.

**Source: IE**