



The America COMPETES Act

Why in News

The United States has unveiled the ambitious **America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (COMPETES) Act, 2022**, which proposes to **open up new vistas for talented individuals** from across the world with a new start-up visa.

- It aims to make the supply chains stronger and reinvigorate the innovation engine of the country's economy to outcompete China and the rest of the world for decades to come.

Key Points

▪ Provisions:

- USD 52 billion to encourage semiconductor production in the US and USD 45 billion for **grants and loans to improve supply chain resilience and manufacturing**, among other programs.
- Funding to address **social and economic inequality, climate change and immigration**. For example, it offers an exemption for **STEM (science, technology, engineering or mathematics) PhDs** from the green card limit and creates a new green card for entrepreneurs.
 - A Green Card holder (permanent resident) is someone who has been granted authorization to live and work in the United States on a permanent basis.
- The bill issues USD 600 million a year to build **manufacturing facilities to make the United States less dependent on solar components** manufactured in Xinjiang, China.
- It creates **a new “W” classification of non-immigrants for entrepreneurs** with an ownership interest in a start-up entity, essential employees of a start-up entity, and their spouses and children.

▪ Significance:

- It would mean **more opportunities in the US for Indian talent** and skilled workers.
- Every year, Indians and **Indian companies corner the lion's share of H-1B work permits issued that year**. With this new category, Indian professionals will likely have a better shot at opportunities that the Act is likely to provide.

Work Visas

▪ About:

- 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 US** which is a win-win situation for both the employer and the employee.
- The US 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 US to send employees** to work on client sites.

▪ **Some Examples from US:**

◦ **H-1B Visa:**

- These are issued to skilled workers and are 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 US 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.

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