India outsourcers angered by US job visa hike

August 14 2010, by Penny MacRae

India's flagship outsourcing industry reacted angrily Saturday to a new US law tightening security at the Mexico border with measures paid for by steep hikes in American work visa fees.

The 600-million-dollar legislation, signed into law Friday by US President Barack Obama, will nearly double visa fees for some Indian information technology workers entering the United States.

"The US is giving a very strong signal foreigners are not welcome," said Som Mittal, president of the National Association of Software and Services Companies (NASSCOM), which represents India's leading software exporters.

"The law is discrimination," Mittal told AFP.

The row comes as India readies to host Obama later this year and as anti-outsourcing anger in the United States has been stoked by high unemployment.

The law, passed in the run-up to November US polls, earmarks funds from the visa fee hike to pay for the US government's plans to boost security along its border with Mexico to crack down on illegal immigration and drug smuggling.

"While the need to secure greater funding for strengthened security along the US-Mexico border is well understandable, illegal immigration

issues are not linked to the temporary movement of skilled professionals," said Chandrajit Banerjee, head of leading business body the Confederation of Indian Industry.

Banerjee noted India and the United States in April launched a "strategic partnership" to promote economic ties and said "a protectionist pushback" does not help the partnership.

The US legislation affects those skilled workers brought in by companies whose employees are more than 50 percent foreign, a move that largely affects India's IT and outsourcing industries.

US high-tech firms such as Microsoft, which bring skilled immigrants into the United States on the same visas, will not be hit the vast majority of their workforce is American.

NASSCOM says the measures will boost annual US visa costs for the outsourcing industry by 200-250 million dollars annually.

"Any new fees should have been required of any firms using the (visa) programs. This would have been fair and equitable," Mittal said.

More than half of the world's top 500 companies outsource work to India which has become the world's back office where Western firms have set up call centres and number-crunching and software development outlets to cut costs.

But the 50-billion-dollar-revenue industry also flies employees each year to the United States to work at their clients' locations as on-site technicians and engineers,

Sponsors of the bill said the law would hike fees for particular Indian firms -- naming Wipro, Infosys, Tata and Satyam -- which they accused

of seeking to "exploit" visas to "import foreign workers into the United States."

Under the law, the fees for non-immigrant "H1B" and "L" visas go up by 2,000 dollars for firms with more than a 50 percent non-American workforce. The current fee is 2,500 dollars.

The Indian outsourcing sector has been particularly upset with statements by the bill's champions calling the industry a "body shop" because it provides Indian professionals to US companies rather than employing Americans.

"This is ignorance," said Mittal, saying the outsourcing industry creates jobs in the United States.

Mittal added the US legislation was not an "isolated case."

"For the the last several years, the industry has seen constant badgering as they try to blame the unemployment of millions on a few thousand visas given to Indian companies," he said.

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