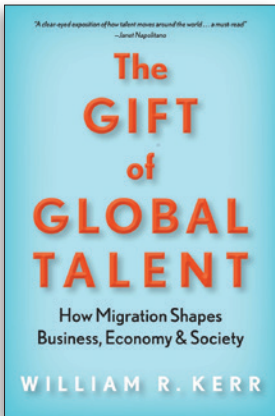# A Welcome for the Talented

THE GIFT OF GLOBAL TALENT: HOW MIGRATION SHAPES BUSINESS, ECONOMY & SOCIETY

BY WILLIAM R. KERR, STANFORD, CALIF.: STANFORD UNIVERSITY PRESS, 2019, 237 PAGES

REVIEWED BY AARON STEELMAN

Immigration skeptics argue that newcomers are taking jobs Americans would otherwise fill and that immigration is having a divisive effect on the country's culture. Proponents argue that the net economic effects of immigration are overwhelmingly positive and that it's not plain that immigrants are assimilating at a lesser rate than in the past.

In *The Gift of Global Talent*, William Kerr, an economist at Harvard Business School, addresses these issues — although exclusively through the lens of "high-skilled" immigration. He doesn't attempt to analyze effects of "lower-skilled" immigration, which drives many, though certainly not all, of the concerns of immigration skeptics.

Kerr favors more high-skilled immigration to the United States. "Some may cheer at the prospect of reduced inflows of talented immigrants, but they should not," he writes in the book's preface. "Ceding U.S. talent leadership would hurt Middle America as much as it would harm Manhattan or Silicon Valley, as a result of lost tax revenues, weakened colleges, and more. It would diminish America, not make it whole again."

The book builds on three propositions. First, talent is the world's most important resource. Second, talent is a resource that is quite movable, unlike, say, a harbor or coal mine. Third, talent is significantly shaped by the environment around it. Some might quarrel with the first proposition, and in some parts of the world this may not yet be true, but as a general statement it seems quite sensible. The second proposition seems inarguable. It's the third proposition that may seem most dubious to some.

The notion that proximity is important to the development of talent in a world in which many people work remotely and see their colleagues relatively infrequently may seem outdated. But Kerr argues quite convincingly that being close to those with complementary ideas remains very important. Ideas tend to build on each other, whether in a university setting or a commercial one – and often those overlap. Think of tech clusters in Northern California and Boston, for instance. But such clusters can sprout up in less predictable areas as well. For instance, Olathe, Kan., has become home to a thriving tech community. (It also was the site of a 2017 shooting of two Indian-born engineers, one fatal, who were targeted because they were immigrants, demonstrating, tragically, the anger that immigration can stir among some people, especially those already disgruntled or prone to violence.)

Such clusters benefit greatly from high-skilled immigrant labor, particularly that from India and China. And these clusters improve the well-being of not only the immigrants themselves and the companies they help to thrive but of Americans as a whole. There are some people who are made worse off, though, and Kerr argues for finding ways to help buffer them from those shocks. Perhaps paradoxically, immigrant-fueled tech clusters also can benefit the talent-sending countries themselves. Those countries reap gains from the inventions and innovations produced by such talent clusters, in the same way as Americans. But the overseas workers also often "provide their home countries with special insights and business linkages," Kerr writes. For instance, India has launched programs to bring Indians working abroad (and who often received their higher education abroad) back to India's research and development institutions for months at a time.

Kerr maintains that the United States will continue to remain the destination of choice for the world's most talented workers, but as countries such as India and China further develop, fewer people likely will opt to leave them. Also, in order to continue to attract the type of skills that have benefited the U.S. economy, policymakers will need to consider changes to the H-1B visa program, the primary entryway for high-skilled foreign workers. First, he argues, the United States should raise its annual cap on H-1B visas from its present level of 85,000 and then index future increases to population growth or to the national employment growth for skilled workers. But it should also consider reforms such as replacing the current lottery system for selection with a wage ranking system: Applicants earning the highest salaries from their sponsoring employers, and therefore arguably demonstrating the greatest economic value, would move up the queue. In addition, to "complement wage ranking and to preserve scarce visas for the best uses," he favors raising the H-1B minimum wage from $60,000 to $100,000. This would leave some important but lesser-paying professions, such as social work, at a disadvantage, and exceptions should be considered in those instances.

Kerr's book is readable and his arguments are generally reasonable, but they are not as fully developed as one might hope, a sacrifice often made to ensure accessibility. It also would have benefited from more than just glancing attention to lower-skilled immigration, the benefits of which often are not clearly seen while the costs often are widely lamented. Bringing insight to such cases is something economists are particularly well-positioned to do. **EF**