Fortune 500 CEOs Use H-1B Visa Workers to Grow a Bonded-Labor Workforce

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Hundreds of thousands of Indian contract workers are tied to their U.S. employers for many years because U.S. companies have offered them green cards as payment for compliant labor, according to a new report by the Cato Institute.

"U.S. employers file far more petitions for Indians than the [green card] limits allow," says the Cato report, titled "Backlog for Skilled Immigrants Tops 1 Million: Over 200,000 Indians Could Die of Old Age While Awaiting Green Cards."

The Indian H-1B contract workers are usually hoping to get green cards after several years of labor. They know they must remain with their employers for many years to get the hugely valuable green cards, the Cato report says:

H-1B workers must maintain a job with only certain approved H-1B employers. They cannot be unemployed at any time or start their own businesses. If H-1B employers close or downsize—an obvious possibility over decades—visa holders lose their status and places in the green card queue.

The population of Indian workers and family members who are bound to their employers is growing above two million, according to the Cato report. "The government is approving nearly two [employer] petitions for employment-based immigrants for every [available] green card," the report says. "At the current rate of increase, the backlog [for green cards] will exceed 2.4 million by 2030."

Immigration lawyer Doug Rand says the nation's immigration law is forcefully "lashing" the H-1B migrants to their employers:
Our #immigration laws force skilled workers into "temporary" visas like #H1B, lashing them to a sponsoring employer & impeding mobility, while they wait decades for an artificially scarce green card conveying permanent residency & ultimately citizenship.

That lashing claim is echoed by many of the Indian H-1B workers. For example, the Immigration Voice advocacy group claims more than one million Indians are trapped in their jobs as "indentured servants":
If the system doesn't ensure adequate rights to immigrants then it is better to not bring in any immigrants at all or else companies can treat immigrants like indentured servants. … If the

system doesn't ensure adequate rights for immigrants (including the right to change jobs and employer with as much ease as others in the marketplace), then we would rather have no immigrants be brought into the US at all.

The "indentured servants" term is also used by American managers.
"Indentured servitude [of H-1Bs] has become part of the American business culture, and it's wrong, and it's wrong right from the beginning," said one former top-level research manager. "It has done more than just economic damage to this country — we've lost our competitive, innovative advantage because of it," he said. "Guarantee that's happening," he added.

But this master-servant relationship is better described as "bonded service," said John Miano, a lawyer with the Immigration Reform Law Institute.

This tied H-1B employer-employee relationship is not slavery because there is no government force, Miano said. The relationship is not indentured service because the Indians can exit, he added. "These guys can go home anytime they want, [while] indentured service was voluntary slavery for some fixed period of time." Both slavery and indentured service were declared unconstitutional by the 13th Amendment to the constitution in 1865.

This new form of bonded labor also should be outlawed because it prevents Americans from bargaining in an equal and free market with employers for jobs, wages, and promotions, he said.

But the population in bonded service is expanding because the Indians and the employers both gain from the deal.

The employers get a compliant, stable workforce, apparently at a lower payroll cost.

In turn, the migrants eventually earn the huge deferred bonus of American citizenship.

That prize allows them and all of their descendants — plus some family members — to escape India's poor, ancient, caste-ridden, polluted, and crowded society for the open, wealthy, welcoming, free, and non-discriminatory American culture and landscape.

But the growing role of bonded service in the American labor market is an increasing threat to the status, legal rights, and bargaining power of American employees, Miano said. "We have a new category of labor we're creating here," he said:

The system is trying to wedge people between [economically] free labor and historical indentured servitude/slavery situation. It's not good for free labor — like slavery was never good for the working class but was only good for people in who lived in [the] Tara and Twelve Oaks [antebellum mansions].

For the billionaire class, the new [bonded service] system is great, for everyone else, the situation is bad.

Congress Allows CEOs and Indians to Create a Bonded-Service Workforce

The bonded service problem is made possible by Congress's visa-worker laws.

Those laws allow companies to keep a population of 1.3 million or more foreign white-collar contract workers in U.S. jobs for periods ranging from months to seven years. The foreign

workers are imported via the H-1B, OPT, CPT, TN, L-1, H4EAD, and E-3 programs. This legal white-collar workforce includes at least 800,000 Indians and at least 270,000 Chinese. These visa workers — including roughly 750,000 H-1Bs — have almost no legal rights, and their employers can send them and their families back to the poverty of their home country at a moment's notice.

So the imported labor force of Indians and Chinese work compliantly, often for low wages, long hours, and bad treatment, in jobs that could be held by American professionals.

But most of these visa workers are also working to get the colossal deferred bonus of a U.S. green card. The green cards give foreigners nearly all the economic and political rights of Americans. They are free to change jobs, to become citizens after five years, and to deliver citizenship to their spouses, children, and all of their descendants. In effect, green cards are the biggest prize any man or woman can win for family and descendants.

Yet companies are allowed to reward employees with up to 140,000 green cards each year, for just the price of a few lawyers' billable hours.

Obviously, executives dangle that huge prize to get their foreign workers to work for cheap, not change jobs, and never complain.

U.S. and Indian companies have created a huge hidden economy based on this work-for-green-cards trade. The U.S.-India Outsourcing Economy is so big that companies nominated 297,878 Indians for green cards in the five years up to 2020.

But that huge number is far, far above the levels allowed for India by federal immigration law. The law's pro-diversity rules limit the annual share of green cards that can be won by people from any one country to roughly 15,000 green cards.

In effect, by ignoring this limit, the companies and the Indians have cooperatively put roughly 150,000 Indian workers — plus 150,000 spouses and older children — since 2015 into a bonded-service, work-and-wait line that will keep some workers in line for decades.

The Threat to Professionalism and Innovation

The companies' easy use of bonded labor is wrecking Americans' labor rights and is destroying the ideal of professionalism, said Miano.

In Silicon Valley, the "employers love Indians on H-1Bs because employers can then keep those employees as an indentured slave," said a former Indian H-1B who is now a citizen. "It's a high-tech slavery."

"Eighty percent … of the work done by [H-1Bs at] big companies, like Facebook, Google, or Qualcomm, Amazon, is so-called grunge technical work," he continued. "You don't really need a lot of creativity. What you need is a flood of some technical expertise along with long hours."

The big software firms use their H-1Bs for repetitive tasks, such as testing, that could be accomplished by young American graduates, said Bob Heath, a Florida-based software engineer who created H1BFacts.com:
The testing process is a monotonous repetitive kind of job. You test functions. So you pull up a screen from a website, and you test each button under various conditions or various states under different parameters. It's very monotonous. If you find a bug, you've got to re-create the

scenario. And then you report it to a [software] developer [for repair]. It's like eight hours of very monotonous tedious work.

H-1Bs have no job security, the former Indian H-1B worker said, and "your employer knows that, and an employer will use this knowledge and leverage this knowledge to their advantage." Yet Indians accept their lower status because they are paid well to work in U.S. jobs, he said:

As a manager, you want Indian guys because you are able to produce more. You have a [workforce of] compliant, amenable, never-complaining Indian guys with an H-1B. And you are basically getting the big bonuses as a vice president because you're able to produce more because you're able to meet more deadlines. Of course, you don't care about the quality of life for the employees — that's a different game.

"You don't really need a wow set of skills to be hired at Facebook or Google or Amazon," the former Indian H-1B told Breitbart News. But, he added, "in companies like Facebook, Google, Amazon, you're paid quite handsomely."

But this compliant Indian workforce has also displaced many American professionals from many banks, insurance companies, manufacturers, universities, and transport companies, say Americans.

Professionalism encourages American graduates and skilled workers to embrace and demonstrate dispassionate skill, diligence, and ingenuity, Miano said. "We put people's lives on the line with software, so there is a great need for professionalism. But what executives want is someone who is the [payroll] equivalent of a ditch digger creating new cardio pacemakers and the Boeing 737 Max."

Census data shows that Indian H-1Bs have displaced myriad Americans in multiple different sectors of the nation's economy.

For example, in 2017, American-born programmers were just one-in-four software employees in Santa Clara, CA., down from four-in-five in 1980. Just one-in-three software developers in Richmond County, NY, were born in the United States. One-third of the workers in Forsyth County, GA, McLean County, IL, and in San Bernardino County, CA, in 2017 were American-born.

This Indian workforce is expanding upwards as older Indians get promoted, win green cards, become citizens, and form new companies — while roughly 60,000 new Indian visa workers arrive each year.

Amid this population expansion, U.S. executives have allowed India-born managers and Indian-run staffing companies to take over the technology departments of many Fortune 500 companies, say both Americans and Indians.

This wholescale change in the workforce — from American professionals to Indian bonded-laborers — has sharply reduced the innovation and the quality of U.S. software, say many Americans and Indians.

The Indian H-1Bs cannot be independent professionals because the bonded service allows their Indian and U.S. managers to exile them back to India if they speak against what the managers

want, said Mary from central New Jersey, an immigrant software expert. "They are very subservient to higher managers," she told Breitbart News.

This subservience echoes India's caste culture, where high-born individuals dominate lower-people people — regardless of skill or education. This culture encourages Indian-born managers at U.S. companies to hire subordinates who promise kickbacks, either cash, gifts, or overtime and weekend work.

This hidden economy of kickbacks ensures Indian managers also prefer to hire loyal Indians from their hometowns and their family networks, even if the Indians cannot write any software.

Indian hiring managers will sell jobs to Indians for $5,000 to $10,000, an Indian H-1B worker told Breitbart News. Honest Indian managers cannot stop the kickbacks, he said, because "you can't survive — you will become a bottleneck in the chain. … [Senior managers] will fire you," he said.

In contrast, mid-level American managers do not sell jobs, he said, adding, "There are very few honest Indian managers — maybe one in a million."

"My experience with the people from there is that they have no basic [information technology] knowledge," said Mary. "They will say they have all this experience [to get hired] and then try to learn on the job. If you ask them a question, they can't answer you. So what is happening is that we're training them … [even though] we have our jobs — and their jobs — to do."

The Indians' professional shortcomings create constant conflict with American professionals in offices, said Armondo from Texas. For example, Indian workers rely on office politics — including charges of racism — to deter U.S. managers from comparing productivity, he said:

That's the way they operate — they will go over your head and start sabotaging you. They are trying to do everything they can to keep their job. … They are under a lot of pressure and are limited on what jobs they can get because of the visa. … The Indian managers know they have inexperienced people who can't do crap, but they don't fire them. That is another thing, they don't fire them. An Indian manager does not fire them even because he knows this guy has a family and is married and they are not going to throw an Indian on the street.

"They're very clannish. … They will push Americans out and make a group of their own," Mary said. "When they're talking in their Indian language, I have to ask them, 'Can you speak English?'" she said. "I'm an outsider to them," she added.

On April 7, BuzzFeed News outlined the workplace politics caused by competing teams of Indian visa workers in Apple's Information Systems & Technology division:

"There's a Cold War going on every single day," Archana Sabapathy, a former IS&T contractor who did two stints in the division, told me. Sabapathy's first stint at IS&T lasted more than three years, the second only a day. Inside the division, she said, contracting companies such as Wipro, Infosys, and Accenture are constantly fighting to fill roles and win projects, which are handed out largely on the basis of how cheaply they can staff up to Apple's needs.

"They're just fighting for the roles," Sabapathy told me. "That's all they care about, not the work, not the deliverables, the effort they put in, or even talent. They're not looking for any of those aspects."

IS&T is thus filled with vendor tribalism, where loyalty to one's contracting company trumps all.

"Making a friendship is — like you wouldn't even think about that," Sabapathy told me, speaking of cross-vendor relationships. "It's not the traditional American way of working

anymore. You build relationships when you come to work because you spend most of your time here — that's not there."

Apple's Indian-born managers foster the conflict, says an anonymous post on Quora.com:

This is actually a bunch of managers (who were ex. Wipro, TCS, Infosys, Satyam) that have converted to full time employees at Apple. And they hire only H1B workers from India so that they can hold them by their balls (while waiting for their GC) and literally sucking the life out of them. Hence the managers themselves do not know anything about software engineering.

Many Indians use their green cards and citizenship to walk away from India's culture and to bring their children towards America's modernity. But their own jobs, peers, and families keep them tied to India's caste culture — and force them to stay anonymous as they quietly lament the gradual loss of professional America they had hoped to join.

Top U.S. managers allow the Indians' office culture to displace American professionalism, Mary said.

"The American managers like the [H-1Bs'] subservient relationship. … The H-1B workers can't complain, so whatever the managers on the U.S. side need, they do it. If these guys have to work at 10 to 11 at night, the [managers] don't care," she said.

American executives do not want to get feedback from American professionals, said Mary.

"As a professional, you expect to speak to them at their level, but they don't want you to speak at a professional level because they have gotten used to the [subservient H-1B] contractors," she said. "Subservient people agree with them on everything."

At one Pennsylvania employer, "you're supposed to answer in a very subservient way," she said, adding:

I would tell [the executive] professionally what the issue was, and she didn't like that. You can't oppose her in any way. If she tells you "It is black," it has to be black even if it is white. [The Indian contractors] will feed her what she wants to hear … They cater specifically to that [attitude].

When the information given to that manager is wrong, and that manager does not care, the professionalism of the field is gone.

U.S. managers "don't really want to do any work … [they] use these [Indian] guys to do all their work," Mary added. "It is not efficient, and it does not serve the company. But I think companies have fallen into this and don't know what to do … I don't see them being able to get out of it."

The destruction of professionalism damages the nation's economy and wealth, said Miano, who used to work as a software programmer:

A huge number of software projects fail in the United States. … One-third of projects are successful, one-third are total disasters, and the other third are in between. There's no system of building codes in software.

So if you have a senior executive who says, "I need some software," and then comes up with absolutely unimplementable plans, and goes to software services companies and presents this plan, there is not a single one that would turn then down. They would accept the deal, do the disaster, and bill them by the hour. There is no major software company on the planet that would say no to that deal.

But if you went to a building construction site where there are standards, and if you wanted to build a 40-story building in cardboard and have it done in six months, those guys would say no.

When one-third of software projects are complete failures, you're talking about a 33 percent of loss of productivity.

The H-1B program has also stifled innovation by excluding many innovative Americans from jobs in top companies, said Heath:

Somebody goes to work for a high tech company, and they would have a better idea on how to do something, but the employer, they're focused on making money, The [top managers] are focused on the quarterly profit, and they don't have the time to go off on some wild goose chase on what some employee may dream up.

Most executives dislike innovation because it threatens their jobs, said the top American research manager:

Innovation, true innovation is chaotic … [and] chaos is completely uncontrollable by the management and Human Relations [managers]. It's uncontrollable. Okay. They hate it. They want to do anything they can to get rid of true boundary-pushing, iconoclastic behavior because it's dangerous. … Chaos is the mortal enemy of a good quarterly profit-margin.
The quarterly focus is also destroying the willingness of young Americans to take up innovative careers, the research manager said:
By implementing that compliant [Indian] workforce and shoving out the people that created most of the innovation and technology, you made younger people not want to do it anymore. They're not gonna work flat out for 15 years, get passed over in middle age. … They're not going to do things like that for you now.

But that loss of innovation helps the top managers and shareholders of today's top companies keep control of the entire high-tech sector, said Heath. He continued:

The high-tech revolution began in the United States for a reason. It was the fact that American workers are among the greatest scientists, engineers, and mathematicians that the world has ever seen. By hiring workers from India, these billionaire oligarchs, they've taken over the workforce and they've taken over the technology because American workers are being cut out of the operation. It's killing the goose that laid the Golden Egg.

"We put people lives on the line with software, so there is a great need for professionalism," said Miano. "But what executives want is someone who is the [payroll] equivalent of a ditch digger creating new cardio pacemakers and the Boeing 737 Max."

Valley executives have long tried to corral their professional employees. In 2014, for example, four of the major companies to pay perhaps $325 million to 64,000 plaintiffs for allegedly colluding between 2005 and 2009 to limit the freedom of American professionals to switch jobs. This alleged behavior was illegal, the fine was modest, and the political pushback was trivial. So now the Valley's executives are using the imported H-1B workforce to grab the legal control that they have long sought over American professionals.

Yet Silicon Valley's top executives admit that China is innovating them out of business.

The Valley now needs a bailout from Washington, DC, said a February 27 article by Eric Schmidt, one of the former Silicon Valley chieftains who served as CEO of Google while the sector discarded its American professionals. Schmidt's op-ed in the *New York Times* admitted:

Important trends are not in our favor. America's lead in artificial intelligence, for example, is precarious. A.I. will open new frontiers in everything from biotechnology to banking, and it is also a Defense Department priority. Leading the world in A.I. is essential to growing our economy and protecting our security. A recent study considering more than 100 metrics finds that the United States is well ahead of China today but will fall behind in five to 10 years. China also has almost twice as many supercomputers and about 15 times as many deployed 5G base stations as the United States. If current trends continue, China's overall investments in research and development are expected to surpass those of the United States within 10 years, around the same time its economy is projected to become larger than ours.

Schmidt's preferred fix would reaffirm the investors' preference for compliant foreign workers:

A majority of computer scientists with graduate degrees working in America were born abroad, as were most current graduate students studying computer science in U.S. universities. They are a source of national strength. A vast majority want to stay and contribute to American innovation. We must make it easier for them to do so.

Cato's report spotlighted the growing problem of bonded service. But Cato's proposed fix would give employers more green cards so they can attract and reward more foreign workers. "Abandoning per-country limits would be a good first step, but it would be insufficient to prevent unsustainable waits for all immigrants. Congress also needs to increase the number of green cards dramatically to resolve this crisis," Cato said.

Americans' professionalism dies when companies get their private supply of labor out India's caste culture, said Miano. "What you're seeing is the same pattern throughout history — business wants cheap foreign labor," he said, adding:

We need to focus our immigration policy on benefiting ordinary Americans. We have a system that only benefits a small group. It is akin to the United States in the 1860s when only a small group benefited from slavery. Here we have created a system where Jeff Bezos benefits while everyone else gets screwed.

But India's workforce already dominates lower-level and mid-management positions in many once-innovative companies — including Microsoft — below the board level, say Indians and Americans.
"I went out there [to a West Coast company] for a series of meetings," the research manager told Breitbart News. "I went out to this building out there, and I was the only white guy in the place," he said.

The manager added, "Now let me get this right, let me paint a picture for you: The only other white people were the Americans who were serving lunch to the Indians."