

Outsourcers Top the List of Companies Seeking High-Skilled Guestworkers in Silicon Valley and Across California



Economic Policy Institute

A Snapshot Analysis of California H-1B Visa Use

New analysis of U.S. Department of Labor data suggests that the leading users of the H-1B high-skilled guestworker visa program in Silicon Valley, and across California, are companies that essentially act as temporary staffing agencies. These companies make permanent work insecure and routinely facilitate the outsourcing of good, skilled jobs to lower wage labor markets. In fiscal year 2015, three of the top five companies filing Labor Condition Applications¹ for work in Silicon Valley—the first step in hiring a temporary foreign worker using an H-1B visa—were companies with business models that rely heavily on subcontracting and offshoring arrangements. The nine outsourcing companies that receive the largest numbers of H-1B visas nationally² made up nearly one-fifth (18 percent) of Silicon Valley's 138,594 requests for H-1B workers in fiscal year 2015. While the H-1B program allows employers to sponsor guestworkers to access citizenship, these companies rarely sponsor H-1B employees for lawful permanent residence in the United States.³

Companies that use the U.S. immigration system to facilitate outsourcing and offshoring have an even more dominant presence across the rest of California. In fiscal year 2015, eight of the top 10 companies filing LCA requests for H-1B work in California were outsourcing companies. The considerable share of requests suggests that these companies rely on H-1B visas to enable subcontracting arrangements that lower standards, depress wages and make jobs less secure for working people in California. For example, in 2015 Southern California Edison⁶ laid off hundreds of employees and then contracted with two temporary staffing agencies that hired H-1B guestworkers to do the same work, but paid them an average of \$40,000 less per year.⁷

Top five companies filing H-1B Labor Condition Application (LCA) requests for Silicon Valley-based⁴ employment, FY 2015

| Employer | Industry | Total requested workers ⁵ | Significant outsourcing / offshoring |
|-------------------|--------------------------------|--------------------------------------|--------------------------------------|
| Deloitte & Touche | Accounting/ financial services | 11,044 | ✓ |
| Apple Inc. | Technology | 8,756 | |
| Wipro Ltd. | IT consulting | 4,755 | ✓ |
| Infosys Ltd. | IT consulting | 4,275 | ✓ |
| Synopsys Inc. | Software products | 4,166 | |

Top 10 companies filing H-1B Labor Condition Application (LCA) requests for California-based employment, FY 2015

| Employer | Industry | Total requested workers | Significant outsourcing / offshoring |
|--------------------------------|-------------------------------|-------------------------|--------------------------------------|
| Deloitte & Touche | Accounting/financial Services | 20,190 | ✓ |
| Apple Inc. | Technology | 8,769 | |
| Wipro Ltd. | IT consulting | 6,956 | ✓ |
| Cognizant Tech Solutions | IT consulting | 6,790 | ✓ |
| Infosys Ltd. | IT consulting | 6,619 | ✓ |
| Synopsys Inc. | Software products | 4,497 | |
| Tata Consultancy Services Ltd. | IT consulting | 4,311 | ✓ |
| Pricewaterhouse-Coopers | Accounting/financial services | 4,203 | ✓ |
| Mindtree Ltd. | IT consulting | 3,505 | ✓ |
| Igate Technologies Inc. | IT consulting | 3,330 | ✓ |

¹Companies wanting to hire higher skilled guestworkers must first receive a certified Labor Condition Application (LCA) from the U.S. Department of Labor. Not every certified LCA application will necessarily become a hired guestworker, but the absence of more precise publicly available government data makes LCA certifications the best proxy to measure guestworker employment.

²As determined by total approved I-129 Petitions, fiscal 2010–12. Companies include Cognizant Tech Solutions, Infosys Ltd., Wipro Ltd., Tata Consultancy Services Ltd., Accenture, IBM Corporation, Deloitte & Touche, Larsen & Toubro Infotech Ltd., and HCL America Inc. See "The Impact of the H-1B Temporary Nonimmigrant Visa Program on Workers, Graduates, & the U.S. Labor Market," Jobs With Justice, http://guestworkerdata.org/wp-content/uploads/2014/02/H1BNationalFactsheet11_13_13FINAL.pdf.

³Ron Hira, Bridge to Immigration or Cheap Temporary Labor? The H-1B & L-1 Visa Programs Are A Source of Both. Washington, D.C.: Economic Policy Institute, February 17, 2010, <http://www.epi.org/files/page/-/pdf/bp257.pdf>. Also Ron Hira, "Top 10 Users of H-1B Guest Worker Program Are All Offshore Outsourcing Firms," Working Economics (Economic Policy Institute blog), <http://www.epi.org/blog/top-10-h1b-guestworker-offshore-outsourcing/>.

⁴Silicon Valley is defined as Santa Clara, San Mateo, San Francisco, and Alameda counties.

⁵Includes certified LCAs for subsidiaries and related businesses. Due to errors and omissions associated with administrative data, results should be interpreted as conservative estimates.

⁶Patrick Thibodeau, "Southern California Edison IT workers 'beyond furious' over H-1B replacements," Computerworld, February 4, 2015, <http://www.computerworld.com/article/2879083/it-outsourcing/southern-california-edison-it-workers-beyond-furious-over-h-1b-replacements.html>.

⁷Ron Hira, "New Data Show How Firms Like Infosys and Tata Abuse the H-1B Program," Working Economics (Economic Policy Institute blog), February 19, 2015, <http://www.epi.org/blog/new-data-infosys-tata-abuse-h-1b-program/>.