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TECH

# Canada Woos American H-1B Visa Holders Fed Up With U.S. Immigration System

Move to offer work permits to foreigners seizes on tech industry frustration

By *Michelle Hackman* [Follow](#) in Washington and *Paul Vieira* [Follow](#) in Ottawa

July 15, 2023 8:45 am ET



Canada's proposed work permit would allow H-1B visa holders to move to the country without a job. PHOTO: CARLOS OSORIO/REUTERS

This month, Canada will start offering open work permits to any immigrants in America on an H-1B visa, in a clear bid to lure away highly-educated foreigners frustrated by the U.S. immigration process.

It is the latest effort by Canada to capitalize on a growing sense from international students and professionals that settling permanently in the U. S.—between evermore competitive visa lotteries and a growing backlog of green cards—is too slow and difficult.

The new recruitment strategy, which Canada unveiled at a North American technology conference, Collision, held in Toronto last month, is designed to appeal to out-of-work foreign tech-sector workers in the U.S. whose immigration status is now in jeopardy after a recent series of layoffs, said Canadian Immigration Minister Sean Fraser.

For decades, attending an American university and settling in the U.S. more permanently has been the holy grail for many ambitious young foreigners across the globe. But that well-worn path has started to fray. International students can work for between one and three years on their student visas, but switching onto a work visa after that—most commonly the H-1B for high-skilled foreigners—has recently become dramatically more competitive. Last year, roughly one in five applications to the annual H-1B lottery were granted a visa; this year the number was closer to one in 10.

“With the H-1B lottery getting worse and worse every year, for a lot of these individuals Canada may actually be their only option,” said Chris Richardson, a former U.S. diplomat and co-founder of Argo Visa, a company that advises foreign applicants on the U.S. visa process.

Canada’s proposed work permit would allow H-1B visa holders to move to Canada without a job and look for one once they arrive. The types of immigrants who would qualify for the program, Canadian experts say, could also quickly become permanent residents under the country’s merit-based points immigration system.

Without the fast-track program, they would either need to apply for entry under the regular Canadian process or get a Canadian employer to obtain a work permit for them.

Fraser said at the conference that the situation presents an opportunity for Canada.

“There’s a lot of people who over the course of their careers may not have considered coming to Canada but very much want to stay attached to the North American market,” he said.

English-speaking countries from the U.K. to Australia have all benefited from foreigners’ frustrations with the often-slow and seemingly capricious U.S. immigration system, with universities from the U.K. to Australia all attracting more international students from countries like China and India.

Canada is considered a desirable destination because, under revised rules over the past 15 years, international students have an easier path to permanent residency after graduation, said immigration lawyers, Canadian officials and policy analysts who have studied immigration trends. If they end up working for American companies, they can live in the same time zone as their colleagues. In recent years, more American companies, such as Microsoft and Google, have opened branch offices in Canadian cities like Toronto and Vancouver.

For immigrants to the U.S. from India, who make up a disproportionate share of tech recruits, the process of becoming a permanent resident has proved uniquely vexing. That is because

the U.S. caps the number of employment-sponsored green cards it awards to applicants of any one nationality, and many more Indians apply each year than there are green cards available for them. Without an intervention from Congress, people from India who newly apply for permanent residency could die before their number is called.

Ketaki Desai moved to the U.S. in 2002 for a Ph.D. in biomedical sciences and first applied for a green card with her husband in 2008. By 2020, the green card had still not come through, and because of Covid-related processing delays, her existing visa was about to expire. Fed up, Desai left her job helping run a \$1 billion life sciences fund at the University of Pittsburgh Medical Center and moved her family to Toronto.



Ketaki Desai with her husband in their Toronto home. PHOTO: KETAKI DESAI

“I was feeling so much frustration and anger,” Desai recalled. “And when we realized we could start off with Canadian permanent residency, it was a no-brainer.”

She took a job as an executive at a startup fund run by the Province of Ontario and, a year ago, left to start her own tech company building digital tools for children with special needs. This year, she and her family will become Canadian citizens.

Indian immigration to Canada has nearly quadrupled in the last decade, according to an analysis of Canadian immigration data by the National Foundation for American Policy, a Washington think tank.

Canada is making a broader effort to use immigration as an economic tool to fill job vacancies across the economy, given the aging workforce, and fuel economic growth. Technology-industry leaders in Canada estimate the shortage of workers, from software engineers to coders to computer scientists, could hit 250,000 next year.

“The government is trying to use all of the levers at its disposal to try and close that gap,” said Benjamin Bergen, president of the Council of Canadian Innovators, a trade group of Canadian technology companies.

Another carrot Canada has recently offered, with an eye to luring future tech-sector workers, is making it easier for foreign students to become permanent residents. Since 2008, Canada has introduced changes to immigration rules that, among other things, allow international students to obtain a three-year work permit after graduation, and work off-campus during the school year and holiday breaks, without requiring a permit. At the time, Canadian officials said the goal was to retain foreign graduates given their familiarity with Canadian society and potential contribution to the economy.

The result: A surge in the international student enrollment at Canadian colleges and universities. In 2000, there were 122,000 study-permit holders in Canada, according to Statistics Canada data. The most-recent data from Statistics Canada indicate that number has ballooned to about 620,000.



McGill University in Montreal. There has been a surge in international student enrollment at Canadian colleges and universities in recent years. PHOTO: DANIEL SLIM/AGENCE FRANCE-PRESSE/GETTY IMAGES

“If I were the U.S. government, I would be very upset that Canada is basically siphoning off American workers,” said Sergio Karas, a Toronto-based immigration lawyer who works with companies to help secure workers from abroad.

But there is one area in which Canada can’t yet compete: salaries. While tech salaries are higher than the national average, they pale in comparison to the compensation employees receive for similar positions in the U.S., and many Canadian tech workers end up leaving the country for higher-paying positions abroad, according to an analysis by Randstad, a global human-resources consulting firm.

Many of the immigrants leaving the U.S. for Canada are, for now, considering it a temporary move.

“For tech workers, the U.S. is the holy grail. More money, more possibilities, more of everything. And Canada is very limited,” in terms of opportunities at large, global companies, Karas said.

Even Desai is looking at her options to return to Pittsburgh, even if it is on a temporary visa.

“We will always be Canadians, because Canada was there for us when the U.S. was not,” she said. “But we miss our community in Pittsburgh.”

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*Appeared in the July 17, 2023, print edition as ‘Canada Woos Skilled Foreigners Fed Up With U.S. Snags’.*

