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THE CURRENT: How will the Trump administration's new immigration restrictions affect the US economy?

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(MUSIC)

PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

The White House has issued an executive order restricting some temporary work visas for foreign guest workers, citing the high levels of U.S. unemployment due to the coronavirus pandemic. With us to explain what workers are being affected and what this will mean for the U.S. economy is Dany Bahar, a senior fellow in Global Economy and Development program here at Brookings. Dany, thanks for being here.

BAHAR: Thanks for having me.

PITA: Dany, what can you tell us about who's going to be affected by this executive order? Which visas covering what sort of workers and jobs?

BAHAR: Right, so this order is aiming to stop the issuance, or stop people who are coming to the US, mostly with the H1 visa. It includes also the J1 visa and the L visas. The H1B visas, as well as their dependents who would have other types of H visas, are people-who-are-working visas. Basically, for immigrants who want to come here and that have found a job in a U.S. firm, that in theory that firm wasn't able to find any American citizen that could actually fulfill that position and they recruit a foreigner. The J visas are for the most part people in academia, people who are doing some sort of research, it's fulfilling a research position. So those are the two biggest groups of people who, according to executive orders, are being impacted.

The type immigrant workers that this executive order does not include -- and they're very explicit about it -- is those that provide temporary labor or services that are essential to the United States food supply chain. And there's also some mentions of some strategic industries and I think in big terms they're referring to people work in the health industry, but that's a small proportion of all the immigrants that come to this country and even if those are exempted, that still doesn't mean that the damage that this executive order could create is[n't] tremendous

PITA: And about how many people are we talking about?

BAHAR: Well, some estimates that I've seen that were put forward by the Migration Policy Institute show that in total we are talking about 170,000 people that could be blocked from entering the U.S. until December of this year, which is the date that the executive order is pointing to the limit of it.

We don't know if it's going to be extended, of course; that will depend very much on the result of the election.

PITA: The administration has justified this executive order by saying that they are trying to help American workers by trying to push businesses to hire domestically, rather than looking abroad. There have been studies over the years looking at this common concept that hiring immigrant labor either depresses wages for American workers and or outright takes jobs away from them. What do we know about this?

BAHAR: Yeah, well, that's a phrase that we've heard a lot from this administration. And you know what I always say that even if you repeat it 100,000 times, it's not going to make it true. And unfortunately, it's a phrase that some sometimes resounds with certain bases or certain people, but the vast majority of the evidence shows that immigrants don't take the jobs of American people; don't lower the salaries of American people. Quite on the contrary. But particularly, it's important to put that question in the context of this executive order which is directly attacking skilled immigration. So, the people who would apply to H visas, to L visas, to J visas, are people who have definitely an undergrad degree and in most cases, a master's degree, even a Ph.D. And for these types of people there is really, really a wide consensus among economists that they are actually a force, an engine of economic growth. Beyond the consensus, there's also a lot of evidence behind it.

PITA: Right. The US economy is really struggling from the effects of the economic shut down due to COVID-19 precautions. What sort of economic effects can we expect from restricting these sorts of workers or also more broadly restricting immigration across the board?

BAHAR: It's the interesting thing, Adrianna, of this administration, that it seems really that with this measure is not only evidence-less in terms of the economic research on how immigrants affect the labor market, but it's also a big disservice to the American people, because if there's something that the U.S. economy will need in the short, in the medium, in the long run is to find ways to invigorate itself by creating more and more jobs. And when you actually look at the data, which is data that is publicly available -- it's out there, everybody can look at it -- immigrants in the U.S. are responsible for about 25% of all the startups that are created, even though they are only 15% of the U.S. population. They also overly produce patents and innovation, which of course we know is a huge engine for economic growth and most importantly, through a number of different measures, we know too that employment growth is faster for businesses that were started by immigrant entrepreneurs as opposed to those lunched by native-born, over three and six year horizons. So, if there's something that America needs to create more jobs right now, it's more, not less immigration.

PITA: Thanks, Dany. You mentioned all this in an op-ed you had in the Washington Post in April and I want to let our listeners know that I'll include a link to that in the show notes. Because in your piece you link to a lot of these specific studies and a lot of these data sets. So, for anyone looking for that, we'll have that available on the website.

So, in addition to this executive order the Trump administration also recently put a temporary freeze on new green cards, which authorize permanent residence for immigrants, as well as proposed some new regulations which would make it much more difficult for migrants trying to seek asylum here in the U.S. Should we be considering this executive order, specific about high-skilled workers, as part and parcel of the same broader policy context as these other moves?

BAHAR: It seems like it. That previous executive order, according also to the Migration Policy Institute, of the green cards would also affect about 300,000 people. That includes a family reunification cases and people who were working with work visas, like the H1B and now they're at a stage where they can get a green card.

So, you know, the one thing that I think is evident by now is that this is administration is just going against migration, period. They said at the beginning that it was against "illegal" quote unquote, migration, which I think is a bad term to use, but at first, they were saying they have nothing against legal migrants, only about the illegal ones. Then they said they're against the people who come here without a particularly strong education background, like the so-called unskilled migration, but now they're going all the way against those people that unequivocally, through any measure that you can see, are really an engine of growth. Those who are not skilled, they're also terribly important, and that's something that we realized today during this epidemic, because these are the people who are in the front lines, helping America to keep pace with this pandemic. So, all type of migrants are really important for this economy and to think otherwise, it's just simply very naive.

PITA: All right, Dany. Thanks for very much for talking to us today and explaining this, and I look forward to talking to you again.

BAHAR: Thank you, Adrianna.