

Pandemic or not, immigration bans are bad for America

James Pethokoukis

June 26, 2020

It's a puzzle, I guess, but not one that's particularly difficult to solve: How can it be that American schools are so unspectacular, yet our science and technology is pretty darn great? Back in 2018, I <u>tossed</u> that softball question to Stanford University economist and education expert Eric Hanushek. His explanation: "We are able to attract very smart people from abroad, keep them here, and have them work."

DACA recipient and electrical engineering student Brian Caballero, 25, works on a circuit board for his lab class in Pomona, California, U.S., January 25, 2018. Caballero is an electrical engineering undergraduate student in his last year of Cal Poly Pomona University. He came to the U.S. when he was five or six years old from Guadalajara, Mexico. Via REUTERS/Lucy Nicholson

Making it harder — through capricious bans on work visas — for people to come to America (especially those who are highly-skilled, innovative, and entrepreneurial) doesn't just hurt Silicon Valley. It's bad for all of us — assuming one thinks there's value in America pushing forward the technological frontier. Which there is, whether it's the products and services created, jobs generated, or national security strengthened. As I <u>note</u> in my recent The Week column, foreign-born workers <u>account</u> for a fifth of STEM workers with a bachelor's degree and more than half of those with a Ph.D. And in a <u>paper</u> releaseed last April, researchers Sari Pekkala Kerr and William Kerr find that immigrants account for about a quarter of US entrepreneurship and innovation.

Two other problems: First, the visa freeze won't protect American jobs, its purported justification. This from David Bier and Alex Nowrasteh of the Cato Institute:

As long as consumers value what workers produce, that production will lead to demand for other workers and more production elsewhere. This explains how the labor force in the United States could double since 1970 but not lead to 50 percent unemployment. New workers create jobs for other workers. ... When the pandemic subsides, consumption and work will resume. But does that mean that more workers would hurt the recovery? Just the opposite. The faster employers can fill open jobs, the faster consumer demand will increase, and the faster job growth will increase.

Second, the ban will have secondary effects that perhaps the Trump White House has not considered. This from Bloomberg's Tae Kim:

The government should consider the fact that employment isn't a zero-sum game. If they block the entry of the next great immigrant founder, we could miss out on a potentially large amount of job creation as well. Already, companies outside the U.S. know this reality and are jockeying to take advantage. Shopify Inc. CEO Tobias Lutke, whose company is based in Canada, tweeted: "If this affects your plans, consider coming to Canada instead. Shopify is hiring all over the world and we have lots of experience helping with relocation." A partner at a U.K.-based venture capital firm extolled the virtues of his country's "global talent visa" program. So, suffice it to say, others are more than willing to scoop up the world's talented immigrants.

Sadly, Trump's immigration policy changes may already have inflicted lasting damage on America's technology industry future. Potential immigrants may now decide to go elsewhere amid the uncertainty brought on by the visa suspensions. Why risk uprooting your family and career if the rules can change on an executive order whim? Cloud software startup Databricks co-founder Reynold Xin says his company, which now employs 1,400 people, has four immigrant founders who moved to the U.S. to "work with the best minds in the world." But the success story wouldn't have happened in the U.S. if they started the company in 2020, he added.