



US think tank: H-1B, work visas create jobs for Americans

Arun Kumar

June 25, 2020

President Donald Trump's suspension of several work visas, including H-1B largely utilized by Indian professionals, actually targets the very programs that create jobs for Americans, according to a leading US think tank.

Trump **suspended several work visas including J-1, L-1, H-1B**, and H-2B visas in the name of protecting jobs for Americans, David J. Bier of the Cato Institute's Center for Global Liberty and Prosperity, noted.

"But the fact is that these programs create jobs for Americans, and eliminating them will undermine job growth, hurting the recovery" from the covid crisis, Bier, an immigration policy analyst at the think tank wrote.

"The most important point is that all immigrant workers create jobs because they participate in the economy not just as workers but also as consumers," Bier wrote suggesting, "If Trump wants the economy to recover quickly, he should favor an all-hands-on-deck approach, not a government-micromanaged strategy."

H-1B workers are disproportionately involved in information technology jobs, he noted that are "essential during a time when people are transitioning to remote employment."

"The ability to work remotely has reduced the risk of job loss early in the crisis by 32 percent to 53 percent," he wrote citing research by Adam Ozimek.

"Other research has shown that more jobs would have been created during the last recession if so many H-1B workers weren't denied visas," Bier wrote.

This is so "because these highly productive workers greatly increase a firm's production and increase demand for workers elsewhere in the economy."

"If the president wants a V-shaped recovery, turning down foreign investment, keeping out talented skilled workers, and punishing businesses trying to survive this period is not the way to do it," Bier wrote.

“To respond to a downturn caused by a pandemic, the goal should be to stop the pandemic, not fundamentally alter the US labor market,” the policy analyst suggested.

Asserting that Trump’s H-1B ban was based on a misreading of economic statistics, Bier and his colleagues questioned the president’s claim that more than 20 million US workers lost their jobs in ‘key’ industries between February and April this year.

Suggesting there was widespread “confusion between industries and occupations,” Bier noted that “nearly all workers in the top H-1B occupations were still employed in May.

“It turns out that from January 2020 to May 2020, total employment increased by about 185,000 in the top 20 H-1B occupations, which account for 85 percent of all H-1B requests,” he wrote citing the Current Population Survey.

The number of unemployed increased by basically the same amount 194,000—a difference of 9,000, Bier noted. “This is substantially different from the 20 million cited by the president.”

Moreover, unemployment in H-1B occupations was already falling in May from April, he pointed out.

Since the State Department suspended visa processing at consulates in March, visas in the banned categories were already down 93 percent last month compared to the first quarter of FY 2020 before the order took effect, Bier wrote citing official statistics.

In the five visa categories that the Trump order targets, H-1B visa approvals for high skilled foreign workers were down 99 percent, relative to the first quarter monthly average, Bier noted.

RELATED: Indian American-led tech giants decry new Trump visa curbs (June 23, 2020)

H-4s for their spouses and children were also down 99 percent. L visas for intracompany transfers were down 97 percent, and J visas for exchange program participants were down 98 percent.

Only the H-2B visas for nonagricultural seasonal workers were less affected but were still down 29 percent. Some H-2Bs in food production industries are exempt from the latest ban as well.

Overall, just 5,272 work visas were issued in May, from a high of 91,886 in December.

The president’s proclamation also extends his earlier ban on immigrant visas for prospective legal permanent residents.

Overall, immigrant visa issuances too were down 98 percent in May, relative to the monthly average in the first quarter of FY 2020.

President Trump's order will have many negative economic implications if consulates reopen, but with consulates closed, the order will affect almost no one right now, Bier said.

“The ban still matters because it locks in these reductions in work visas, and it establishes a precedent that the administration can extend indefinitely as it has with its other bans on asylum seekers and Muslim majority countries,” he said.