



Trump's New Immigration Plan Doesn't Make Any Sense

Roque Planas

May 17, 2019

President Donald Trump unveiled his vision for a major reform to the legal immigration system Thursday, calling for the slashing of family-sponsored visas in favor of those for highly skilled and educated workers.

The White House is betting that the idea of slowing family-based migration while raising the number of high-skilled migrants will unify the Republican Party as Trump moves into a contentious reelection battle. Some of the more hard-line voices within or allied with the administration, like White House adviser Stephen Miller and U.S. Sen. Tom Cotton (R-Ark.), have endorsed the idea, contending that low-skilled migrants depress the wages of working-class Americans by competing with them for the same jobs.

It's a compelling idea for Trump, who built his political career by stoking hostility toward migrants by casting them as job thieves. But the premise of the new plan defies the administration's own logic. If migrants truly depress native-born workers' wages, as the White House contends, then it hardly makes sense to look beyond America's borders specifically to staff some of the country's most lucrative positions.

"There's no economic basis for their position," David Bier, an analyst with the libertarian Cato Institute, told HuffPost. "It's just entirely based on the political calculation that high-skilled sounds better than family-based. Or, in their words, 'chain migration.'"

Immigration policy is a blunt tool for rejiggering the labor market, and the relationship between immigration and wages is more complex than the White House acknowledges. The administration's new immigration plan is based on at least two false premises.

First, immigration — both skilled and unskilled, authorized and unauthorized — does not uniformly depress wages for American citizens. And second, the current system privileging family-sponsored visas isn't as biased toward low-skilled migration as the White House appears to believe.

Economists differ on whether and how much low-skilled immigration drives down U.S. wages, but most agree that immigration, regardless of skill level, increases economic growth overall, and that the kind of direct competition for jobs that may modestly depress American wages is limited to a few sectors of the economy and to Americans with less than a high school education.

The upshot is that low-skilled migrants also tend to push Americans out of manual labor and into higher-paying managerial jobs.

For Bier, family sponsorship is a separate issue from the economic concerns about migration — U.S. citizens should have a right to be with their families, he says.

And Bier, like other experts consulted by HuffPost, has no problem with the United States accepting more high-skilled migrants.

But the current immigration system already does this effectively, Bier contends. Some 47% of migrants who entered the United States on family-sponsored or diversity lottery visas combined had a college degree, according to an estimate Bier published last year. For the U.S.-born population, that figure was 29%.

“Selling this as a kind of great idea and innovation compared to what is happening now, it’s really misleading,” Giovanni Peri, an economist at the University of California, Davis, told HuffPost. “The legal part of the immigration system as it is right now is already high-skilled.”

Even if that were not the case, an immigration reform along the lines that the Trump administration is suggesting would have to address the U.S. labor demand for migrants without college degrees or advanced education, Bier says. Several sectors of the economy depend on migrants to stay afloat. And because migrants, regardless of skill level, are consumers as well as workers, their presence drives further growth, whether or not they compete with Americans for jobs.

More than half of farmworkers, for example, are migrants. Other major industries, including construction, hospitality, the restaurant industry and home health services depend heavily on migrants to function.

“That’s something that always confuses people about this issue — it’s obvious to them that they would be better off if they had no competition in their sector,” Bier said. “But then if you apply that principle to the entire economy, you’re worse off. Because your industry is dependent on demand from all the other industries. You want to have workers coming in across the entire economy, creating demand for construction, agriculture and other types of jobs.”

Attempting to take them out of the equation entirely by reshaping the current legal immigration framework and blocking all unauthorized border crossings, as the Trump administration hopes to do, could potentially upend several of the industries that low-skilled Americans depend on.

“The evidence does suggest that higher-skilled immigrants tend to boost the economy. They tend to be more innovative, create more jobs, start more businesses. And of course, higher-skilled immigrants pay more into government coffers and take less out,” said Julia Gelatt, a policy analyst with the nonpartisan Migration Policy Institute. “At the same time, we know that immigrants benefit the U.S. economy most when they complement U.S. workers. Right now, there are a lot of middle-skilled and lower-skilled jobs that are filled by immigrant workers. So that begs the question, what happens to those jobs if a plan like this were to become law?”

Rather than boosting wages in agriculture, Gelatt believes, a sharp reduction in the labor supply would raise food prices and force many U.S. producers out of business. Foreign countries that could produce at lower prices, like Mexico, would pick up the slack.

“In designing our immigration policy, we should look at the parts of our economy where there is really strong demand for workers and help employers find them,” Gelatt said. “And if we look at the parts of the economy with tight labor markets, it’s not always in the parts with high-skilled

jobs. If you're really thinking about how to expand economic growth, I'm not sure that high-skilled labor necessarily the best way to do that."

Those pondering the economic effects of Trump's immigration plan will have lots more time to do so. The plan amounts to little more than hot air at the moment. Congress doesn't have a legislative proposal to consider. Instead, the White House gave reporters who covered the event at the Rose Garden a four-page summary littered with pictographs and vague aspirations.