



United States: The Case For A Place-Based Visa Program In The U.S.

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Immigration ignites widespread growth and innovation for countries that welcome it, but its benefits can be specifically targeted when flows of foreign talent are concentrated to areas most in need of economic reinvigoration.

As such, governments can establish place-based visa programs to incentivize foreign talent to move to economically stagnant regions and distribute the benefits of immigration beyond large cities and technology hubs in metro areas.

In recent decades, Canada has successfully employed place-based visas as part of their national immigration strategy to address the economic needs of dormant or declining regions. Downward trending economic and demographic factors ranging from labor-shortages to population decline have produced the need for an influx of immigration to reinvigorate these regions.

In the U.S., many rural regions across the country are experiencing stagnant or declining economic conditions according to a 2020 report from the American Enterprise Institute. The place-based visa blueprint provided by Canada offers a potential solution to the diminishing economic conditions in these areas.

The Place-Based Visa Blueprint

The Canadian place-based visa program - known as the Provincial Nominee Program (PNP) - was established by the government in 1998 to distribute the flow of immigrants entering Canada across the country. At the time, most immigrants entering Canada were flocking to its largest provinces, including British Columbia, Ontario and Quebec.

The program offers skilled foreign professionals a pathway to permanent residence in Canada while filling key labor gaps in provinces across the nation, but specifically those with low or declining populations. The PNP allows local governments in each province to develop individualized immigration programs known as "streams" that target certain groups, ranging from foreign-born students to business professionals. The criteria of these streams can be malleable as the needs of each province change and shift.

Overall, Canada has reaped significant benefits since introducing the PNP. An evaluation of the PNP released by the Canadian government in 2017 revealed that the program had grown to be the country's second largest economic immigration program. The PNP also succeeded in

distributing immigration flows outside of just Canada's three largest provinces. From 2010-2015, over 65% of PNP visas went to foreign nationals who intended to settle in Manitoba, Alberta or Saskatchewan. Furthermore, the program attracted a range of highly skilled professionals to these provinces. Approximately 70% of foreign nationals in the PNP were employed in either managerial, professional or skilled and technical roles and over 54% had a university degree.

The program continues to expand as Canada anticipates admitting 83,500 foreign nationals through the PNP in 2022 and increasing to 93,000 by 2024. The success of the PNP in Canada provides an example for the U.S. on the economic advantages offered by a place-based visa program.

Proposals for a Place-Based Visa Program in the U.S.

Like Canada, the U.S. faces a disparity of economic growth between large cities and less densely populated portions of the country. This trend is reflected in the distribution of foreign talent, which is mainly concentrated in Silicon Valley, New York, Dallas and other large cities, according to a study from Pew Research Center.

To attempt to address this disparity, various lawmakers, researchers and economists have advocated for place-based visa programs in the U.S. In 2014, the Cato Institute released a report proposing the creation of state-based visas to funnel foreign talent to parts of the country most in need of the benefits offered by immigration. Like the PNP, a state-based visa program in the U.S. would allow state governments to select foreign nationals holding the skills and backgrounds lacking in their economies.

More recently, the Economic Innovation Group (EIG) released a report proposing a Heartland Visa to help revitalize and boost communities outside of large metro areas, particularly in the Midwest. The report hypothesizes that a visa specifically for communities facing regular population loss or stagnation could help reverse downward economic trends in these areas.

A place-based visa program could be designed to specifically bring in more high-skilled foreign talent - like individuals who hold H-1Bs - or a range of foreign nationals including students and seasonal workers. Putting these decisions in the hands of the communities where the foreign nationals will live and work further personalizes the immigration process and increases the likelihood of a successful integration.

Regardless of the specifics, increasing immigration levels in the U.S. through a targeted place-based visa program could potentially yield significant benefits for ailing regions and the entire country. As displayed in Canada, when flows of immigration are targeted and concentrated into specific areas, it spawns new industries, technologies and occupations. According to a study from the Kellogg School of Management at Northwestern University, immigrants create more, better paying jobs for native-born U.S. citizens than they take.

This trend is already playing out in the U.S. in places like Kansas, where more than 187,000 immigrants who were living in the state in 2010 were responsible for creating or preserving more than 8,600 manufacturing jobs according to a 2016 report from New American Economy.

Furthermore, state governments and the business community are eager for the U.S. to introduce a place-based visa program. Lawmakers and business groups in Georgia and Ohio recently pressed for place-based visa initiatives to address labor shortages in industries crucial to the economies of both states.

Following the lead of Canada, introducing a place-based visa program in the U.S. offers a promising solution to address labor shortages and promote economic reinvigoration in areas of the country that need it most.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.