

Suspending immigration to protect American workers has things precisely backward

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President Trump's dramatic <u>tweet</u> about temporarily suspending immigration into the US might not change much, at least in the near term. Granted, it sounded like a pretty big deal: "In light of the attack from the Invisible Enemy, as well as the need to protect the jobs of our GREAT American Citizens, I will be signing an Executive Order to temporarily suspend immigration into the United States!"

Reality check: There's little immigration happening right now anyway. As The Wall Street Journal <u>reports</u>, visa processing has been halted, citizenship ceremonies postponed, the refugee program paused, and border crossers immediately expelled once found. America's in lockdown mode.

But what about when America reopens? Will it also reopen to immigrants? Trump's tweets send a doubly damaging message: Immigrants are both a health risk and an economic risk. But that's no way to characterize one of America's great national assets and competitive advantages. As to Trump's first point, a fresh <u>analysis</u> from the Cato Institute finds no relationship between the rate of COVID-19 cases by county and the immigrant share of the population in those counties.

Nor is there much evidence to support the president's statement about jobs. Shutting borders and expelling foreign workers to help American workers hasn't really worked in the past. The theory is the same in both cases: Boost jobs and wages for domestic workers by creating a tighter labor market by keeping out potential competitors.

Two examples: First, there was a state and local effort during the early years of the Great Depression to repatriate Mexicon workers, with some 400,000 to 500,000 eventually sent home. But the employment effects were disappointing. This from the 2017 <u>paper</u> "The Employment Effects of Mexican Repatriations: Evidence from the 1930's" by Jongkwan Lee, Giovanni Peri, Vasil Yasenov:

Politicians at that time argued that this would give jobs to American workers and attenuate the unemployment problems caused by the Great Depression. There would be many employed Americans, they argued, taking those jobs vacated by the repatriated Mexicans. ... We find that cities with larger repatriation intensity, driven by a larger initial Mexican community, performed similarly or worse in terms of native employment and wages, relative to cities which were similar in most labor market characteristics but which experienced small repatriation intensity. ... The repatriation of Mexicans, who were mostly laborers and farm workers, reduced

demand for other jobs mainly held by natives, such as skilled craftsman and managerial, administrative and sales jobs.

Then there's the early 1960s exclusion of some 500,000 seasonal Mexican workers to boost wages, mostly in the farm sector, by intentionally creating labor market scarcity. Again, the results were disappointing. From the <u>analysis</u> "The impact of immigration barriers on native workers: Evidence from the US exclusion of Mexican braceros" by Michael Clemens, Ethan Lewis, and Hannah Postel:

Did president Kennedy manage to improve the wage and employment conditions of domestic workers by excluding the *braceros*? ... Farm wages did rise in the states that had relied most heavily on bracero labour, and rose more quickly after exclusion than they had before it. But remarkably, those wage trends are indistinguishable from the wage trends in states that had relied little on braceros, and also from those in states completely unaffected by the exclusion. If anything, wages grew faster in the unexposed states, closing the gap slightly with the most exposed states. ... The bracero *exclusion* likewise does not appear to have substantially raised US farm employment. ... For three of the crops where *bracero* labour was most important – tomatoes, cotton, and sugar beets – there were readily available technologies for mechanised harvesting or field maintenance that had been only partially adopted by US farms at the time of exclusion.

Even worse, Trump is seemingly proposing a blanket ban, which seems to suggest even skilled workers would be bad for America right now. Really? Actually, not really. Immigrants account for nearly half of the US workforce with a science or engineering doctorate, including 60 percent of workers in computer and mathematical sciences. In Silicon Valley, 64 percent of engineers are foreign-born. Indeed, more than half of US startup "unicorns" have at least one immigrant co-founder. These seem like just the sort of folks we'll need to build a better post-virus America.

America's Two Percent Economy is at great peril of becoming a One Percent Economy in the coming years thanks to business destruction today and risk aversion tomorrow. New barriers to the global movement of labor and goods make such an outcome more likely. That's the message America's leaders should be sending to their fellow citizens.