

QUARTZ

What the next president has to gain from opening the US borders

October 9, 2020

Annalisa Merelli

In just under a month, the US will have elected its next president. Whether Donald Trump continues to run the country for another term, or cedes his seat to Joe Biden, the next president will inevitably have to make important immigration choices.

Currently, the country's borders are closed to most foreigners in an effort to contain the spread of Covid-19. Several other temporary measures, including the interruption of several visa programs for foreign workers, have been in place in the past few months—and that's in the context of a significant decline in immigration since 2017.

But whenever the Covid-19 emergency measures end, the government will be faced with a question: Continue a restrictive immigration approach, or open up the country to larger number of immigrants, to make up for the losses in human capital accumulated during this year.

Trump made restricting immigration a flagship campaign issue in 2016, and his intention is to continue in that direction. The White House is suggesting lowering the cap of refugees to 15,000 per year—below the current low of 18,000 per year and the lowest since the passage of the Refugee Act of 1980.

Biden, on the other hand, is likely to move the opposite direction. Though he won't instantly expand immigration dramatically (and he's even less likely to push for completely open borders), he'll at least work to undo some of the many restrictions imposed by Trump. While this strategy might not find favor with all voters, economic research shows it's the one most likely to benefit the economy.

“Having expanded immigration relative to where the US is now, or even relative to where the US was in 2016, almost certainly has major advantages,” says Jeffrey Miron, an economist at Harvard University and at the libertarian think-tank Cato Institute.

Expanding immigration, Miron says, benefits the US economy—and it would any economy. New immigrants compete with natives or previous immigrants, bringing in new ideas and skills, and broadening the talent pool for employers. This happens whether the immigrants hold advanced degrees—the kind that would come into the US with an H1B visa to work in tech, or other specialized field—or if they provide unskilled labor, such as seasonal agriculture workers.

“There’s tons of evidence that expanded immigration contributes to innovation and dynamism in an economy, because the new people coming in have new ideas and new ways of doing things, and because they help generate more competition,” Miron says.

Does immigration drive down wages?

Immigrants with a high level of skills might supply abilities and ideas that simply were not available in the local talent pool, while at a lower skill level they take jobs locals may no longer be willing to do, therefore making certain productions more competitive.

But doesn’t this drive down wages? It can—and there is a reason this is a major populist argument that turns the working class against immigrants. “One cannot claim that immigration is always unambiguously good for everyone,” says Miron. “People who face the direct competition from the new immigrants might be worse off, at least in the short, short term.”

However, he says, research evidence suggests the impact on local wages is not protracted, or especially significant, and in the long term more immigration creates a better economy that benefits even those who initially were penalized by it. “The total benefit is almost certainly going to vastly exceed the cost to the people who are directly impacted by the immigration,” says Miron.

Extensive research, including models studied by Northwestern University professor Sergio Rebelo, show that expanded immigration brings a net benefit to the wellbeing of the average citizen. Still, this isn’t necessarily recognized even by those who experience those benefits, and the distrust toward immigrant is exacerbated in the current environment, Rebelo told Quartz in an email, as fear of new waves of coronavirus and higher burdens on the health system fuel opposition to any level of immigration.

Aren’t immigrants a public burden?

The other common economic argument brought up against immigrant is about welfare. Wouldn’t opening the country up to more people, especially those working in low-skilled jobs, increase the number of people who’d rely on government support?

This, too, is an assumption that lacks evidence. “Based on existing data, existing studies, immigrants don’t seem to have excessively high take-up with social welfare programs,” Miron says.

This doesn’t mean a large expansion of immigration wouldn’t bring in more people in need of welfare support, but it is unlikely. “Basic logic suggests that the people who are taking the time and trouble to come from far away [...] are energetic and active and want to succeed,” says Miron. Not all will always be successful, of course, but overall the minority who might take up resources wouldn’t undo the net benefit of expanded immigration.

Further, although this approach can be controversial, welfare benefits could be divorced from immigration. “It may make sense to have eligibility for existing social welfare programs not be available to recent immigrants,” Miron says, noting that several countries require immigrants spend a certain number of years working in a country before they can qualify for welfare

support. “Some people think that everybody should get access to [welfare] programs, but [restrictions] seem like a reasonable way of balancing the benefits of expanding immigration against the possibility that immigrants might have unusually high take of of social welfare programs” he says.