



Proposed immigration law would make matters worse

August 18, 2017

The nation's legal immigration system is in dire need of reform, but a new bill will only make us poorer and less free.

Republican Sens. Tom Cotton of Alabama and David Perdue of Georgia recently introduced the Reforming American Immigration for a Strong Economy, or RAISE, Act. The legislation, which has the endorsement of the Trump administration, would reduce legal immigration by half over 10 years and implement a new merit-based points system for determining immigration eligibility. Preferences would be given to those who are younger, have advanced degrees (especially in science and engineering fields), have a job offer with a high salary, score well on English-language assessment exams, or invest at least \$1.35 million in the country. The bill would also cap the number of refugees offered permanent residency to 50,000 per year.

The merit-based system is intended to be modeled after immigration systems in Canada and Australia, though critics point out that the United States permits fewer immigrants per capita than either of those nations — and this rate would only deteriorate further under the RAISE Act.

In a USA Today column, Cotton and Perdue claimed that their alterations to the immigration system would “give working-class families the raise they deserve.” This is based on the argument that immigrants flood the country with cheap labor, lowering wages for native-born workers. The problem is, economic research does not bear out this widespread wage drop, except perhaps for the small percentage of high school dropouts.

Last year, for example, a National Academies of Sciences, Engineering, and Medicine study reviewed economic literature on immigration and concluded: “When measured over a period of 10 years or more, the impact of immigration on the wages of native-born workers overall is very small. To the extent that negative impacts occur, they are most likely to be found for prior immigrants or native-born workers who have not completed high school — who are often the closest substitutes for immigrant workers with low skills.”

As Cato Institute immigration policy analyst Alex Nowrasteh noted in a recent blog post, “Congress restricted immigration to raise American wages at least three times in American history — 1882, 1924 and 1964. It failed each time.”

Immigration does not affect overall wages much because new immigrants primarily compete with previous immigrants, not native-born workers. The jobs they take tend to be complements of, not substitutes for, natives' jobs. Moreover, immigrants are also additional consumers, which

creates greater demand for goods and services — and thus more jobs. In these ways, immigration allows for greater specialization and economic growth.

It is curious that most of those who oppose additional immigration — whether “illegal” or “legal” — tend to be conservative. These same critics tend to advocate (rightly) for free-markets generally, yet they abandon these principles when thinking about the market for labor.

Too many conservatives who despise the central planning of an almighty government to dictate which goods and services should be offered, or provide favorable treatment to some, embrace the same government controls over who gets to live and work here.

Other immigration fears center on offering additional taxpayer-funded welfare benefits. This is a legitimate concern, though it is much more of an indictment of the expansive welfare state, not just the most recent crop of people to take advantage of it who qualify under existing rules.

Economic arguments aside, the proposed criteria for admission would only enhance the state’s power to judge who deserves to be considered an American, which itself feels un-American. The RAISE Act promises prosperity, but fails to deliver, both in terms of economics and the individual liberty that has allowed our nation to flourish.