

Why Trump's legal immigration reforms would be bad for Americans

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President Trump campaigned on creating a new U.S. immigration policy that is in the national interest. Rising to Trump's call, two Republican Senators — Tom Cotton of Arkansas and David Perdue of Georgia — have introduced the RAISE Act to slash legal immigration by 50%.

It's easy to claim that something is in the "national interest." It's much harder to justify it. In the case of these immigration restrictions, invoking the national interest just doesn't make sense.

In a White House press conference announcing the bill, President Trump said that it "will reduce poverty, increase wages." Cotton later chimed in by arguing that "there is a direct correlation between the mass unskilled, low skilled migration we have seen over the last few decades and stagnant wages and standards of living for working Americans."

In reality, the RAISE Act would slow wage and economic growth and would do nothing to create a merit-based immigration policy favoring skilled immigrants.

We've already seen what happens to wages when similar bills are enacted. Congress last cut legal migration in 1964 when it cancelled the Bracero program for Mexican farm workers. Lawmakers believed arguments made by the United Farm Workers union, led by Cesar Chavez, that cancelling Bracero would raise wages for low-skilled farm workers.

However, wage growth for American farm workers actually slowed after Congress cancelled Bracero, because farmers mechanized agriculture and grew less labor-intensive crops rather than pay higher wages.

It's odd that two GOP senators would now embrace an economic argument made by labor unions and left-wing activists like Cesar Chavez.

The immigrants the RAISE Act would exclude and the bill's details are eerily similar to those in the Bracero program. The RAISE Act would cut green cards by about 500,000 annually — a number close to the annual admissions under the Bracero program at its peak. Furthermore, the Bracero workers were relatively lower skilled, just like many of the family-based immigrants the RAISE Act would exclude. Lastly, today's immigrants and Bracero workers were concentrated in just a handful of states.

Furthermore, immigration's impact on wages is overstated. A recent National Academy of Sciences study found that "the impact of immigration on the wages of native-born workers overall is very small." Most of the effect is actually concentrated on other immigrants who compete with new immigrant arrivals.

There is little empirical evidence to support the claim that reducing immigration increases American wages. The most negative empirical finding is that competition with immigrant workers from 1990 to 2010 reduced the wages of native high-school dropouts, relative to other American workers, by 1.7%. But the average relative wages for the 91% of American workers who are not dropouts — including the middle class — actually rose because of immigration during that time. Is slowing middle class wage growth truly in the national interest?

Even critics of immigration acknowledge that it leads to economic gains. Cotton conceded at a press conference this week that lowering immigration would also diminish economic growth. The NAS found immigration boosts growth, which is what drives wage increases, productivity gains, and a higher standard of living. Is slowing economic growth truly in the national interest?

Even more worrisome, despite talking points to the contrary, the RAISE Act does not create a merit-based immigration system. The bill does not increase the number of skilled immigrants; it only cuts other categories and reforms some aspects of the employment-based green card system for skilled workers. Is a cap in the number of skilled immigrants truly in the national interest?

The truth is that none of these things are in the national interest. The U.S. immigration system needs reform, but RAISE's push to cut off legal immigration, without any corresponding increase in skilled immigrants, worsens the problem.

This legislation should have taken the approximately 500,000 green cards it eliminates from other categories and instead put those in the merit-based category.

At a minimum, the RAISE Act will diminish wage growth for over 90% of American workers and slow the economy overall - a far cry from what's best for the national interest.

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