

Business groups fear Trump's extended curb on foreign workers will backfire

Rebecca Rainey

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Business leaders fear that President Donald Trump's extension of restrictions on foreign worker visas could backfire on the limping economy.

Business, trade and free market groups contend the restrictions — which took effect Wednesday — will stymie job creation, decrease competitiveness and potentially slow the recovery, despite the administration's predictions that they would free up 525,000 jobs for Americans over the remainder of the year.

"It's going to be very disruptive to a whole lot of companies. ... This is going to be bad for job growth, it's going to be bad for economic growth," said Jon Baselice, executive director of immigration policy at the U.S. Chamber of Commerce.

Visa recipients help drive growth and create jobs, he said, "and that's going to help get us out of the economic situation that we find ourselves in."

Trump on Monday announced he was extending restrictions that bar most categories of foreign workers through the end of the year, citing "expanding unemployment and the number of Americans who are out of work."

Critics say the move is shortsighted.

"This order will have catastrophic negative economic consequences on the United States ... and generally slow the economic recovery," Alex Nowrasteh, director of immigration studies at the libertarian Cato Institute, told POLITICO, specifically citing H-1B visas for skilled workers.

"H-1Bs are much more likely to patent, and to innovate," he said, which creates "new businesses, new productivity, [and] new job opportunities for Americans."

But in the other corner, anti-immigration groups, like the Federation for American Immigration Reform, have hailed the move as Trump putting American workers "first."

The executive order applies to H-1B visas, a program frequently used by the tech industry that allows U.S. employers to temporarily hire non-immigrant workers in high-skilled specialty occupations, as well as H-4 visas for spouses of H-1B workers. It also applies to L visas, which allow companies to transfer a manager or specialized worker from a foreign office to a U.S. office; most J visas for work- and study-exchange programs; and most H-2B visas for temporary non-agricultural workers.

Attorneys say the administration's targeting of the H-1B and L visa categories is creating anxiety within the business community as it struggles to climb out of the pandemic-induced recession.

“These are the people who ultimately create jobs, entrepreneurial people,” said Mark Koestler, an immigration attorney at Kramer Levin. “In a time when our economy needs to recover and needs a boost, we're cutting out an important part of the workforce that will really help the recovery,”

“These are C suite people and to keep out a president of a company that employs hundreds if not thousands of U.S. citizens makes zero sense,” he added.

The critics say the types of workers who will be frozen out by the order — those with specialized skills, foreign executives and seasonal workers who work in industries such as landscaping, housekeeping and construction — are in jobs that won't be easily filled by American workers.

Andrew Greenfield, a partner at the immigration law firm Fragomen, Del Rey, Bernsen & Loewy, said his clients, which include large tech companies, are still struggling to find university-educated professionals to fill jobs, despite the 13.3 percent unemployment rate notched in May.

“Notwithstanding some of the economic devastation that we're facing with high unemployment,” Greenfield said, “they're not seeing the technical professional-level workforce impacted the same way.”

The unemployment rate in parts of the tech industry is far below the national jobless rate, according to some statistics, indicating a tight job market.

An analysis by the nonpartisan [National Foundation for American Policy](#) found that the share of some unemployed tech workers has actually declined during the pandemic.

Workers in computer occupations saw a 2.5 percent unemployment rate last month, a decline from 3 percent in January, NFAP's analysis of data from the Bureau of Labor Statistics found.

But in total, the BLS estimates 21 million Americans were unemployed in May, a figure the Trump administration and its anti-immigration allies have seized on to justify the additional restrictions.

One such group, NumbersUSA, contends American employers could use the executive order to “broaden their recruitment efforts into historically underserved communities and prove that Americans will do those jobs.”

Business groups fear ramifications beyond just filling jobs. They say the freeze could decrease America’s competitiveness, because the restrictions on L visas mean foreign-based companies will no longer be able to easily send their executives to the U.S. when those companies invest here.

“American companies, American executives are all over the world, and we would not want to see reciprocal action that would prevent an American executive from running the division in a foreign country,” said Robyn Boerstling of the National Association of Manufacturers.

“From our vantage point, it is really tying the hands of employers and those of those who support job creation,” she said of the order. “We want talented individuals to come to our country, and we want to have a competitive advantage in the United States.”

The order only applies to those seeking visas from outside the United States. So applicants who were still waiting for approval when the order went into effect this morning will be out of luck unless they are already in the United States, attorneys say.

“If you weren't in the United States as of June 24 or already had a visa as of June 24, you're banned from getting that visa and coming into the United States by the end of the year,” Greenfield explained.

However, Daniel Costa, director of immigration law and policy research at the Economic Policy Institute, notes that a high rate of H-1B visas were issued to individuals already in the U.S. in 2019. He suggests that program may see less of a reduction under the order, because of that trend.