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Understanding and Creating Prosperity

# Migration and Enterprise: Reforming Legal Immigration

IMMIGRATION – Resolved: The United States federal government should substantially reduce its restrictions on legal immigration to the United States.

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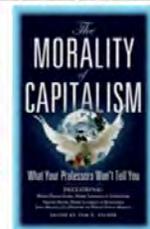
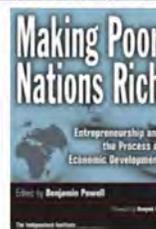
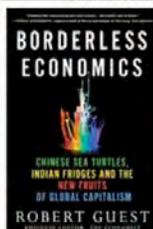
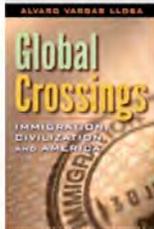


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# Economic Engagement with Cuba, Mexico, Venezuela

Study Guide for the 2013-14 NFL Debate topic

Mackinac Center Debate Workshops Topic Study Guide, October, 2013



<http://www.economicthinking.org/StudyGuideCubaMexVenez.pdf>

- *In a single generation, between 1980 and 2007, more than 10 million people migrated, legally or illegally, from Mexico to the U.S.*
- *Today there are more than 12 million Mexican-born people in the U.S. and millions of American children who are their offspring-- amounting to almost 10% of the nation's population.*
- *That is exponentially larger than in 1970, when there were less than one million Mexican-born people in the country, or 1980, when there were two million. The Mexican migration, and the similarly large migration of others from the rest of Latin America, has in just one generation reshaped the nation. (A Nation Built for Immigrants, Wall Street Journal, Sept. 21-22, 2013, C1.)*



## **Benefits & Costs of Immigration Reform**



- Current immigration regulations are arbitrary, costly, counterproductive.
- Moral and ethical claims.
- History of U.S. immigration and the Constitution (naturalization).
- Cultural claims and concerns.
- Economic claims, costs, and benefits. (“It’s the economy, stupid”)

# Legal Immigration Reforms

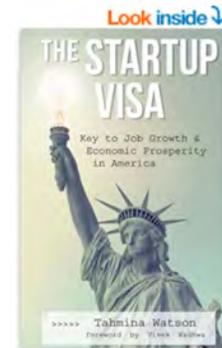
- New work visas. Red Card Solution

<http://redcardsolution.com/>



- Start-Up Visas

- Canadian points system, Startup visas, private-sponsored refugees.



**The Startup Visa: Key to Job Growth and Economic Prosperity in America** Paperback – March 6, 2015  
by Tahmina Watson • (Author), Lorret Turnbull (Editor), & 1 more  
★★★★★ 5 customer reviews

By **Stacy Cowley**

Aug. 26, 2016

- *Foreign entrepreneurs building new companies in the United States could soon gain a new immigration option that would grant them temporary entry for up to five years, under a rule proposed on Friday by the Department of Homeland Security.*
- *The proposal, which does not require congressional approval, would allow immigration officials to admit entrepreneurs case by case.*
- *To qualify, an applicant must have an “active and central role,” and a significant ownership stake, in an American company founded in the last three years.*

More than half of American tech start-ups valued at \$1 billion or more had at least one immigrant founder, according to a [recent study](#) by the National Foundation for American Policy, a research group that focuses on immigration issues.

<https://www.nytimes.com/2016/08/27/business/entrepreneur-immigration.html>

April 25, 2018  
7:04 AM EDT

🕒 Last Updated  
April 25, 2018  
7:04 AM EDT

<https://business.financialpost.com/entrepreneur/startup-visa-draws-only-10-applicants-as-trump-throttles-program>

## Current U.S. Immigration Policy



- *The Immigration and Naturalization Act (INA), the body of law governing current immigration policy...*
- *annual worldwide limit of 675,000 permanent immigrants, with certain exceptions for close family members.*
- *Congress and the President determine a separate number for refugee admissions...*
- *[legal immigration to the U.S.] based upon...: reunification of families, admitting immigrants with skills that are valuable to the U.S. economy, protecting refugees, and promoting diversity.*

<http://www.immigrationpolicy.org/just-facts/how-united-states-immigration-system-works-fact-sheet>



• Allow states to sponsor immigrants...

- Sen. Ron Johnson’s (R-Wis.) State Sponsored Visa Act of 2017. Introduced in the Senate last month, this bill is modeled after Canada’s highly successful Provincial Nominee Program.
- And like that program, it would give states the option to write their own guest-worker programs.

<https://www.usatoday.com/story/opinion/2017/08/04/immigration-let-states-decide-themselves-shikha-dalmia-column/536049001/>



CENTER FOR IMMIGRATION STUDIES

JULY 2018

### High-Skill Immigrants in Low-Skill Jobs

By Jason Richwine

Highly educated immigrants, meaning those who arrive with a college degree or more, often find that their skills do not fully transfer to the U.S. labor market. Many end up holding jobs for which they are overqualified based on their paper credentials. This “occupational mismatch” among legal highly educated immigrants is the subject of this report. By a moderate but significant margin, legal immigrants with at least a college degree are more likely than natives to take low-skill jobs. More importantly, the severity of the mismatch varies widely across sending regions. Legal immigrants from some regions of the world struggle much more than others to utilize their college or advanced degrees. As a consequence, policymakers should be cautious when designing an immigration system that selects for education.



CATO AT LIBERTY

SEPTEMBER 2, 2015

### Center for Immigration Studies Report Exaggerates Immigrant Welfare Use

By ALEX NOWRASTEH

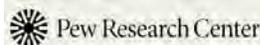
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POLICY BRIEFS JULY 2006

### The Contributions of High-Skilled Immigrants

By Michael Fix and Neeraj Kaushal



AUGUST 16, 2017



### Salaries have risen for high-skilled foreign workers in U.S. on H-1B visas

BY NEIL G. RUIZ AND JENS MANUEL KROGSTAD

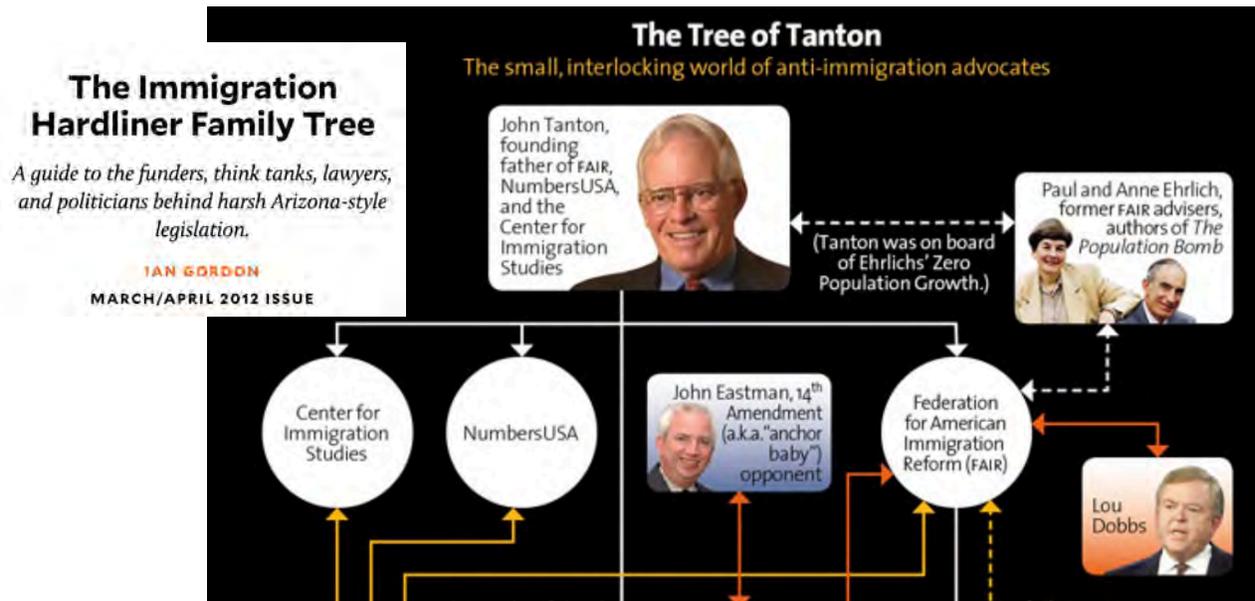
U.S. employers planned to pay high-skilled foreign workers with H-1B visas a median salary of \$80,000 a year in fiscal year 2016, up from about \$69,000 a decade earlier, according to a Pew Research Center analysis of new U.S. Citizenship and Immigration Services data.

# The Anti-Immigration Crusader

By JASON DePARLE APRIL 17, 2011

- WASHINGTON — Three decades ago, a middle-aged doctor sat outside his northern Michigan home and saw a patch of endangered paradise.
- A beekeeper and amateur naturalist of prodigious energy, John Tanton had spent two decades planting trees, cleaning creeks and suing developers, but population growth put ever more pressure on the land. Though fertility rates had fallen, he saw a new threat emerging: soaring rates of immigration.
- Time and again, Dr. Tanton urged liberal colleagues in groups like Planned Parenthood and the Sierra Club to seek immigration restraints, only to meet blank looks and awkward silences.
- 

<https://www.nytimes.com/2011/04/17/us/17immig.html>



<https://www.motherjones.com/politics/2012/03/john-tanton-anti-immigration-laws/>

**SPLINTER**

<https://splinternews.com/the-eugenicist-doctor-and-the-vast-fortune-behind-trump-1827322435>

# How Immigration Benefits Americans And Is Key To US Leadership In The World

09/12/2017 07:44 am ET | Updated Sep 13, 2017



Immigrants, or children of immigrants: Elon Musk, CEO Tesla; Jeff Bezos, CEO Amazon; Sundar Pichai, CEO Google; Safra Catz, CEO Oracle; Ariana Huffington Co-Founder, Huffington Post



## Green Card Through the Diversity Immigrant Visa Program

The Diversity Immigrant Visa Program (DV Program) makes up to 50,000 immigrant visas available annually, drawn from random selection among all entries to individuals who are from countries with low rates of immigration to the United States. The DV Program is administered by the U.S. Department of State (DOS).

## Money from investor visas floods U.S., but doesn't reach targeted poor areas

Originally published March 7, 2015 at 8:00 pm | Updated March 9, 2015 at 12:48 pm

- The answer is an opaque federal program, known as EB-5, that annually allots about 10,000 green cards, or permanent-residency visas, to wealthy foreigners who each invest \$1 million in a U.S. enterprise that creates at least 10 permanent, full-time jobs.
- Few of them actually pay that price. Instead they use a loophole that cuts the price of a green card to \$500,000 if they invest in a rural area or urban one with high unemployment. The discount was intended to create jobs in depressed communities.



<http://www.pewhispanic.org/2015/11/19/more-mexicans-leaving-than-coming-to-the-u-s/>

PewResearchCenter *Hispanic Trends*

U.S. POLITICS MEDIA & NEWS SOCIAL TRENDS RELIGION INTERNET & TECH **HISPANICS** GLOBAL

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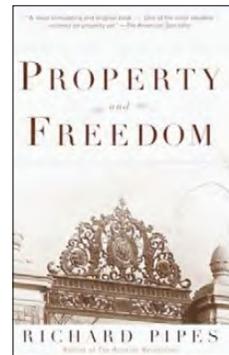
NOVEMBER 19, 2015

**More Mexicans Leaving Than Coming to the U.S.**

*Net Loss of 140,000 from 2009 to 2014; Family Reunification Top Reason for Return*

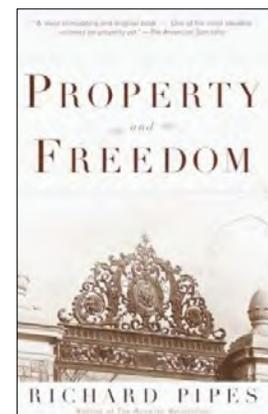
# Migrating to Freedom

- Cities gained freedom from local princes and became “self-governing, self-judging communes...” (p. 109)
- All male residents had right to participate in communal assemblies (long Germanic custom).
- **Migrants to these cities (including runaway serfs) were considered free after living in the city a year and day.**
- “Trade, along with manufacture and the capital to which both gave rise, created in the midst of an agrarian society based on duties and privileges, oases of liberty based on rights.” (p. 111)

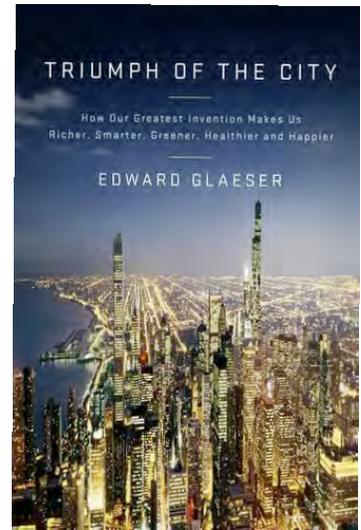
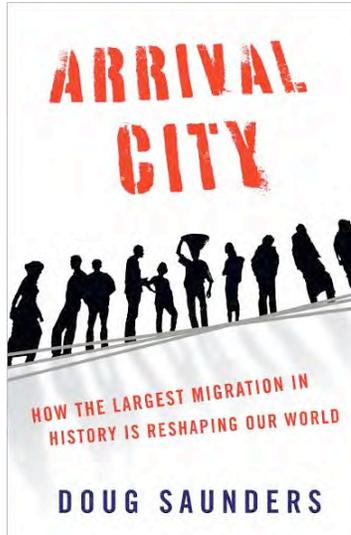
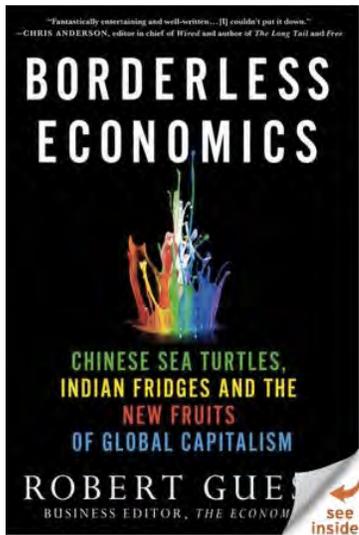


# End of City Independence

- Modern democracy originated in medieval towns, where private property and commerce were protected by law the rule.
- Through the fourteenth and fifteenth centuries with the rise of nation states (and gunpowder), most cities began to lose their autonomy.
- “The sixteenth and seventeenth centuries were an era of absolutism which had no tolerance for urban self-rule.” (p. 111)
- “But the ideals the cities had fostered and the institutions they had created became an intrinsic part of the Western political tradition.” (p. 111)



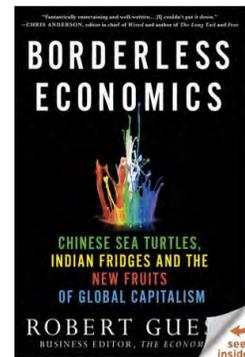
# Migration, Cities, and Economic Prosperity

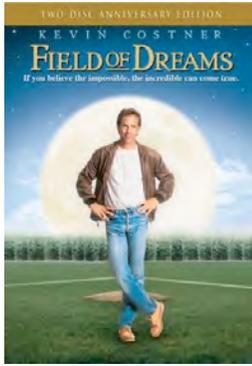


## Migration Economics

How Moving Makes Us Richer

- Stories of immigrants who see problems and act on opportunities. *Cheun Yan from China saw lots of paper thrown away in the U.S., built Nine Dragons Paper, now she is worth \$1.6 billion.*
- *Sergey Brin, son of Russian immigration to Google. Similar stories with PayPal, eBay, Sun Microsystems.*
- **[www.renewoureconomy.org](http://www.renewoureconomy.org)**



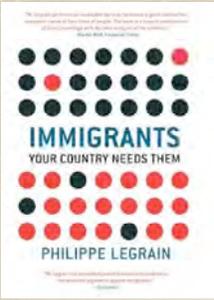


“If you build it,  
they will  
come.”



## Globalization and Migration

- ❖ 1700s - Scottish Enlightenment, American colonies left to “self-order” and prosper from trade and agriculture.
- ❖ Nationalism and war for England, France, & Spain. When England tried to regulate the Colonies: Independence
- ❖ 1815-1915 - Era of globalization... Expanding flows of goods (trade), investment, and people (migration).
- ❖ But from 1870s on, growing fear of free trade, immigration and resource depletion.
- ❖ 1950s/1960s - Return of global integration (increased trade, investment, migration). But from 1970s on, new fears of free trade and resource depletion.



## The Case for Immigration: The secret to economic vibrancy

by Phillip Legrain  
and *TCS Daily* interview  
with Phillip Legrain

There is a contradiction at the heart of our globalizing world: while goods, services, and capital move across borders ever more freely, most people cannot. No government except perhaps North Korea's would dream of banning crossborder trade in goods and services, yet it is seen as perfectly normal and reasonable for governments to outlaw the movement across borders of most people who produce goods and services. No wonder illegal immigration is on the rise: most would-be migrants have no other option.

This is perverse. Immigrants are not an invading army; they are mostly people seeking a better life. Many are drawn to rich countries such as the United States by the huge demand for workers to fill the low-end jobs that their increasingly well-educated and comfortable citizens do not want. And just as it is beneficial for people to move from Alabama to California in response to market signals, so too from Mexico to the United

depressing their wages. Others fret that immigrants will be a burden on the welfare state. Some seem to believe that immigrants somehow simultaneously "steal" jobs and live off welfare.

Governments increasingly accept the case for allowing in highly skilled immigrants. The immigration bill before the Senate would tilt U.S. policy in that direction, establishing a points system that gives preference to university graduates. Such skills-focused points systems are in vogue: Canada and Australia employ one; Britain is introducing one; and other European countries are considering them.

For sure, as the number of university graduates in China, India, and other emerging markets soars in coming decades, it will be increasingly important for the United States to be able to draw on the widest possible pool of talent--not just for foreigners' individual skills and drive, but for their collective diversity.

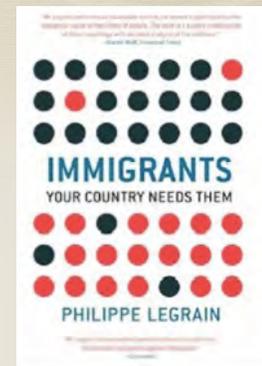
It is astonishing how often the exceptional individuals who come up with brilliant new ideas happen to be immigrants. Twenty-one of Britain's Nobel Prize winners arrived in the country as refugees. Perhaps this is because immigrants tend to see things differently rather than following the conventional wisdom, perhaps because as outsiders they are more determined to succeed.

Yet most innovation nowadays comes not from individuals, but from groups of talented people sparking off each other--and foreigners with different ideas, perspectives, and experiences add something extra to the mix. If there are ten people sitting around a table trying to come up with a solution to a problem and they all think alike, then they are no better than one. But if they all think differently, then by bouncing ideas off each other they can solve

## Open Immigration?

\* *Britain's experience since it opened its borders to the eight much poorer central and eastern European countries which joined the European Union in 2004 is instructive.*

\* *All 75 million people there could conceivably have moved, but in fact only a small fraction have, and most of those have already left again. Many are, in effect, international commuters, splitting their time between Britain and Poland.*



## The Wall That Keeps Illegal Workers In

By DOUGLAS S. MASSEY  
Published: April 4, 2006

THE Mexican-American border is not now and never has been out of control. The rate of undocumented migration, adjusted for population growth, to the United States has not increased in 20 years. That is, from 1980 to 2004 the annual likelihood that a Mexican will make his first illegal trip to the United States has remained at about 1 in 100.

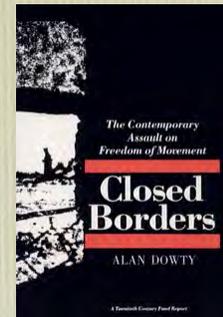
[My favorite article on immigration...](#) According to Massey "The rate of undocumented migration, adjusted for population growth, to the United States has not increased in 20 years." What has decreased, thanks to a massive increase in government spending on border control, is the rate of return of illegal immigrants. Where before 50% would return to Mexico within 12 months, now only 25% do. The Border Patrol's annual budget has risen from \$200 million to \$1.6 billion and staffing has increased from 2,500 to 12,000. The unintended consequence of this expanded border control effort has been to keep illegal immigrants in the U.S. longer, by making return trips harder and more expensive. Massey notes: "The only thing we have to show for two decades of border militarization is a larger undocumented population than we would otherwise have, a rising number of Mexicans dying while trying to cross, and a growing burden on taxpayers for enforcement that is counterproductive." (guest editorial, *New York Times*, April 4, 2006).

# Douglas S. Massey

## Closed Borders

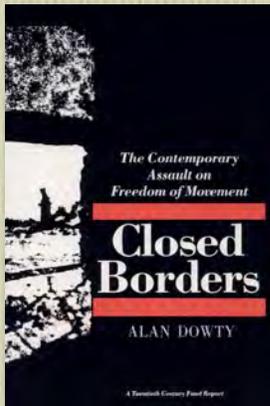
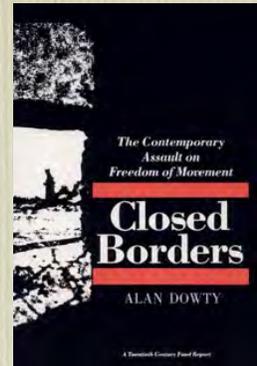
The Contemporary Assault on Freedom of Movement by Alan Dowty. A Twentieth Century Fund Report; Yale University Press, 1987

- *Human history is the history of movement.*
- *Migration the principle drivewheel of historic change.*
- *Migration the means for diffusion of ideas, techniques, and cultures, and new advances stimulated.*



# Free Trade & Migration

- “As supporters of free trade argue that the flow of goods will regulate itself, so defenders of free movement contend that the unhindered flow of people will find a natural balance. p. 58
- “In this view, the accumulation of millions of individual decisions will produce a better social result than any centralized scheme of control.
- The movement of people thus serves as a ‘thermostat’ of the relative pressures and opportunities existing in different societies.”

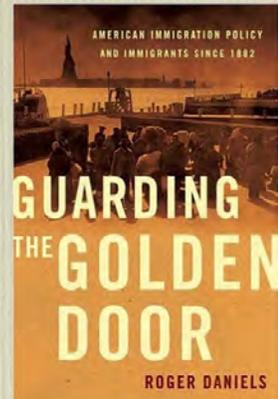


Just a thousand  
years ago...

**Closed Borders**  
The Contemporary Assault on  
Freedom of Movement by Alan Dowty. A Twentieth  
Century Fund Report; Yale University Press, 1987

# Migration

- After railroads & steamships, but before Passports... (“temporary wartime measure”)
- Migration: 1895-1920: 145,000 Romanians came to the United States. Many others migrated to Western Europe.
- 450,000 Hungarians to U.S. - 1894 to 1914.
- World’s largest migration: Europeans to North & South America in this period.
- Immigration in the 1980s and 1990s...



## TRADITIONAL IMMIGRATION?

*traditional levels of  
immigration?*

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## THE PERFECT STORM FOR IMMIGRATION REFORM

- Neither Congress nor the Clinton, Bush, and Obama Administrations were able to reform immigration policy.
- Labor unions supporting Democrats see new immigrants hurting union workers, taking jobs in right-to-work states and working for nonunion contractors. Pushing wage rates down...
- Conservative supporters of Republicans fear new immigrants will vote Democrat, not speak English, and change traditional cultural norms (and, since 9/11, a growing fear of Islamic immigrants).
- And environmentalists, supporting both parties, fear immigrants add to “overpopulation,” climate change, & hurt the environment.

## U.S. IMMIGRATION NOTES

- Political Economy: Interventionist dynamics
- Legislation has unintended consequences, with a history of “fixes” that have failed.
- Immigration legislation is sad examples of failed interventions.

## OVERPOPULATION?

- Is the world overpopulated?
- Is there a link between population density and poverty?
- Or between population growth and poverty?
- Is population growth bad for the environment?

## TRANSFORMING THE WORLD THROUGH MIGRATION

- Between 1990 and 2000, a 52% increase Korean immigrants, from 568,397 to 864,125.
- Koreans who came to America (earlier) helped the U.S. (high incomes) and helped Korea, as have immigrants from other places.
- Korea, Ireland, Hungary, Romania (before wars), Italy, and more recently Ireland (again), African countries...