#### economicthinking.org/UIL2018/





# 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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#### 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")

## 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-unitedstates-immigration-system-works-fact-sheet Frequently Requested Statistics on Immigrants and Immigration in the United States FEBRUARY 8, 2018 SPOTLIGHT

https://www.migrationpolicy.org/ article/frequently-requestedstatistics-immigrants-andimmigration-united-states#Numbers

#### How many immigrants reside in the United States?

- [Over] 43.7 million immigrants resided in the United States in 2016,
- $\bullet$  accounting for 13.5% of the total U.S. population of 323.1 million, ...
- Immigrants and their U.S.-born children now number approximately 86.4 million people, or 27 percent of the overall U.S. population...
- In 2016, 1.49 million foreign-born individuals moved to the United States, a 7% increase from the 1.38 million coming in 2015.
- India was the leading country of origin, with 175,100 arriving in 2016, followed by 160,200 from China/Hong Kong, 150,400 from Mexico, 54,700 from Cuba, and 46,600 from the Philippines.





CNBC,COM
Over 7,000-strong, the migrant caravan headed for the US
pushes on





IDEAS

#### The Solution to the Caravan Crisis Is in Honduras

The Honduran government briefly considered creating a "charter city" to which migrants could freely move. They should have gone through with it.



- At the start of this decade, the Honduran government briefly pursued an experiment so bold as to be almost baffling.
- With the help of a cadre of international experts, led by Paul Romer, the celebrated economist who was recently awarded the Nobel Memorial Prize for his contributions to the study of economic growth, it promised to create a new kind of city that would foster opportunity in a stretch of the country where there was precious little of it.
- Romer had dreamed up this idea of a "charter city" some years before, inspired by the case of Hong Kong, which became a magnet for impoverished Chinese migrants while still under British rule, and China's "special economic zones," the most notable of which, Shenzhen...

https://www.theatlantic.com/ideas/archive/2018/10/solution-carayan-crisis-honduras/573832/





https://www.intelligencesquaredus.org/debates/let-anyone-take-job-anywhere

■ Related to past debate topic...

http://economicthinking.org/study-guides/

Economic Engagement



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

- Economic Engagement with Cuba, Mexico, Venezuela Bary Cuda to ta 2014 AVI Distorta Tara
- ☐ 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.)

## **Legal Immigration Reforms**

 New work visas. Red Card Solution http://redcardsolution.com/



- Start-Up Visas
- Canadian points system, Startup visas, private-sponsored refugees.







The New Hork Times

# U.S. Proposes Immigration Rule Aimed at Entrepreneurs

By Stacy Cowley

- 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

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

#### Global Migration and Innovation

- Greek" yogurt from Turkish student.
- Peet's Coffee & Starbucks (Holland & Italy)
- Top tech firms: Google, Paypal, eBay, (50% of tech founders/key tech immigrants)
- Hong Kong was partly a refugee camp in 1950s.
- Syrian and North African refugees, and immigrants from Eastern Europe revitalizing (or disrupting) UK, France, Germany, Italy, Sweden.
- Israel's immigration experience (15% of entire population in one year)

# The Shape of Immigrants vs. the Shape of U.S. Workers

US: few Ph.D. engineers and scientists and few without high school education.



Immigrants:
many
scientists &
engineers
and many
who didn't
finish high
school with
limited
English...

#### FINANCIAL POST

#### U.S. startup visa draws only 10 applicants as Trump throttles program

No one has been granted a visa, and the U.S. is working on a plan to kill the rule entirely. That may bode well for Canada's tech scene

The U.S. startup visa, passed with much fanfare during the twilight of Barack Obama's presidency, was supposed to draw thousands of foreign entrepreneurs. Instead, just 10 people have applied.

https://business.financialpost.com/entrepreneur/startup-visadraws-only-10-applicants-as-trump-throttles-program



• Allow states to sponsor immigrants...

#### On immigration, let the states decide for themselves

the Dalmin Online contributor Distributed 12-10 n.m. ET Aug. 4, 2017 LL

Sen. Johnson's elegant approach for state guest worker waivers will let states field-test their own hunches about the effects of immigration.

- Sen. Ron Johnson's (R-Wis.) State Sponsored Visa Actof 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/

#### Medical Tourism to Medical Migration

- ...when he got a hernia, he flew to India to have it repaired. There he paid \$300...for a surgery that would cost \$29,880...here. He was a medical tourist—a patient who travels abroad for costeffective treatment for cancer, cosmetic surgery, or any large yet time-insensitive medical need. ...
- What if those Indian doctors came to us? Foreign doctors can't operate on U.S. soil without extensive recertification, but they can work in any country that transfers their qualifications.... What if some of those doctors set up shop in our nearest semiautonomous states: Native American reservations...

http://www.slate.com/articles/ health\_and\_science/medical\_examiner/2013/08/ a\_solution\_to\_the\_health\_care\_crisis\_indian\_d octors\_on\_indian\_reservations.html

#### How to Solve the American Health Care Crisis

Vitir a little help from some hydians.

LIZETTE CHAPMAN

April 25, 2018 7:04 AM EDT

① Last Updated

April 25, 2018 7:04 AM EDT





Center for Immigration Studies Report

Exaggerates Immigrant Welfare Use

**CATO AT LIBERTY** 



U.S. employers planned to pay high-skilled foreign wurkers with 11-1B visas a median salary of \$80,000 a year in fiscal year 2016, up from about \$69,000 a deade earlier according to a Pew Research Center analysis of new U.S. Cithership and Immigration Services data.



citizens

- But what I also want to suggest is that immigration control is the danger to freedom.
- ...the attempt to control outsiders ... is the danger because you can't control outsiders without controlling insiders.
- What immigration control is about, ultimately, is not the control of immigrants—it's the control of citizens and residents.
- "[W]ithout some kind of equality, freedom is just a privilege. So we want freedom for everyone. That's what a liberal democratic society means."

UIL Online: Rehmke\_UTA\_AdCXImmig-3



SNAPSHOT February 28, 2017

#### A World Without Borders

Richer, Fairer, and More Free

By Norbos, seven

- \*\* [Open borders] advocates [call for] nearly complete freedom of migration worldwide, with rare exceptions for preventing terrorism or the spread of contagious disease.
- \*\* Borders would still exist in such a world, but as jurisdictional boundaries rather than as barriers to human movement....
- \*\* The open borders position may sound new and radical, but it is simply a call for the return of lost liberties.
- \*\* When the Statue of Liberty was erected in 1886, most of the world's borders could be freely crossed without passports.

www.foreignaffairs.com/articles/world/2017-02-28/world-without-borders



SNAPSHOT February 28, 2017

#### A World Without Borders

Richer, Fairer, and More Free

- Ending migration controls in this way would increase liberty, reduce global poverty, and accelerate economic growth.
- [and] would challenge the right of governments to regulate migration on the arbitrary grounds of sovereignty.
- Comprehensive restrictions on international movement... today regard[ed] as a normal and necessary government function, are really an innovation of the twentieth century...
- Although the reasons for border control were often explicitly racist—such as the national origins quotas of the 1924 U.S. Immigration Act—the restrictions were also motivated by bona fide national security concerns, as well as a desire to protect native wages and welfare states from immigrant competition and foreign dependents.

www. for eign affairs. com/articles/world/2017-02-28/world-without-borders



#### If People Could Immigrate Anywhere, Would Poverty Be Eliminated?

Some economists are pushing for "open borders"

SHAUN RAVIV APR 26, 2013

- What if there was a program that would cost nothing, improve the lives of millions of people from poorer nations, and double world GDP?
- At least one economist says that increased mobility of people is by far the biggest missed opportunity in development.

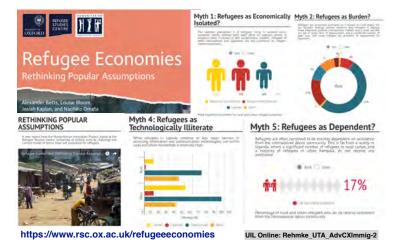
https://www.theatlantic.com/international/archive/2013/04/if-people-could-immigrate-anywhere-would-poverty-be-eliminated/275332/

#### Should We Let Them All In? How Immigration Helps the Economy



http://www.learnliberty.org/videos/should-we-let-them-all-in-how-immigration-helps-the-economy/





# Many Disagree... and Focus on Problems of Immigration

- Over 5 million views for Immigration, World Poverty and Gumballs by Numbers USA
- Claims: 3 billion in world with income under \$2/day. And world population growing by 80 million a year.
- USA can't much help the world's poor by letting I million (or even 5 million) in each year.
- Poverty must be solved in the countries where the poor live.
- Immigrants and their children are only reason US population is increasing...
- Longer video claims overcrowded schools, parks, roads and, environmental harms.



Global Poverty and Economic Freedom

7.5

1.85 billion

7.0

6.5

6.5

767 million

20%

1.5%

5.0

1.5%

5.0

20%

1.5%

Economic Freedom of the World index (left axis)

Percentage of population living below \$1.90 per day (2011 PPP)

Percentage of population living below \$1.25 per day (2005 PPP)

In 2013, 767 million people lived on less than \$1.90 a day, down from 1.85 billion in 1990. ... A vast majority of the global poor live in rural areas and are poorly educated, mostly employed in the agricultural sector... Poverty Overview -World Bank Group www.worldbank.org/ en/topic/poverty/

http://www.cato.org/blog/dramatic-decline-world-poverty

#### The Anti-Immigration Crusader

by MASON DEPARLE APRIL 17, 20)1

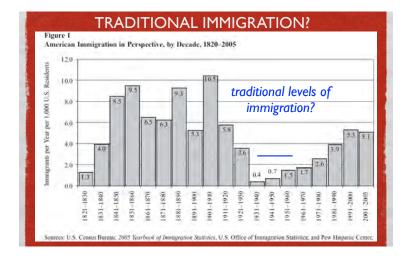
- WASHINGTON Three decades ago, a middle-aged doctor sat outside his northern Michigan home and saw a patch of endangered paradise.
- A beekeeper and amateur naturalist of prodigious energy, John Tanton had spent two decades planting trees, cleaning creeks and suing developers, but population growth 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

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

# The Immigration Hardliner Family Tree A guide to the funders, think tanks, lawyers, and politicians behind harsh Arizona-style legislation. MARCH/APRIL 2012 ISSUE The Immigration advocates The Tree of Tanton The small, interlocking world of anti-immigration advocates The June 1 and Arne Entirch Tention was on board of Entirity Zoor Population Crowth Too Lower Busicanian The Tree of Tanton The small, interlocking world of anti-immigration advocates The Tree of Tanton The small, interlocking world of anti-immigration advocates The Tree of Tanton The small, interlocking world of anti-immigration advocates The Immigration Short Tanton To Lower Busicanian The Tree of Tanton The small, interlocking world of anti-immigration advocates The Immigration advocates To Lower Busicanian The Immigration advocates The Immigration advocates The Immigration advocates The Immigration advocates To Lower Busicanian The Immigration advocates The Immigration

SPLINTER

The Eugenicist Doctor and the Vast Fortune Behind Trump's Immigration Regime https://splinternews.com/theeugenicist-doctor-and-the-vastfortune-behind-trump-1827322435



## An 'America First' Immigration Policy

By Stephen Moore March 6, 2018

- America greatly benefits economically from a steady flow of immigrants (... I million new legal arrivals each year)
- Immigrants' age profile is beneficial to the U.S.They tend to come to the United States when they are young — between the ages of 16 and 35.
- They are educated in China, or Mexico, or Germany, or Ireland, and then America gets most or all of the benefits of their labor and the public return on the education.
- This is one of the greatest wealth transfers in the history of the world. It is worth trillions of dollars to American citizens. greatest comparative advantages in the global economy.... https://www.creators.com/read/stephen-moore/03/18/an-america-first-immigration-policy

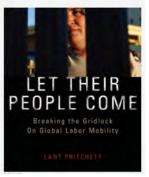
#### An 'America First' Immigration Policy continued...

By Stephen Moore March 6, 2018

- Immigrants are especially beneficial now because of our unfavorable demographic[s]....75 million baby boomers...are retiring at the pace of 10,000 a day, and there aren't enough young people to fill the gaps.
- Immigrants can and hopefully will or else Social Security and Medicare will go belly up much faster than anyone imagines.
- —Since there is such a high global demand for entry into the U.S., we should set a price on these visas, perhaps \$25,000 or even \$50,000. We could raise about \$20 billion a year to reduce the budget deficit. There would be no shortage of people lining up to pay the entry fee in exchange for the most valuable resource in the world: an American passport.

https://www.creators.com/read/stephen-moore/03/18/an-america-first-immigration-policy







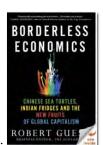
https://www.cgdev.org/publication/9781933286105-let-theirpeople-come-breaking-gridlock-global-labor-mobility

## Migration Economics

How Moving Makes Us Richer

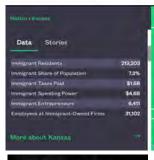
- Stories of immigrants who see problems and act on opportunities. Cheun Yan from China saw lots of paper thrown away in the U.S., built Nine Dragons Paper, now she is worth \$1.6 billion.
- Sergey Brin, son of Russian immigration to Google.
   Similar stories with PayPal, eBay, Sun Microsystems.
- www.renewoureconomy.org







www.newamericaneconomy.org/







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

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

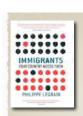


Yes, we are experiencing a net outflow of illegal, undocumented workers from

 $\mathbb{E}_{f}D = L(k_{0}) = Wednes L(u_{1},k_{2}) \mathbb{E}_{f}(U_{1},u_{1}) = \mathbb{E}_{f}(u_{1})$ 

America back to Mexico

Immigration experts from a variety of think tanks said Pew's research on illegal immigration is well respected and saw no reason to doubt its methodology.



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 eapital 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 outline.

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 contracts of which we have a contracted to the contract of the Markot in the latest of the latest of the Markot in the latest of the latest of the Markot in the latest of the Markot in the latest of the Markot in the latest of the latest of the latest of the Markot in the latest of the lat

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 latent-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

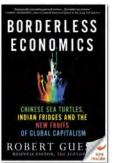
# Open Immigration?

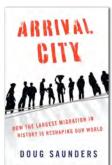
\* Britain's experience since it opened its borders to the eight much poorer central and eastern European countries which joined the European Union in 2004 is instructive.

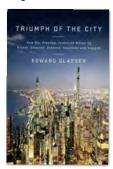


\* All 75 million people there could conceivably have moved, but in fact only a small fraction have, and most of those have already left again. Many are, in effect, international commuters, splitting their time between Britain and Poland.

# Migration, Cities, and Economic Prosperity



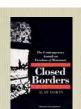




#### **Closed Borders**

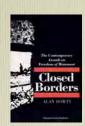
The Contemporary Assault on Freedom of Movement by Alan Dowry, A Twentieth Century Fund Report: Yale University Press, 1987

- 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."



# 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...

