

H1B1 Reversal: Undervaluing the Soft Power of Immigration

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On June 22, 2020, President Trump signed an executive order freezing new visas for foreign workers through the end of 2020. This measure is the latest in a series of initiatives that President Trump has taken to fulfill his 2016 campaign promise to get tough on immigration. In terms of grand strategy, the executive order raises an important question: Will restricting immigration help or hurt the United States in the larger scheme of things?

Although the reason cited for the sweeping new policy is to preserve jobs amid the economic downturn caused by the COVID-19 pandemic, this is still a gain for immigration hardliners in the administration. They have pushed to bring down the overall number of immigrants admitted into the country for years, even before the pandemic, despite the fact that immigrants own more than one in five small businesses and are more than 20 percent more likely to own such a business than a native-born person.¹ According to a recent study by New American Economy, nearly 44 percent of the companies on the 2018 Fortune 500 list were founded by immigrants or the children of immigrants.² Among the most notable are Apple, Amazon, Google, and Yahoo.³

With an executive order this broad, the United States is sending a negative signal to the rest of the world and could cause a huge brain drain for itself. Consider the cases of America's neighbor Canada and its economic rival China. Canada's liberal immigration policies will continue to attract highly skilled immigrants, while China's foray into 5G and space technology will receive a huge impetus of talent.

¹Robert W. Fairlie and others, "2016 Kauffman Index of Main Street Entrepreneurship" (Kansas City, MO: Ewing Marion Kauffman Foundation, 2016), available at https://www.kauffman.org/kauffman-index/reporting//-/media/kauffman_org/microsites/kauffman_index/main_street_2016/kauffman_index_main_treet_national_trends_2016.pdf.

²New American Economy Research Fund, "New American Fortune 500 in 2018: The Entrepreneurial Legacy of Immigrants and Their Children," October 10, 2018, available at <https://research.newamericaneconomy.org/report/new-american-fortune-500-in-2018-the-entrepreneurial-legacy-of-immigrants-and-their-children/>.

³Tom J. (2019) "Building a More Dynamic Economy: The Benefits of Immigration," Centre for American Progress, available at <https://www.americanprogress.org/issues/immigration/reports/2019/06/26/471497/building-dynamic-economy-benefits-immigration/>.

Apart from being integral to its economic success, immigrants have also served as a soft power tool for the United States. The nation has been able to expand its influence and build stronger relations with other nations through the exchange of culture, education, and science. America has made substantial investments over the years to develop an image of valuable education and excellent opportunities—something that has bolstered the nation’s strength globally. However, the executive order banning skilled immigration threatens all this and thus American soft power.

President Trump has vowed for the last four years to “make America great again.” However, it is the dynamism of the American economy that has helped and continues to make America great. Closing itself off to ideas and innovation has never been a foundational idea of this nation. If the United States somehow decides to close and limit itself now, it will have great repercussions for the nation.

In these turbulent times, a knee-jerk reaction like the executive order banning skilled immigration threatens to tarnish everything that the United States stands for. This is the time for America to lead and reinforce its standing as a global power. It is the time when the nation should remind the world what it truly stands for—stability, growth, and cooperation. Otherwise, an America that closes its doors will be an America that chooses to settle rather than grow, that has allowed security to trump dynamism. It is time for America to be America again—to honor its people and their contribution equally.