Immigration

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In recent decades, in United States immigration significantly increased the foreign-born worker presence. The immigration impact on the economy of the US is hotly debated. Some think that immigrants have diminished the job opportunities for those workers who are born in United States whereas other depicts immigrants as filling important job position that is avoided by other workers. Economist has analyzed the local labour market and failed to determine the immigrant's larger effect on the US born workers’ wages and employment. The effect of immigration on productivity, income and employment vary by industry, job and occupation. The administration of Trump has used every tool to remove the undocumented immigrants in the United States and proposed the plan that puts the wages, jobs and safety of American citizen first. In this article both negative and positive impact of immigration will be seen on the economy of the United States.

**History**

The 1924 immigration act limited the immigrant's number to enter into the United States through the quota of national origin. Immigration visas provided to 2% of the total number of immigrants of each nationality by the quota in the US. This act excluded all immigrants from Asia. In 1917, congress enacted the first restrictive immigration law. During the word war 1, the uncertainty that was generated over the national security made it promising for congress to pass the legislation. The 1917 immigration act has made literacy test compulsory that required that immigrants over 15 years old exhibit basic comprehensive reading skills in any language. This act also increases the tax for new immigrants on their arrival. This act also excluded the entry of any person born in geographically defined "Asiatic Barred Zone". The literacy was not alone enough to prevent the entry of immigrants, so in 1920 congress members found another way to stop immigration. Republican senator and immigrants experts introduced different measures to create quotas for immigration. According to this new reform, the total number of visas for immigrants was set at 350,000 every year. In 1922 this act was renewed to another 2 years. Just before the 1965 law, immigrants from only three countries (the United Kingdom, Germany and Ireland) were entitled to almost 70% of the quotas visas to enter into the United States. Today the immigrants in the United States is dominated by people born in Latin America and Asia and immigrants from whole Europe is only 10%. A bipartisan bill was introduced in the house of representative gives legal status and citizenship to many unauthorized immigrants working in the agriculture sector. According to this bill, almost 325,000 immigrant has given citizenship (Parker, 1924). The Trump administration has raised immigration and visa application fees. The Trump government is closing doors for those people who have the right to live in the US. Immigrants contribute to a greater share of the United States population. In 1980, there were almost 14.2 million foreign-born immigrants representing 6.5% of the total population. In 2013, almost 41.4% of million immigrants were present representing 13.3% of the total US population. The impact of US immigrants on the economy is greater than their total population suggest. In the US immigrants account to a large working-age population share (16% in 2013). From 1996 to 2008, the share of working-age population immigrants rises rapidly. It is reported that immigrants in the working-age population are more probable to participate in the labour force as compared to US-born citizen in the same age group (Orrenius, 2017).

**Pros and Cons of immigration on the economy**

Immigrants have always been considered as an important asset for the economy of the United States and it contributes greatly to the tax revenue and economic output of the nation. In 2013, approximately $1.6 trillion was added by immigrants to the US Gross domestic products. Economist has determined that immigrants usually complement native-born workers and also improve the living standard of people for all Americans. Immigrants also create demand for small businesses and strengthening the economy by playing a very important role in creating businesses and technological innovation. Although the economic contributions of immigrants are significant, they could be even more if legislative reform is enacted by Congress that includes a citizenship pathway which allows more unauthorized immigrants to participate in the economy of a country (Camarota, 2013).

In the US, some of the leading entrepreneurs are immigrants or children of immigrants. For example Jerry yang, Yahoo Founder emigrated from Taiwan at the age of ten years and Satya Nadella, CEO of Microsoft emigrated from India. It is reported that in 2010, more than 500 companies were founded by the immigrants such as Google, Apple, Bank of America and Mc Donald’s. The total revenue generated by these companies was more than $1.70 trillion and employed almost 3.6 million people in the US. Apart from the contribution to big businesses, the contribution of immigrants has also created an impact on the small business entrepreneur. In the United States, almost 28% of small business owners are 2 times more likely to become an entrepreneur as compare to the native-born population. In 2010, the immigrants generated $ 100 billion income, $775 billion in sales and approximately $126 billion was paid in payroll taxes. The small business owned by immigrants has provided employment opportunities to more than 4 million people in 2012. The United States is home to a large number of immigrants in the world. As compared to developed European nations, immigrants in the United States assimilate faster despite this immigration policy in America has become highly contentious. The economic analysis finds little evidence for the view that foreign labour inflows have reduced jobs or wages of Americans. Different research and prediction of economic theory also confirm that over the long term, wages are not affected by immigration and have a positive effect on the economy.

It is reported that in recent years, immigrant's populations have rapidly grown from less than 5% in 1970 to 13% in 2013. Although today immigrants comprise a large population share, since World War II, the share of the foreign body is almost the same as during the late 19th and early 20th century. In the United States immigrants is an imperfect substitute for a native worker in the labour market. This means that immigrants don't compete for the same job and also put less pressure on the wages of natives (Orrenius, 2017). There are studies which found that immigration has raised the native-born workers' wages in the last few decades. Immigrants are ingenuity and innovation in the United States which accounts for a disproportionately high share of senior position, science and engineering graduates and patent filing. Immigrants also create many opportunities and chances for less-skilled native workers to have specialization in their field hence increasing their productivity. Immigration also enhances the fiscal situation of government as most of the immigrants pay more taxes than they utilize government services.

The conservative view is that most immigrants are taking opportunities of the job from US citizen. However, although immigration increases labour supply, they also spend their wages on food, homes and other services and good and in turn increases the domestic economic demand. In the United States, immigration is one of the main issues. There are some misperceptions about the fundamental aspects of immigration such as immigrant population composition and size, the effect on economy and impact on the budget of the unauthorized immigration. One method to determine the contribution of immigrants to the economy of the US is to look at the salaries and wages they earn and immigrant-owned businesses income. From 2009-2011 the total output share of immigrants was 15%. Despite being 13% of the total population, they comprise 16.1% of the total labour force. It is also reported that most immigrants are a business owner. The share of an immigrant who owns a small business is slightly greater than the comparable share among native-born workers. There is great argument among different economist that immigration in the long-run has a positive impact on the outcome of the labour market of US-born citizen. There is a debate that whether immigration has an impact on native workers with a low level of education. The studies show that in the long run, foreign born immigrants do not reduce job opportunities for native workers. But there is some evidence which demonstrates that immigration in the short run reduces the employment opportunities for native workers. The reason is that the economy needs some time to adjust new immigration (Taylor et al., 2016).

The United States can get advantage from the immigration system. In a current system of immigration, the legal flow of immigrants is less responsive to the business cycle. Congress has set a limit on several temporary and new immigrants who may immigrate for work. In 2010, in the construction industry, the unemployment rate was more than 20% but the Department of Labour issued thousands of temporary visas for the construction industry. Immigration boosts economic growth. The more immigrants the more working hours in the economy. Immigration also increases participation of female labour force via a “reduced cost in-service care” mechanism. Increased in skilled migration can directly enhance human capital aggregate level. Technology, entrepreneurship and knowledge are a main driving force of the changing economics. The two reliable ways to create innovation and ideas in an economy are to introduce diversity and highly skilled workers in the workplace. In the US, immigrants account for almost 60% of workers in mathematical sciences and computer. Immigrants are fully integrated into the economic prosperity of the United States. In 2016, the two leading economist studies the impact of removing all undocumented immigrants on the economy. The report demonstrated that implementing this type of policy reduces GDP by 1.5% and 2.75 ultimately. By removing immigrants, all industries will suffer significant damage and in a long-run annual loss in GDP will be in ten billions of dollars for every industry. US Senate has passed the legislation in 2013 to make reform in the immigration system and to provide a citizenship path for undocumented immigrants who had long been residing in the US. Immigrants not only helps to create a strong local market but they also contribute to a strong global market.

Georges Borjas who is an economist has quantified the wage loss that occurred after 1965. He reported that immigrants who arrived between 1980 and 2000 have reduced the annual earnings of US citizen by $1700 (4%). Some economists have reported that mass immigration has exacerbated income inequalities in the US. It is also reported in some studies that immigration can increase poverty. By increasing the competition in the labour market the wages of native-born worker decreases which force them more into poverty. Secondly, immigrants are themselves poor which means that the United States is importing poverty. In 2013, more than 28% of the immigrants in the US live below the poverty line. As immigrants are poorer, pay less tax, less educated and more likely to get public benefits. As a resulting state, federal and local finances are all adversely impacted by immigration. It is estimated that in 1996, the households of immigrants created a fiscal burden on all government level. The lower-income and less-educated immigrants are net fiscal drain whereas higher income and more educated immigrants are net fiscal benefits(Card & Peri, 2016).

Recent trends that are found in the labour market shows that, although the majority of population growth is accounted for by the natives, most of the employment gain has gone to the immigrants. In 2013, the total working-age native’s workers were 1.4 million less than in the first quarter of the year 2000. On the other hand, the working immigrants number was 5.4 million larger over the same period. From this, it can be predicted that over the last decade most of the employment growth goes to the immigrants. Different household and establishment survey have measured weak employment growth over the last 13 years. This is a time during which more than 16 million people migrated to the US (Orrenius, Zavodny, & Gullo, 2019). Most of the economist has focused on wages instead of employment. Many studies were conducted to determine the immigration impact on the employment pattern of immigrants. It is found that immigration impact black American in an adverse manner. A study was conducted which shows that immigration not only decreases the employment opportunities for less-educated black Americans but also increases the incarceration and crime among immigrants. It is also found in this study that immigration adversely affects young worker employment. A study was conducted by Christopher Smith in which he determined that immigration played a very important role in reducing the opportunities of employment for young people (Valentino et al., 2019).

Since 1960, the US has been a top destination for immigrants. In 2017, more than 21% of the world immigrants resided in the US. Immigrants contribute to a significant portion of the US population. Enrollment of foreign student in colleges of the United States doubled between the year 2008 and 2016. Students from South Korea, China and India accounted for more than 50% of the international students pursuing an education in the United States (Basso & Peri, 2015).

In 2017, approximately 17% of the overall population of the workforce of the United States was comprised of immigrants. Most of the immigrants have careers in textile manufacturing, food production, private household employment, hotel work and agriculture. Foreign-born immigrants have also a high value in STEM fields. This not only increases productivity but also contribute to rising shares of patents of US in medical devices, electronics, pharmaceuticals and computing. Since 1990, the immigrant worker's percentage contributing to innovation in technology, engineering and math occupation has also doubled. It is found that more than 75% of the patents from top United States patent producing universities had at least one foreign immigrant. Immigrant staff researcher, student, and post-doctoral fellow play a very important role in critical technology development such as pharmaceutical drug development, manufacturing of pharmaceutical devices and optics. In 2013, the immigrants have added $1.6 trillion to the total GDP of the US. Immigrants are also investing their creativity and time in creating a prosperous future for all people who live in the US.

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