

# **The Political Economy of High-Skilled Immigration: Sponsorship and votes on high-skilled immigration bills in the U.S. Congress**

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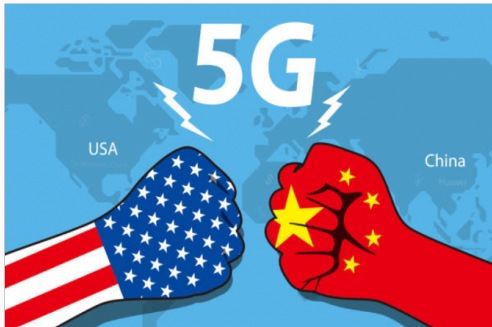
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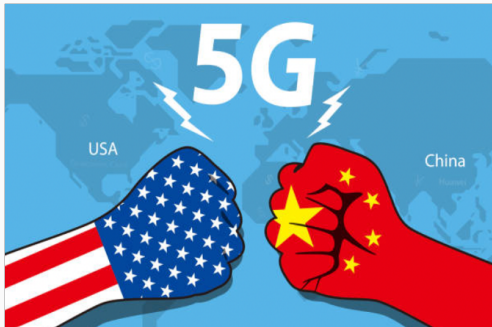
# Motivation

- Erdal Arıkan, U.S. PhD in Electrical Engineering from Turkey



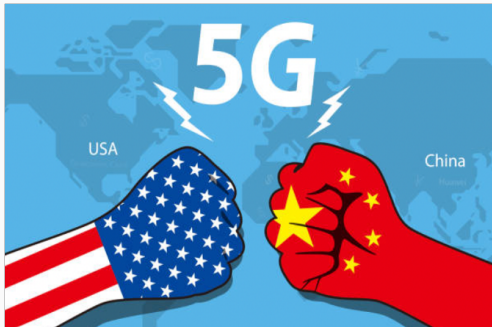
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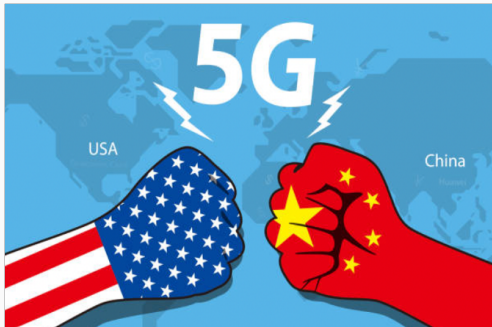
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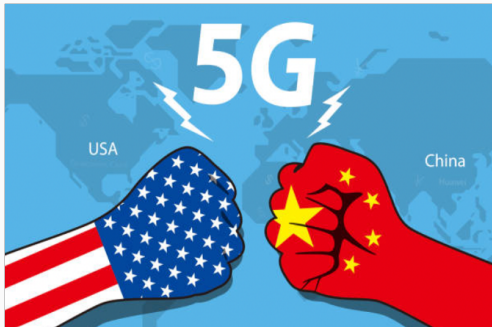
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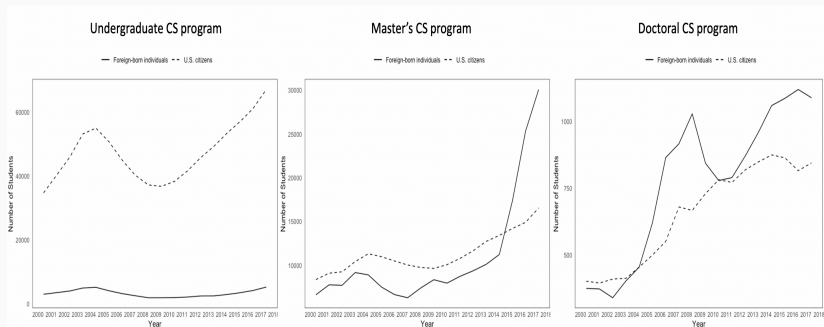
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- Why is it difficult to make high-skilled immigration policy?



# Motivation - Two competing forces

- Technological competitiveness: Skilled foreign nationals essential
  - Competition to attract talent fierce across the world



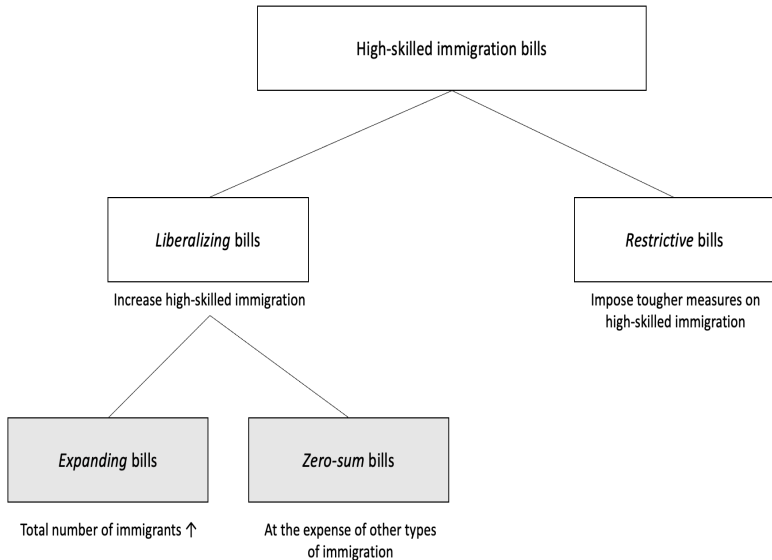
- Populist movements: Need to respond to protectionist demands

# Research Questions

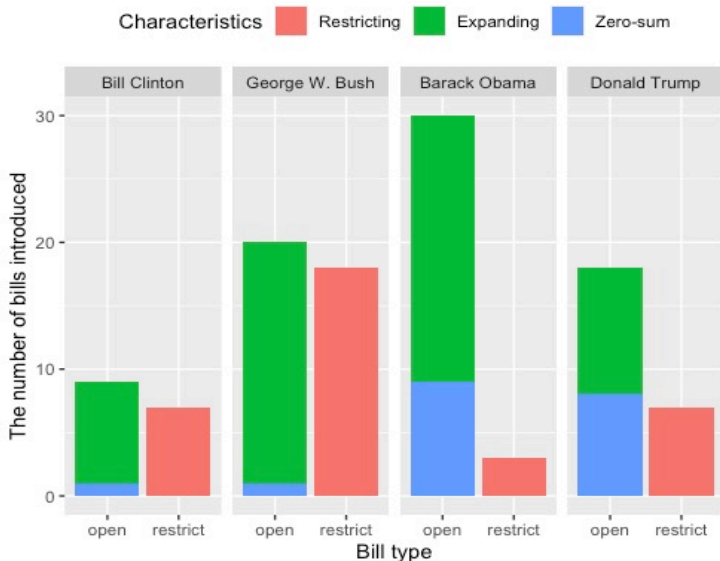
- How have high-skilled immigration bills evolved over time in the U.S?
- What factors affect high-skilled immigration policy?



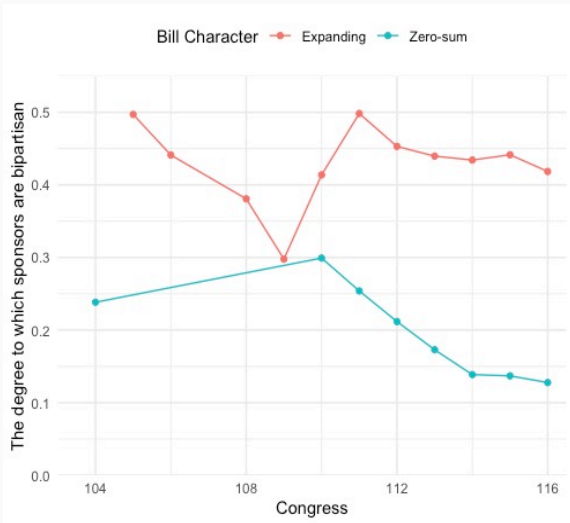
# Classifying High-skilled immigration bills



# How have High-skilled immigration bills evolved?



# Bills by Congress



# Theory of the Dynamic Demand

- Relax fixed demand assumption from the factor endowment model
  - Politicians from skill-abundant districts support open low-skilled immigration policy (Facchini and Steinhardt, 2011, Facchini and Steinhardt, 2011; Gonzalez and Kamdar, 2000)
- Virtuous cycle: Supply of skilled labor  $\uparrow$   $\rightarrow$  demand for skilled labor  $\uparrow$ 
  - Cluster of firms: innovation hubs (Silicon Valley, Boston, Seattle, Austin, etc.)
    - Firms & Entrepreneurs: Demand for skilled labor  $\uparrow$
    - Exchange of ideas: More projects
- Politicians recognize the needs for skilled foreign workers in their districts
  - Interactions with company executives and lobbying

H1. Representatives from districts with high demand for skilled foreign workers are more likely to sponsor or vote for liberalizing high-skilled immigration bills

H2. Democrats are more likely to sponsor or vote for **expanding** high-skilled immigration bills.

H3. Republicans are more likely to sponsor or vote for **zero-sum** high-skilled immigration bills.

## Hypotheses - Demand X Partisanship

H4. Demand will have a larger positive effect on sponsoring **expanding** bills if a representative is a Democrat

H5. Demand will have a larger positive effect on sponsoring **zero-sum** bills if a representative is a Republican

# Data construction

## High-skilled immigration bills

- 108th to the 116th House of Representatives (2003 - 2019)
- 86 bills (66 liberalizing bills for 28,556 observations)

## Demographics

- IPUMS congressional district dataset

## Demand for skilled foreign workers

- Labor condition applications (LCA), U.S. Department of Labor

## Lobbying

- Firm lobbying reports from Opensecret

Congress	Year	Legislator	State	District	Party	Nominate 1	Nominate 2	Bill name	Bill character	Sponsor	STEM population	Unemployed	Demand	Lobby
116	2019	SMITH, Christopher Henry	NJ	NJ4	R	0.167	-0.167	HR1044	Expanding	1	...	...	4.7	1
...														
...														



## Estimating strategy

$$\text{logit}(\text{Sponsor}_{i,j,t}) = \alpha_s + \alpha_y + \beta_1 \cdot \log\text{Demand}_{i,t} + \beta_2 \cdot \text{Rep}_{i,j,t} + \beta_3 \cdot \log\text{Demand}_{i,t} \cdot \text{Rep}_{i,j,t} + \beta_4 \cdot X_{i,t} + \epsilon_{i,t}$$

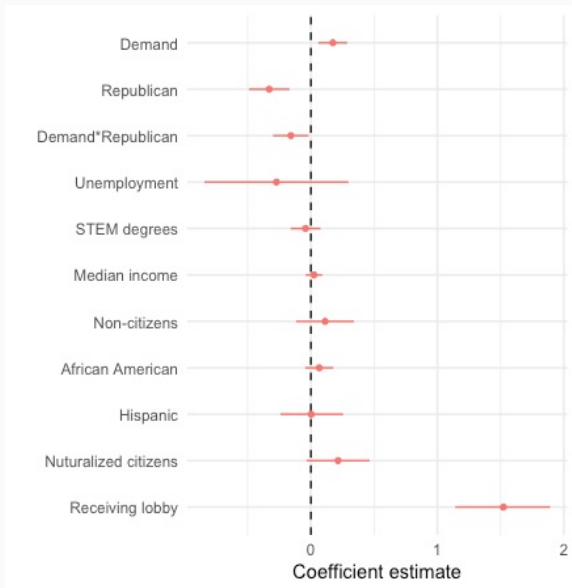
- Logistic model with state and year fixed effects
- Outcome variable: Sponsor (binary), Vote (binary)
- Expectations

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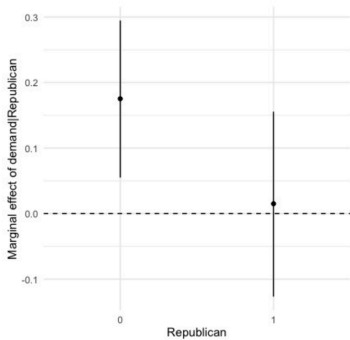
Variables	Expanding bills	Zero-sum bills
Demand ( $\beta_1$ )	$> 0$	$> 0$
Republican ( $\beta_2$ )	$< 0$	$> 0$
Demand X Republican ( $\beta_3$ )	$< 0$	$> 0$

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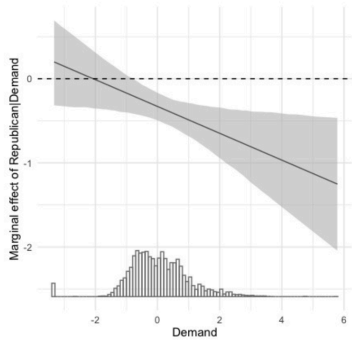
# Empirical Analysis - Expanding bills



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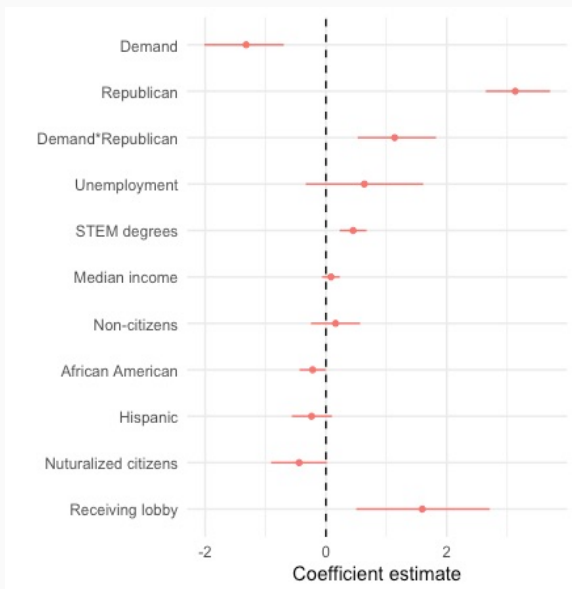


(a) Marginal effect of demand given Republican

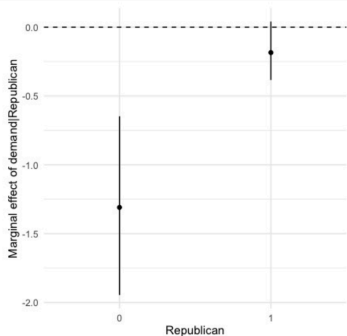


(b) Marginal effect of Republican given demand

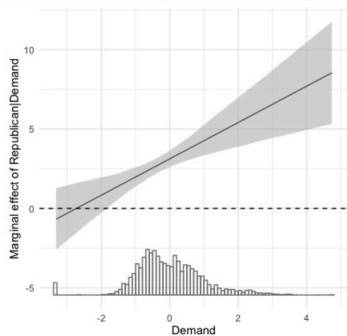
## Empirical Analysis - Zero-sum bills



# Empirical Analysis - Zero-sum bills



(a) Marginal effect of demand given Republican



(b) Marginal effect of Republican given demand

- Roll-call votes: Consistent
- Robust checks with district and year fixed effects (consistent)
- Triple interaction model: Consistent

## Conclusion and Takeaways

- Suggest a new approach to study the politics of immigration
  - Unpack the multifaceted nature of high-skilled immigration bills (as opposed to restrictive/liberalizing classification)
  - Shed light on the demand for skilled foreign workers
- The demand affects high-skilled immigration policy and the effect of demand is moderated by partisanship and by immigration bill type
  - Challenges the conventional wisdom that Republicans favor high-skilled immigration
- Current research/Future direction
  - Expand to other countries (Canada, UK, Australia, Korea)
  - Expand to low-skilled immigration policy

Thank You!



# Empirical Analysis - Triple interaction model

$$\text{logit}(\text{Sponsor}_{i,j,t}) = \alpha_s + \alpha_y + \beta_1 \cdot \text{zerosum}_{i,t} + \beta_2 \cdot \text{Rep}_{i,j,t} + \beta_3 \cdot \text{Demand}_{i,j,t} + \beta_4 \cdot \text{zerosum}_{j,t} \cdot \text{Rep}_{i,j,t} \cdot \text{Demand}_{i,j,t} + \beta_5 \cdot X_{i,t} + \epsilon_{i,t}$$

