

Eakinomics: The Administration, China, and Immigration

Last week, President Trump issued a proclamation of immigration suspension to prevent certain Chinese graduate students from seeking an education in the United States. (See AAF's Jacqueline Varas' piece for all the details.) This is the second such immigration suspension over the past couple months. The first, ostensibly issued for economic reasons, will bar a bit over 30 percent of green card applicants (roughly 350,000 individuals) from becoming legal permanent residents.

This order targets potential graduate students if they have current or former ties to Chinese agencies engaged in stealing intellectual property. Taken at face value, it is very limited and will impact only one percent of Chinese international students (roughly 3,000). So that's the state of affairs; the issue is what it means.

Is it genuinely an effort to protect intellectual property? If so, it seems a bit redundant because the United States already has safeguards in place to protect U.S. intellectual property at universities.

Alternatively, it could be an immigration policy designed to reduce "competition" from foreign graduate students. If so, the order itself is pretty small-bore, but if broadly expanded in the future it would have a measurable, detrimental impact on the U.S. economy.

Or, it could be another election-year poke in the nose at China, which could further escalate the growing tensions across the range of trade, investment, and geopolitical issues.

Or, it could be all three. The only thing I think for sure is that it won't be the last executive action before the election.