



Economic Prosperity Through Global Relations

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for the United States.

I. EXECUTIVE SUMMARY

America's economic success directly relates with its international diplomatic interactions and trade policies, particularly in the context of a highly globalized world economic environment. Trade policy development and formation of international economic partnerships have critical effects on the evolution of employment opportunities, goods availability, market stability, and overall international competitiveness. Immigration also adds another dimension to this situation, as the immigrants' labor raises efficiency in a wide range of sectors such as technology, healthcare sectors, agricultural sectors, and manufacturing sectors. Inconsistency in U.S. immigration and trade policies, though, has adversely influenced diplomatic interactions with economic outcomes that turn out highly volatile.

The current debate centers on whether the United States must advocate protectionism in favor of industry protection for America (U.S. jobs protection), or whether it must open up barriers for immigration and trade and deepen international relationships with national linkages. The aim of this project is to identify inter-sectionality of trade, immigration, and economic success and, in the long term, identify policy alternatives that would enable both national development as well as global leadership

II. OVERVIEW

The United States occupies a central role within the global economic forum, placing amongst the world's foremost importers and exporters of goods and services and occupying a significant role within international trade agreements. National economic success bolsters the capacity for effective international strategic diplomacy and therefore positions trade agreements with both adversaries and allies with the intention of facilitating the sharing of resources and capital flows. Moreover, immigration policy continues to be intricately linked with trade within, as well as beyond, international borders in complex ways. Within this context, highly educated immigrants within STEM sectors facilitate an innovative and entrepreneurial climate, whilst lower-skilled immigrant workers continue to be central to labor-intensive sectors such as agriculture and construction. Though there is economic advantage for the U.S. economy from the contribution of immigrants, there is political stalemate around the achievement of comprehensive immigration reform, surging trade hostilities with countries sending massive populations of immigrant workers to America. Within this context, it remains a pressing policy

challenge to sustain balanced trade policy that considers the interests of immigrants and U.S. livelihoods and national security in equal measure.

A. Relevance

The relevance of trade policy and immigration issues extends and beyond economic and political domains. These policies directly affect levels of employment, wages, and American workers' and other economic sectors' competitiveness. To policymakers, trade and immigration policy set out the United States' relations with significant partners and competitors and have ramifications on the geopolitical landscape as a whole. Protective trade measures can bring about tit-for-tat tariffs that negatively affect U.S. export sectors, and tough immigration measures can hurt industry by failing to secure a vital labor force and talent pool. Loosely defined policies may, however, instill wage repression and national security issues. Policymakers need to understand economic success interdependence as both a domestic issue and an international diplomacy core competency with regards to trade and immigration. A policy model that balances economic opportunity, alliance formation, and addressing labor needs would bolster U.S. economic fortunes and further entrench the nation's leadership role on the international stage.

HISTORY

A. Current Stances

The United States also has a long-term propensity to alternate between protectionist and free-trade thinking. In the middle of the 20th century, the nation emerged as a foremost proponent of globalization through the formation of

institutions such as the WTO and support for initiatives involving free trade agreements, such as the NAFTA, which has since replaced that with the United States-Mexico-Canada Agreement (USMCA). In recent years, there has emerged a dramatic shift in trade policy between both approaches; President Trump assumed a protectionist approach, characterized by renegotiating trade pacts and imposition of tariffs on China but President Biden has maintained specific trade barriers and also shifted towards restoring diplomatic ties with American allies. The course of immigration policy has also seen a similar thread of inconsistency. Restrictions on high-skilled immigration, such as the H-1B visa regime, have often seen alternating efforts at replenishing the labor force and exclusionary border policies and contentious debate around undocumented workers. At the current time, there is no bipartisan support and coalition for pushing through any immigration reform, so there is uncertainty for industry sectors and foreign regimes on actual availability of labor and trade commitments. The disjuncture between U.S. immigration and trade policy has created economic vulnerabilities and diplomatic complications and so points towards the need for a long-term, strategic approach.

I. POLICY PROBLEM

A. Stakeholders

Most important stakeholders in the trade and immigration policy interplay in the United States are workers in America, immigrant workers, and businesspersons. American workers are the most instantly impacted with regard to any trade and

immigration policy change. The policies can either positively or negatively affect the supply chain, salaries, working conditions, and employment opportunities for local workers. In Fredericksburg, Virginia, just south of Washington, D.C., agricultural, service, and construction industries demonstrate intense dependence on workers who are immigrants. Whenever there is the potential for the change in trade or immigration, all the actors in the economy feel the sense of uncertainty and instability. Immigrants, both the unskilled and the skilled, are another group of stakeholders in regard to their capacity to participate in the economy, based on stable immigration and infrastructure of work. Corporate businesspersons and local businesspersons both call for a set level of consistency in the policies governing an enduring workforce delivery and fair international trade agreements. Policymakers, too, are also stakeholders, aiming to reconcile employment opportunities, national security, and economic advancement in their legislative priorities.

B. Risks of Indifference

The threats of ignoring inconsistency in trade and immigration policies in the United States are both economic and diplomatically oriented. There is a lack of concern that can worsen labor shortages in the most crucial sectors, especially beyond technology, healthcare, and farming, where the immigration workforce is crucial. Shortages in these sectors can cause price rises, the collapse of companies, and reduced competitiveness in both local and national markets. In addition, inaction in resolving trade instability can risk America's international alliances and escalate tensions even

further with major partners such as China, Mexico, and Canada. On a local level, the consequence is increased prices for imported products and the loss of employment in export-based sectors. Furthermore, the economic consequences, inaction in resolving the situation puts the U.S. at risk of losing its status as a foremost leader in the world economy, as it espouses the cause of open and fair markets. In the years that follow, such actions will continue to cause economic inequalities, increase the volatility of polarized politics, and undermine confidence in the federal government's ability to govern the world economy efficiently.

C. Nonpartisan Reasoning

Since immigration and trade both impact economic stability and economic prosperity, in addition to national security, it is crucial to discuss the connection among these systems of policy in a nonpartisan mode. This is an issue that goes beyond party ideology; it presents detrimental effects to the agendas of both Republican and Democratic parties. First, economic development and innovation depend upon an immigration regime that is productive and efficient, providing holes in the workforce of labor while at the same time increasing the productivity of the workforce in high-skilled professions and encouraging leadership among entrepreneurs. Second, in addition to job security as well as national security—often touted by conservative political leaders—considerations can often be remediated by trade policies that serve the competitiveness of America while not diminishing sovereignty. Third, the ability to create international cooperation and international influence that has, at times, been complimented

by both major political parties, is optimized by the synchronization of trade and immigration policies. Finally, deliberate and intentional immigration as well as trade policy reform boosts local economic vibrancy. For example, Fredericksburg, Texas, thrives while the family farm of George W. Bush, among other oil and gas businesses, supplies the industries with the immigrant workforce they seek and provides trade opportunities with Mexico. Thus, nonpartisan reform is not only needed but practical in order to ensure the economic viability of America as well as its role as a major leader in an interrelated international world.

II. TRIED POLICY

Traditionally, the United States has fluctuated between various free trade models and protectionist policies, often leaving in its legacy inconsistent trade policies. The North American Free Trade Agreement (NAFTA) and its replacement by the United States-Mexico-Canada Agreement (USMCA) sought regional trade integration, while China tariffs produced trade friction in an attempt to strengthen manufacturing bases in the United States. Likewise, immigration policy has shown great fluctuation: Deferred Action for Childhood Arrivals (DACA) and the skill-based H-1B visa sought international engineers and other qualified workers; yet, strict border control and visa restrictions confine the availability of skilled workers, both to industry and local businesses reliant upon the workers. Even these "tested policies" in trade and immigration provided limited relief, they functioned in a reactive mode instead of coordinated or anticipatory plans, producing long-term dislocation instead of compelling bilateral agreement resolution of the

interdiscipline challenges that trade and immigration create, which would more efficiently resolve by previous agreement. Both hard protectionism and absolute openness, in their inability to accomplish both the goals of spurring economic growth as well as stabilizing the labor base, demonstrate the detrimental consequences of decentralized policymaking upon local and national interests.

III. POLICY OPTIONS

There are three broad-based policy alternatives that can correct the status quo imbalance in trade and immigration in the United States: comprehensive reform legislation, targeted protectionist measures combined with labour mobility agreements, and geographically-based labour-commerce alliances.

The initial strategy, known as Integrated Reform Legislation, attempts to build a federal policy that ties immigration quota levels to international trade agreements, providing home country or industry incentives. In the present scenario, as trade increases through a certain industry or country sector, the issuance of work visas for the respective country would be calibrated in order to reduce externalities associated with the demand for man-power. In regions such as Fredericksburg, or economies that depend on agricultural and service industries that utilize a given amount of immigrant manpower, such intervention can assist local employers in hiring seasonal or long-term employees in an optimal manner, particularly during peak seasons. Nationally, the strategy would synchronise the needs of the labour market in line with trade flows, pushing the economy toward reacting to fluctuations in a more stable and predictable

manner.

The alternative approach involves the implementation of Targeted Protectionism alongside Labor Mobility Programs, which would integrate a certain degree of strategic protectionism for susceptible U.S. industries—such as machined parts manufacturing or steel—with labor mobility initiatives instituted by the state. Such programs may allow temporary immigrant workers to integrate into areas of automation or domestic reorganization. In the forgiveness case of Fredericksburg, for example, this might mean establishing or piloting apprenticeship programs that connect immigrant workers to small manufacturers to help offset skilled worker vacancies as well as create jobs for locals, in a competitive economy. This approach would create opportunities both to support domestic industries, and would provide acknowledgment that labor and jobs were immigrant related to foster local economies.

The third option is to take the USMCA agreement and expand it into a much broader structure that includes provisions for the exchange of labor and the upgrading of skills. This would mean the initiation of joint training and certification programs among the North American economies and their respective allied economies, thus ensuring that the United States reaps the benefits of a trade and human capital exchange. In many localities around the country, regional business councils and the community colleges can mobilize federal trade offices to initiate small workforce programs designed to ready both the American and the immigrant workforce for the high-demand areas like

logistics, agriculture, and technology. The challenges of implementation will come, especially regarding the integration among the federal, state, and local governmental institutions. Together, the institutions can deliver an integrated response to the need to address dislocated workers, address the negative impacts of migration, and prevent the incidence of labor shortages. The recommended approach—whether that be legislative, cooperative, or international—will be a step in the greater goal of maintaining coherence and addressing trade and immigration policy challenges that can promote economic security, competitiveness, and inclusion at the local and national levels.

IV. CONCLUSIONS

In summary, the long-term economic prosperity in the United States will require purposeful trade and immigration policy that will align in the form of a strategy designed to support domestic labor markets and empower international relations. The fragmented character of trade and immigration policies has created confusion among businesses, workers, and foreign partners. Integrated action would allow the United States to continue to serve as a major world economic leader while, at the same time, offering better protection to communities against the uncertainty surrounding uncompensating trade and immigration policies. A pragmatic political stance toward trade and immigration policy—rather than a political polarizer—will offer the most promising route toward stability in the path of economic growth, international stature, and ongoing innovation. The imperative is absolute, local as well as national: in an interdependent world, prosperity depends upon

cooperation, consistency, and an aspirational vision toward trade and immigration.

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