

# A Cruel Hoax: The Political Economy Of Anti-immigration



*Richard D. Wolff*

02-28-2025 ~ Deporting immigrants may deliver electoral wins to politicians if voters have been sufficiently cultivated by years of demonizing and scapegoating them. For its victims, the cruelties involved are horrific. Yet such deportation makes little sense economically. It represents a nationally self-destructive program based on a faulty grasp of immigration economics. What once “made America great” (at least for the majority white population) were its successive waves of immigrants. What underscored the American economy’s strength was its ability to absorb and integrate those waves despite frictions among them: a genuinely productive melting pot. My American schooling through my PhD stressed such points.

What then reversed such a positive understanding of immigration? What converted immigration instead into an urgent danger to American greatness? What lets Trump pose as “protecting” us by sharply reducing immigration and massively deporting immigrants? (By “immigrants” I mean the vast majority of people who are poor and join the working class at low levels of pay. Foreign-born U.S. residents comprise about 14 percent of the total population or roughly 46 million. About 12 million of them are undocumented.)

Answers to such questions lie in the political economy of immigration. Yet those answers and the political economy that generates them are stunningly absent from popular debates and consciousness. The Republican party’s recent years of anti-immigration rhetoric plus the immigrant deportation policies in place across the last three presidencies illustrate that absence. Many politicians from both the

Republican and Democratic parties support deportation as the necessary response to the “costly invasions” of immigrants (often equated to criminals). Yet evidence for this demonization program has been very scarce. Its proponents seem largely ignorant of the actual economics of immigration.

Most immigrants coming to the United States are young adults. The young can best manage migration’s hardships and dangers. They can most readily fill the hardest jobs at the lowest pay that their desperate and vulnerable circumstances force on them. The undocumented among them are the most vulnerable. They dare not complain to the police or other government officials when employers take advantage of them and abuse them. Immigrants often send portions of their wages (“remittances”) back to the countries they left. Remittances help care for children, the elderly, and others who remained there and partially compensate those countries of origin for losing their emigrants’ productivity.

Before adult immigrants arrived in the United States, their upbringing was financed by their countries of origin. Their families and governments spent considerable sums feeding, clothing, sheltering, educating, etc., them from birth to 15-18 years of age. They “invested” in their young people but obtained little income from that investment because the young adults migrated to the United States. Their years of productivity benefited the U.S. economy, not the economy of the countries that invested in them.

In contrast, people born and raised in the United States face heavy economic costs *for the U.S. economy* before they become working adults. U.S. families partly defray those costs (food, clothing, and shelter). The federal, state, and local governments defray other parts of those costs (public schooling, public services, etc.). Since relatively few U.S. adults emigrate, the U.S. economy reaps their adult productivity as a return on its investment in their upbringing. Added to that payoff, the United States secures the productivity of immigrants they did not invest in.

Since many of the countries immigrants belong to are often among the poorer countries, the immigration of their citizens to the United States represents a subsidy from and by the poor nations. Migration not only reflects the international inequalities of global capitalism but it also worsens them. Migrants’ countries of origin lose the adult productivity they need most. Migration transfers those benefits to the rich countries that need them the least.

That “great” American past that MAGA celebrates comprised many decades of massive and successive waves of immigrants. Impressive U.S. GDP growth in the 19th and 20th centuries owed more than a little to the subsidies provided by immigrants. Early waves of immigrants stimulated economic growth that in turn attracted, welcomed, and incorporated later waves. Each immigrant wave struggled, and most of them eventually achieved rising wages; some even rose out of the working class to become employers. Immigration and growth facilitated each other in a cycle that many found “exceptional.”

As each immigrant wave arrived, its members mostly endured the worst jobs and the lowest pay and lived in the worst housing and neighborhoods underserved by public services, such as inferior schools for their children. When the next wave arrived, its members accepted the same. The economic growth that earlier waves of immigrants contributed to eventually enabled their struggles for better jobs, pay, and housing to succeed. That growth also enabled the later waves of immigrants who replaced the earlier ones at the lowest rungs of the nation’s social ladder.

Thus, almost all immigrants could reasonably foresee better years ahead. The United States could boast about a remarkable degree of “social mobility.” Carefully exaggerated by “rags to riches” fables like those in the many [novels of Horatio Adler](#) (1832-1899), working-class belief in social mobility served social peace and often blunted socialism’s appeal.

This analysis has so far treated migration in terms of its national or macroeconomic effects. Migration also has microeconomic effects: its impact on the employee-employer relationship. Immigrants usually work for less pay than native-born employees will accept. Undocumented immigrants accept still less. Because immigrants can represent a real competitive threat, the native-born, better-paid workers can fear, resent, and oppose their presence. Demagogues often see opportunities to obtain votes by reflecting and reinforcing that resentment and opposition. If the migrants display “racial” differences, demagogues can integrate racism (traditional or new) to aggravate the competition between immigrant and native-born employees.

Employers have often played immigrants against native-born employees and undocumented immigrants against both. Employers’ divide and conquer methods have prevented united actions by native and immigrant employees and blocked or

destroyed labor unions and strikes. On the other hand, in recent years, significant portions of the U.S. labor movement have revived partly by pointedly unifying immigrant (documented and undocumented) and non-immigrant employees and, thereby, defeating employers. Not surprisingly, some employers, worried about a reviving labor movement, cultivated a backlash to reinforce divisions among employees. Demonization of immigration appealed to them. Denunciations of and demands to remove diversity, equity, and inclusion (DEI) commitments became popular covers for and companions to anti-immigrant agitation.

In the United States, recent presidents have sought votes by using hostile words and actions against immigrants. Those presidents' plans and resulting deportations responded to several years of large immigration. Political demagogues and racists played their usual roles. Trump lifted them into his campaigns and presidencies. His second term targets the most massive deportation in U.S. history.

U.S. employers will regret the deportations' reduction of profitable and low-wage immigrant employees (and especially undocumented employees). Of course, employers retain their usual alternative of automation: replacing ever more workers with computers, robots, and AI. Millions deprived of government jobs (via Trump, Musk, and DOGE) will join those technologically displaced to compete for shrinking job opportunities in the U.S. private sector. The Trumpian objective is a working class cleansed of immigrants, unions, and DEI sensitivities. It is a MAGA world that has successfully resubordinated most non-whites, women, immigrants, and all others deemed inferior by the likes of Trump and Musk, and those they select.

Immigration always served chiefly the needs of U.S. capitalism. Migration was always costly, dangerous, and painful to the migrants who mostly lacked other ways to survive. The U.S. working class was often threatened by immigration and thus saw it negatively, but it lacked the political power to stop it. On the other hand, the working class also appreciated the survival and opportunities immigration offered their families and ancestors. In that way, they saw immigration positively.

Over several recent decades, slow, uneven economic growth redistributed U.S. wealth and income upward. A declining U.S. empire coupled with rising global competition (especially from China), climate change's mounting effects, and

consequent global conflicts drove large migrations to the United States just as its jobs, incomes, and opportunities were being squeezed. Immigration's perceived negative effects came to outweigh the positive ones. Enough of the U.S. working class's sympathy for and appreciation of immigration declined to give right-wing demagogues their latest big opportunity.

The demagogues exploited the changed conditions and attitudes of the United States working class to shake up U.S. politics. Daily executive orders have undone the formerly stable political consensus of alternating GOP and Democratic governments during the upswing of the U.S. empire in the 19th and 20th centuries. Since then, as the U.S. empire and capitalism commenced their mutually reinforcing decline, Republicans and Democrats turned ever more harshly on each other. Their old political establishment crumbled in bitter conflicts.

Immigration became one flashpoint, one way to define a new political direction out of the decline that no party politician could dare admit to. Trump has so far best grasped the opportunity to ride an extreme position on immigration—mass deportation—to power. However, since it will soon become apparent that deporting immigrants solves little and worsens the U.S. decline, the political project's prospects are dubious.

Much the same applies to other projects envisaged by him and Elon Musk. These include the neocolonialist plans to take over the Panama Canal, Greenland, and Gaza, and make Canada the 51st state of the United States. These also include imposing tariffs around the world and disconnecting the United States from global efforts related to climate change and health initiatives (WHO). Abandoning the Ukraine war and shifting its costs onto the Europeans may provoke their resistance and reactions frustrating Trump and Musk in unanticipated ways.

As with immigration, the political economics of other Trump-Musk projects (and much of Project 2025) raise similar profound questions about their logic, blind spots, and unintended consequences. The deep contradictions of anti-immigration—and other projects—are not overcome by hiding them under the veneer of slogans like “America First.” We continue to experience the American version of what “declining empire” means.

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