

Trumping Immigration: Visa Uncertainty and Jobs Relocation*

Ritam Chaurey[†]

Kanika Mahajan[‡]

Shekhar Tomar[§]

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Abstract

Exploiting President Trump's win in the Republican primary election, we estimate the impact of the ensuing uncertainty around H-1B immigration policies on the demand for workers in India. Using postings data from the largest jobs platform in the country, we find that firms more reliant on H-1B visas for filling US-based job positions increase their postings for India-based jobs immediately after Trump's primary win in June 2016. This surge is attributed to heightened outsourcing from the US to India for occupations more amenable to offshoring. Firms headquartered in India lead this change, and subsequently witness an increase in their exports. Our findings reveal that uncertainty around the ability of firms to hire immigrants can have similar deleterious effects as a restrictive immigration policy regime.