



# Scholars Agree: Immigration Fuels Economic Growth

*Remove Barriers to Movement, Watch the Benefits Roll In*

[Nick Zaiac](#)

December 2, 2014

How can we increase economic growth? This continues to be one of the most enduring questions of public policy. To that end, Cato Institute Vice President for Research Brink Lindsey recently [asked](#) 51 scholars from across the political spectrum: “If you could wave a magic wand and make one or two policy or institutional changes to brighten the US economy’s long-term growth prospects, what would you change and why?”

There were many responses, ranging from [more apprenticeships](#) to [tax reform](#), to [occupational licensing reform](#). Yet, the greatest takeaway is not the diversity of opinions, but the shocking consensus held by scholars across the political spectrum on a single potential reform: immigration. While only about half of the essays have been released, [five separate pieces focus on](#) improving the nation’s immigration system, in various ways, as the single greatest reform that could help increase growth.

So why is there so much agreement? What makes immigration, particularly of the high-skilled variety, more promising for growth than any other potential reform, like land use, entitlements, and corporate taxation? It may be that there is already a groundswell of support in the business community for immigration reform, and that allowing more migrants into the country has particularly visible results. It is common knowledge, for example, that Silicon Valley thirsts for world-class talent.

When companies are planning to house employees offshore to work around the nation’s immigration laws, it clearly demonstrates there is something wrong with the current system.

Look no further than [Blueseed](#), a proposal to build a workspace for tech startups in international waters, off the coast of California. When companies are planning to house employees offshore to work around the nation’s immigration laws, it clearly demonstrates there is something wrong with the current system.

It might also be that immigration is a particularly special area of policy. This, in my opinion, is why immigration has such broadly supported benefits. Immigration, after all, is simply the

movement of labor across borders. There are a handful of inputs that go into the economy, primarily land, labor, and capital.

To grow the economy, one must either make more of, or make more efficient use of, one of these factors. Of these, land is finite and is rarely transferred between nations. Although we can use land more efficiently, it is likely that we have exhausted the easily achievable growth from land.

At the other end of the spectrum is capital: in the form of money, it flows around the world constantly. While some barriers exist, capital moves between nations much more easily than land and labor.

There are easy, clear, and readily apparent gains from moving labor across borders. Middle-ground estimates [compiled](#) by Michael Clemens at the Center for Global Development show that removing all barriers to immigration could double the world's GDP. In essence, the gains for the economy from immigration are more directly achievable via government action than almost any other method.

There are easy, clear, and readily apparent gains from moving labor across borders.

Governments proclaim that many of their policies will increase growth. While that may be true, the marginal impact of most policies is minimal. The US economy is gargantuan, and has many notable factors that play into it. Despite that, there are some easily achievable ways to increase growth, and reforming the nation's broken immigration system remains paramount.

It is patently absurd that highly skilled professionals must wait years, and slog through mountains of paperwork, for the simple privilege of working in the United States. This says nothing of the gains to the nation from low-skilled migrants, whose benefits could be even greater. There is plenty of evidence that the country would be better off if we were to open our immigration system.

Both Republicans and Democrats should be able to agree that our nation's economy could use more growth, and increased immigration is the most direct way to do just that.