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There's no consensus among economists on how to fix economy

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It's no secret that although the U.S. economy is near "full employment" (September's jobless rate: 5.1 percent), its rate of growth of about 2 percent annually has been maddeningly weak. Since World War II, growth has averaged 3 percent to 4 percent. In an $18 trillion economy, these apparently small differences quickly add up to hundreds of billions of lost income. (Think: 1 percent of $18 trillion is $180 billion.) The implications of slow growth are enormous. It's harder for families to raise living standards and for governments to pay their bills.

Can we increase growth? Or will mediocre performance plague us indefinitely?

Naturally, presidential candidates of all stripes contend that their policies will improve matters. Understandably, we treat these claims skeptically. Why would they say otherwise?

Brink Lindsey had a better idea. Lindsey, an economist at the libertarian Cato Institute, asked 51 economic thinkers across the political spectrum what could be done: "If you could wave a magic wand and make one or two policy or institutional changes to brighten the U.S. economy's long-term growth prospects, what would you change and why?"

The answers are illuminating. I'm summarizing six, divided evenly between left and right. (Cato has published all the responses as an e-book.)

− Dean Baker of the Center for Economic and Policy Research: End patent protection for prescription drugs and allow foreign doctors and lawyers to practice in the United States, if they pass qualifying exams. Drug prices would plunge, Baker says; few prescriptions would cost more than $20. Competition from foreign physicians might cut U.S. doctors' average incomes by $100,000. All told, annual savings might total $500 billion, though a new way to finance drug research would be needed (he favors direct government funding).

− Heather Boushey of the Washington Center for Equitable Growth: Mandate 12 weeks of paid leave for workers to care for newborns or seriously ill family members. The existing Family and Medical Leave Act requires only unpaid leave, but many middle-class and poor workers — 46 percent in one survey — can't afford the pay loss. "Paid leave is good for business," Boushey argues. It reduces worker turnover and absenteeism, improving overall economic growth.

− Tyler Cowen of George Mason University: Pay more attention to foreign policy. "A good foreign policy is the most important thing the United States can do to ensure its own future prosperity," asserts Cowen. We may be living in a "peace bubble," where "progress toward greater peace” is not preordained. A “chaotic world” would mean a much “poorer and riskier” America.

− Susan Dudley of the George Washington University Regulatory Studies Center: Streamline government regulations. She reports that there are now more than 70 federal regulatory agencies with 300,000 workers who have produced 168,000 pages of rules. Though often ineffective, some regulations survive because they “gain a constituency and are almost impossible to dislodge.”

− William Gale of the Brookings Institution: Reduce federal budget deficits by mainly taxing the rich. Mounting federal debt is bad because the borrowing crowds out productive business investment. The rich are fair game to plug deficits because studies suggest their heavier tax burdens don’t penalize economic growth.

− Alan Viard of the American Enterprise Institute: Shift from the income tax to a progressive consumption tax. The income tax hits much saving and investment twice. (Example: Business profits are taxed at the corporate level and again at the individual level when received as dividends.) Ending double-taxation would boost investment and living standards. A progressive consumption tax would tax people’s spending, not their saving, at ever-higher rates.

What we learn from this small sampling is that there’s no consensus among economists about how to increase economic growth. Aside from standard platitudes (better schools!), what economists advocate typically reflects their ideological leanings and practical backgrounds.

This does not mean there’s nothing we can do or that some policies are better (or worse) than others. But these decisions and distinctions mostly embody personal experiences, judgments and values, not some neutral foundation of scientific knowledge. Even when there’s widespread agreement, adopting new policies often runs afoul of the groups that benefit from the status quo.

Almost everyone would like the U.S. economy to grow faster, with the gains distributed more widely across the income spectrum. Redistribution is straightforward: You take from X and give to Y. Stimulating more rapid growth is a tougher challenge. The economy is so big and complicated and subject to so many influences (technologies, demographics, work ethic and skills, global developments and more) that the effects of any one policy change, for good or ill, may be swamped by other developments.

To strive successfully for faster growth requires patience and perspective. There is no magic wand.