

[The net migration cap is hurting Britain](#) [1]

Written by [Sam Bowman](#) [2] | Saturday 28 December 2013

This morning's Guardian carries a letter by the ASI, the Institute of Economic Affairs, the Institute of Directors, the Centre for Policy Studies, the Entrepreneurs Network and Conservatives for Liberty, on why we oppose the government's migration cap. I wrote about [why more free marketeers should care about immigration](#) [3] recently ? we're lucky that the UK's foremost free market think tanks do.

The government's net migration cap is hurting Britain's economic recovery and long-term fiscal health. It can take around three months for a business to apply for a visa for a prospective employee, a significant unseen cost of the cap, and international firms may prefer to base themselves in countries where they can bring in staff from abroad more easily than they can in the UK.

Entrepreneurship is being affected, too: more than a quarter of Silicon Roundabout startup founders are foreign-born, and more than half of tech startups in California's Silicon Valley are founded by immigrants. The cap on immigration is a cap on the innovative industries Britain needs to thrive.

According to the Office for Budget Responsibility, without net immigration of at least 260,000 people per annum, public debt will approach 100% of GDP by 2060 as we struggle to pay for a ballooning pensions and healthcare bill. Countless studies have shown immigrants create jobs, raise natives' real wages and even boost productivity.

Public concerns about benefits tourism are legitimate but are better addressed by reforms that restrict access to the welfare state. The migration cap does not discriminate between the small number of would-be welfare tourists and the many people who would like to work productively to create a better life for themselves and their families. The cap is hurting Britain and should be scrapped.

Sam Bowman, Research director, Adam Smith Institute,

Mark Littlewood, Director general, Institute of Economic Affairs,

Simon Walker, Director general, Institute of Directors,

Ryan Bourne, Head of economic research, Centre for Policy Studies,

Philip Salter, Director, The Entrepreneurs Network,

Thomas Stringer, Director, Conservatives for Liberty.

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