

# European Immigrants and the United States' Rise to the Technological Frontier \*

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## Abstract

What is the role of immigrants on (American) Growth? To answer this perplex question, we undertake a massive effort of collecting, digitizing, and harmonizing micro and macro economic data from the 19th and early 20th century. The data originate from the historical manufacturing and demographic census of the United States, immigration records datasets and the universe of US patents. To analyze the counterfactual implications of alternative allocations of immigrants, we develop a dynamical trade model where heterogenous firms make innovation and exporting decisions across space and time. The model predicts that the timing and the spatial allocation of immigrant arrivals affect the path of growth outcomes for each location and the aggregate US economy. We use the structural equations arising from the model to interpret empirical findings from difference-in-difference analysis for the importance of the influx of skilled immigrants on the differential growth of US counties. Counterfactual scenarios of alternative allocation of skilled immigrants from different countries across space and time reveal the economic impact of barriers to migration to the United States economy.

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