

# Markets for Visas: A Radical and Fair Solution to Immigration

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**Abstract:** In this paper, I propose the creation of visa markets and claim they are a radical and fair solution to immigration policy. Immigration markets are not new and have been previously proposed, with minor differences, by Gary Becker, Julian Simon, and Javier Hidalgo. Nevertheless, I contribute two additional utilitarian arguments in their favor which are fundamental in bringing together the empirical and the normative claims for immigration markets. Lastly, I show that such exchanges are consistent with both open and closed borders approaches to immigration such that any government would benefit from their adoption regardless of whether it subscribes to the right to migration or not.

## 1. Introduction

Suppose the NFL Commissioner decides to distribute Super Bowl tickets under a rules-based system. Fans are now required to submit a form with personal information, education levels, current and previous employment, their skills, and answers to questions on why they think they should be given a ticket to attend the Super Bowl. You can quickly see how problematic this system is. The NFL would need additional staff to process the paperwork and assess every applicant against each other, rank them, and finally assign tickets based on internal criteria unbeknownst to applicants.

Alternatively, suppose now the U.S. Citizenship and Immigration Services (USCIS) Director decides to distribute visas under a price system. The USCIS publishes a list of visas and their respective prices, applicants review visa conditions, submit forms, and pay the visa price to the USCIS. Unless there are red flags with one's application, the USCIS approves the candidate's application and they are allowed entry into the United States. Unsurprisingly, people are also likely to oppose this proposal, fearing that ill-intended individuals will apply and that this policy discriminates against poor people who cannot afford visas.

Why do we generally accept prices mediating the exchange for seats at the Super Bowl but would oppose the rules system? Why do we generally accept rules mediating the exchange for visas assigned by the USCIS but would oppose the price system? This is an inconsistent belief, to say the least. In this essay, I argue that governments should sell visas to prospective immigrants. I supplement the reasoning in Becker,<sup>1</sup> Hidalgo<sup>2</sup> and Freiman<sup>3</sup> and contribute a utilitarian argument in favor of such markets. In fact, the utilitarian reasoning developed here is the missing piece for unifying the support for immigration markets across philosophy and economics. There are four arguments in this essay: (i) visa markets are no less discriminatory than existing policies; (ii) they create compensation mechanisms for negative, localized distributional effects of immigration; (iii) they quickly increase social welfare for both sending and receiving communities; (iv) they are compatible with both open and closed borders approaches to immigration.

Gary Becker<sup>4</sup> first introduced the idea for an immigration market. He suggested that countries would benefit from charging a market price for immigration (\$50,000 in his seminal example) because they would attract the individuals most likely to succeed, i.e. those who expect positive returns to migration, and the revenue raised with this measure would be used to lower other taxes.

Occupations with labor shortages could command lower prices, attracting immigrants who can step in with similar expertise, and poor people could borrow the money against future earnings and thus would not be excluded from the market. I develop Becker's<sup>5</sup> argument further by discussing the compensatory mechanism and the welfare improvement when compared to existing policies.

The moral defense of citizenship markets was recently debated by Javier Hidalgo<sup>6</sup> and Christopher Freiman;<sup>7</sup> they put forward the argument in favor of a public and a private citizenship market. I modify their proposal and suggest a market in temporary visas in which the government is the monopolistic producer. I show that this is an improvement compared to previous proposals and that, indeed, a visa market could be implemented as of this moment.

The remaining of this paper is as follows. Section 2 presents the motivation for this paper. In section 3, I compare the discriminatory elements of both visa markets and existing policies; in section 4, I sketch compensatory mechanisms; in section 5, I show how markets can produce net welfare both for sending and receiving communities; section 6 discusses how such markets can adjust to both open and closed borders approaches to immigration; section 7 concludes.

## **2. Motivating a Market for Visas**

The premises motivating this article are the following:

1. Citizens vest governments with the power to make and enforce policy in their best interest.
2. Any policy which improves the welfare of citizens is welcome, regardless of the status quo.
3. An immigration policy improving welfare thus can be adopted in lieu of, or in addition to, existing policies.

If these premises were not reasonable, then there would be no need for changing current immigration policies and the debate would be irrelevant.

No one would raise objections to premise one. In principle, if just one community of people has vested a government with the power to rule in its best interest, there is reason to believe that any society can do the same; the United States is one evidence of such case. There are incidental reasons, i.e. special circumstances, preventing governments from acting in their citizenry's best interest but they do not invalidate the general premise. Premise two relies on the plausible assumption that anyone is willing to accept something better than what they currently have and that comes at no cost to them. Whether communities eventually trade up policies (or not) remains subject to their individual and collective preferences, but in principle all improvement proposals are welcome. Premise three then follows from one and two and provides the moral ground for the discussion of new immigration policy proposals. If governments have the ability to make and enforce policy in the interest of their citizenry, and an immigration market proposal increasing social welfare is possible (as I will claim throughout this essay), then it is straightforward that one such policy can be adopted in lieu of, or in addition to, current policies. In this case, thus, what is left to prove is whether immigration markets can improve the welfare of citizens receiving migrants in their communities, which is the goal of subsequent sections. That said, I move on to clarify what the immigrant market proposal in this paper is and what it is not.

First, it should be clear that my goal is showing that an immigration market, and more specifically a market for temporary visas, is permissible in practice this day and age. This is an important

departure from Javier Hidalgo,<sup>8</sup> who claims that selling citizenship might be impermissible if we accept that any type of immigration restriction is unfair. I claim that a market for visas is not limited by our views on the morality of immigration restrictions. In fact, a full-fledged embrace of market reasoning shows that a market for visas is compatible with both open and closed borders approaches to immigration, as I demonstrate in section 6. Nonetheless, the other arguments developed by Hidalgo against the objections to citizenship markets (i.e. the sale of citizenship changes its value to worse, it corrupts civic norms, and it unfairly imposes larger burdens on the global poor) also hold for the purposes of this paper.

Second, my defense of a market for visas is not equivalent to a defense of free and unregulated market for visas. In contributing the utilitarian approach, I acknowledge the existence of market failures in immigration policy that require government intervention for improvement of social welfare. In particular, I recognize that market power, information asymmetry, public goods, and externalities are all present in the market I propose. As such, government regulation is perfectly compatible with a cash-for-visa system. Rather than an unconditional defense of markets, the point made here is that societies would benefit greatly from this type of market; whether markets are always better is beyond the scope of this study.

I lastly claim that visa<sup>9</sup> markets are marginally better than citizenship markets. In Gary Becker's original proposal, he talks of a fee paid in exchange for the right to immigrate but makes no further clarification on whether these are temporary or permanent rights. Hidalgo and Freiman specifically discuss citizenship sales. Though I do not oppose the cash-for-citizenship scheme, I believe that temporary visas extending certain rights and obligations to non-citizens are better because they do not infringe upon the right to exclude and are thus compatible with both open and closed border approaches to immigration justice.

Let me address this point carefully. The collective right to exclude should be preserved if the market proposal is to be compatible with arguments in favor of immigration restrictions.<sup>10</sup> David Miller<sup>11</sup> justifies limits to immigration under two arguments: preserving a community's culture and controlling its population. According to Miller, a common public culture is necessary because it constitutes the political identity of a community of individuals and it supports valuable social goals; moreover, Miller believes that a right to immigration removes the control societies have over the continuity of their common culture. Secondly, Miller claims that population size should be of government concern as it stretches resources thin, both at the national and at the global level.

Whether I agree with Miller on his reasons for exclusion is irrelevant. What is relevant, however, is the extent to which a market for immigration can preserve control over cultural change while not imposing excessive burden on national resources. If these two conditions are met, my proposal remains compatible with immigration restrictions. The solution to both objections is the adoption of temporary permits to enter, leave, or stay in a country's territory for a finite period of time – in other words, visas. A temporary visa does not remove control of cultural change nor it imposes an excessive burden on resources because it limits the amount of time any single receiving community will be exposed to either condition. At the end of a temporary stay, governments can reassess whether immigration flows have negatively impacted their culture or resources such that a country maintains control over the two elements dear to Miller. In the absence of quantitative limits on visa sales, which I discuss in section 6, a temporary permit is the only way to morally preserve the right to exclude. Henceforth, I focus exclusively on visa, rather than citizenship, markets. I discuss each of the four pillars supporting the market for visas in subsequent sections.

### 3. Argument: Visa markets are no less discriminatory than existing policies

The first claim in favor of a market for visas is that it is not any less discriminatory than existing immigration policies. If we agree that some forms of immigration discrimination are permissible and that immigration markets do not discriminate any more than any of the existing policies, then we can straightforwardly conclude that markets for visas can be adopted immediately as immigration policies. The detailed structure of the argument follows:

4. A market for visas is a discriminatory policy.
5. Some forms of immigration discrimination are permissible.
6. In fact, there are certain discriminatory immigration policies currently enacted.
7. A market for visas does not excessively discriminate beyond certain existing immigration policies.
8. Therefore, the adoption of a market for visas is consistent with currently enacted, and morally acceptable, discriminatory immigration policies.

Discrimination is defined in the usual form: person A discriminates against person B if A acts differently towards B for the fact that B does not possess Z, whether Z is a personal characteristic or a material good. Individual discrimination is naturally extended to the state if it treats individuals differently on the basis of having certain characteristics or possessing a certain material good. In the United States, social programs are only extended to the people lacking a certain level of material resources (e.g. food stamps); similarly, teenagers are denied admission to advanced formal education if they do not meet a minimum level of educational achievement (e.g. advance placement classes in high school; honors courses in college). A market for visas is discriminatory in that it does not assign permits to enter, stay, or leave a country if the prospective applicant does not have enough material resources to pay the market price for their visa. Premise one seems uncontroversial.

I proceed to show that certain discriminatory policies are permissible. First, I recognize that certain forms of discrimination find no moral ground amongst political philosophers. If we accept Miller's<sup>12</sup> account that immigration is a quasi-contractual agreement between non-migrants and migrants, then it is impermissible to discriminate on the basis of religion, ethnicity, gender, etc. because the right to equal treatment on such basis should be extended to migrants as well. Blake<sup>13</sup> claims, however, that certain categories of differentiation are permissible, as long as accompanied by discrimination justification that can be reasonably accepted by excluded migrants. The first such reason is *economic success*. States can morally exclude prospective migrants on the basis of their potential contribution to the receiving economies. If countries have to choose whom to exclude amongst a pool of individuals with no right of entry, and such immigrants have different capabilities in terms of economic contributions, then it is uncontroversial that their potential contribution is fair ground for differentiation. Since this economic value does not exist in the absence of the individual given the right of entry, then both Rawlsian and utilitarian justice support such differentiation as it unconditionally increases the overall wellbeing of the receiving society.

The second principle is *political integration*. Since States would legitimately promote the advancement of political institutions, and some individuals have more affinity with such institutions, it would be reasonable to exclude those who share relatively fewer values with those of the societies to which they wish to migrate. Note first that my argument here departs from that of Miller as I accept that political affinity can be a basis for differentiation even if the welcoming

societies are not democratic (as Miller does). The freedom of association, and that of rejecting association, is not contingent on democracy. Second, this claim is also independent of the level of affinity of each individual migrant, which is a valuable discussion nonetheless, but irrelevant for my argument. As long as there are two or more prospective migrants, any *relative* rank of affinity suffices for reasonable exclusion. Thus, using Blake's argument, I claim that certain discriminatory immigration policies are permissible.<sup>14</sup>

Premise three then holds if there are any examples of immigration discrimination on the basis of economic success or political integration. In fact, there are multiple instances of such policies. In the United States alone, the H1-B and the EB-5 visa programs are but two instances of immigration policies that seek to advance the United States economic prosperity by selecting candidates who possess valuable skills and resources to make domestic investments. Canada, Australia, Germany, the United Kingdom are other countries where similar programs exist. In addition, the national and international political asylum statutes are evidence of such policies. By granting entry to individuals who are being persecuted for political reasons in their home country, a receiving nation is granting the right of entry to individuals with whom it shares a common ground of political values that does not threaten pre-existing political integrity. If any of such policies is morally acceptable, and the motivation for visa markets is correct, then any discriminatory, but welfare-increasing, immigration policy can be adopted.

This leads to premise four and conclusion five, according to which markets for visas do not excessively discriminate against prospective migrants and thus could be adopted immediately. The argument is relatively straightforward. Suppose you are a renowned scholar who wants to take up a faculty job in the United States. The program best suited to your situation is the H1-B, under which high-skills individuals are welcome in the interest of the country's scientific community. Besides submitting proper documentation of skills and professional background, you and your employer need to pay processing fees amounting to more than \$1,000. The fee effectively represents monetary discrimination against highly-skilled foreign workers, as no worker will be allowed entry if these fees are not paid. As such, these policies establish a double discrimination procedure in which the fees and the documentation are both differentiating prospective migrants; presently, however, these policies place excessive weight on documentation rather than the monetary exchange. A market for visas is a reordering of the documentation and the monetary priorities when governments are issuing immigration permits, with the benefit of market transparency brought about by the monetary exchange. The price charged for visas or the visa processing fee bears no relationship to the morality of price mechanisms.<sup>15</sup> Therefore, a market for visas cannot excessively discriminate against migrants if there are less clear monetary exchanges built into existing policies.

Some might object to this policy because of market dynamics. If governments let market forces dictate the price of visas, then an unreasonably high price might effectively discriminate against people who do not possess the resources to buy their temporary stays. This is an unfounded claim for the basic reason that governments are not obliged to let prices fluctuate nor set prices at any certain level. In economic theory, only under special circumstances, would a monopolist producer of visas (government) set prices and quantity strictly according to market forces. At no point have I suggested a free market for visas, in which case these claims would be relevant.

A second objection would be the fact that very poor migrants are always priced out of visas regardless of price levels simply because there are too many poor people who cannot afford a visa

in any case. This is an interesting objection, but it is better addressed in section 6, in which I discuss how markets for visas are compatible with open and closed borders arguments.

#### **4. Argument: Visa markets create compensation mechanisms for negatively affected communities**

The first utilitarian contribution in this essay is the claim that visa markets create compensation mechanisms for communities that are negatively affected by immigration. Though classic utilitarianism might not be concerned with the distribution of net benefits, I adopt a realistic approach in which preferences for redistribution are also an important determinant of individual wellbeing and collectively determine net utility. In fact, there is substantial empirical evidence in support of preferences for redistribution in the social sciences.<sup>16,17</sup> This egalitarian twist, however, does not take away from the purely classic utilitarian analysis in section 5.

Suppose there is a new Mariel boatlift-like event but this time all boats are full of skilled migrants. In the course of six months, there are 125,000 Cuban software engineers seeking jobs in Miami, FL. At the very least, these immigrants need housing and food. Immediate shortages are likely such that Miami residents bear most of such negative effects of immigration (compared to someone living in Tallahassee, for instance). As long as immigration is spatially concentrated, some regions bear relatively more of the consequences than others.<sup>18</sup> Therefore, immigrants impose an unconditional and immediate burden on the receiving community.

How best to address the immediate problem? Federal, state and city governments could find public housing for these engineers. Grocery stores or residents could set-up food drives and deliver food to public housing units. Whatever alternative we find, however, is based on redistribution of resources from the community of U.S. citizens to the migrants. Using federal or state funds to house migrants, for instance, is even more problematic than local funds as the redistribution is from taxpayers in regions unaffected by migration to Miami and the software engineers. Note that these migrants are not entitled to such transfers. Florida residents have not wronged the migrants in any way such as to generate compensation claims and migrants have willingly decided to leave Cuba and tacitly accepted the consequences of their actions, including sleeping on the streets. If anything, the harm imposing agents are the engineers and they should compensate Miami residents. A market for visas creates such mechanism without disproportionately harming the migrants. The argument is structured as follows:

9. A spatially concentrated flow of immigrants can impose harm on the residents of the receiving community.
10. In the presence of harm, immigrants should compensate non-migrants.
11. Markets for visas create an additional source of government revenue used to compensate for immigration harms with no effect on other expenditures.
12. Therefore, markets for visas are welfare-increasing for immigrant-receiving communities.

Premise one is described in the paragraphs above. Robert Nozick's well-established definition of compensation supports premise two.<sup>19</sup> Statement three is the key insight here. If governments sell visas to prospective migrants, they create a source of revenue which could be directly channeled to offset the negative impacts migration might impose on the receiving communities. Currently, when governments come to the rescue, they shift funds from one area to another but do not change the level of revenue they collect to fund government business. In a market for visas, in which

government is the sole producer, the additional revenue could be directly used to help receiving communities while government keeps all its other activities unchanged. The overwhelming evidence in favor of positive immigration effects in the long term,<sup>20</sup> along with premises one through three, naturally leads to conclusion four. This way, governments fulfill their legitimate role of advancing their citizens economic interests (in the long run) while offsetting any negative, immediate impact of immigration.

## **5. Argument: Visa markets quickly increase social welfare for sending and receiving communities**

The second important utilitarian contribution to Hidalgo's defense of immigration markets is an empirical claim. If immigration has net positive benefits, then more open immigration policies should be adopted. The argument in this section relies on the evidence produced by social scientists on the welfare effects of immigration and, for completeness purposes, I look at the consequences for both source and destination countries. For instance, the *brain drain* effect is one such subject of scrutiny.

I begin looking at the effect for receiving communities, of which there is plenty of evidence in the literature. Since David Card<sup>21</sup> seminal work, economists have consistently shown that immigration has no negative effects in the long run to destination economies. There are no significant losses in wages, employment rates, or labor market displacement.<sup>22</sup> In fact, there is consistent evidence that immigration increases productivity and scientific innovation.<sup>23</sup> Though there seems to exist a controversy between the work of George Borjas and colleagues (immigration have many adverse effects) versus that of David Card, Giovanni Peri, and Michael Clemens (immigration is only net negative under special circumstances), over recent years the evidence pro-immigration has become more widely accepted than ever.<sup>24</sup> Many studies show that immigration, even if undocumented, does not significantly increase crime,<sup>25</sup> an important outcome outside of more conventional economic outcomes. Therefore, there is overwhelming evidence that immigration is good for receiving communities.

The positive impact on source economies is equally relevant. I condense them into three main consequences: (i) immigrants could use the newfound economic opportunities abroad to earn income otherwise non-existent and send remittances back to family members in source countries. In fact, remittances are an important source of poverty-reducing revenue;<sup>26</sup> (ii) migrants and non-migrants establish new channels of goods and services exchanges between source and destination countries that would not exist otherwise; (iii) immigration opportunities incentivize investments in human capital which remains in source countries when prospective migrants do not leave.<sup>27</sup> While the evidence in favor of (i) and (ii) is relatively consensual, point (iii) requires further clarification.

There has been a lot of debate about the alleged *brain drain* effect. The reasoning goes that a source country that loses its most-skilled individuals to migration would unequivocally lose human capital essential to sustain a competitive economy. If source countries are poor, brain drain would have an even worse effect as immigration would take away skilled professionals from an already small pool of workers and thus create further poverty. This is a relatively widespread claim that has found supporters across the humanities and social sciences. However, this claim ignores how immigration creates positive externalities. When accounted for, they reveal an important a positive, *brain gain* effect.<sup>28</sup>

The first externality is realized when prospective migrants invest in human capital in expectation of future migration. While some of these people indeed emigrate, the majority does not and whatever investment they made remains in the source country. Imagine that siblings John Doe and Jane Doe want to emigrate to Canada. Canada favors high-skills immigration such that John and Jane work hard to earn advanced degrees and fit the criteria for immigration. In the process, however, John meets his significant other and decides not to emigrate while Jane pushes ahead. In this case, John's skills remain in his country and contribute to a competitive local economy. Migration is an incentive for the acquisition of human capital. Besides this simple example, there are many other reasons that prevent migration such that investment in human capital is retained in the origin country.

The second externality comes from remittances serving to fund skill-acquisition activities. In poor countries, financial constraints prevent households from investing in human capital because they need all family members selling their labor at the market and collecting income in return. Households trade-off immediate, lower income for longer term, higher income. Remittances, however, help pay for living expenses and free relatives, especially children, to invest in human capital for higher income in the future. If remittances can substitute for the income that a child would earn at the market, the child can stay in school. This way skilled migration does not impose greatly on sending countries; it rather increases the investment in human capital.<sup>29</sup>

In what way would then a market for visas unlock these increases in economic welfare? This is the crucial point in this section. A market for visas makes immigration *less costly* and more transparent such that these widespread positive effects of immigration are brought about more quickly. Let us suppose Casey, an Australian accountant, wants to move to the United States. Instead of easily applying for a visa, paying the price equivalent to her qualifications, and having her work permit issued in days, Casey needs to study the various types of visa – which vary in the amount of documentation required, processing types, and rights she will enjoy during her stay. Often, her best option is to study at an American university first. Upon graduation, she has no guarantee she will be issued a work authorization. Had a market existed, Casey could have compensated the community she was moving in via the visa revenue; she could have been hired and contributed her skills to her employer; she would have paid taxes as soon as she had received her first paycheck; she might even have sent money back to Australia to help pay for her younger sister's education; instead, Casey and the U.S. government have forgone two, perhaps three years of wages and taxes, respectively, while not compensating the receiving community which might have been harmed by Casey's (and other migrants', of course) presence. Under current policies, Casey's decision to relocate might take long before yielding economic benefits. It might even not yield any return if it takes too long and she decides to relocate elsewhere. Under a market for visas, the benefits accrue quickly and potential harms are minimized both in time (visa payments make compensation immediately available) and space (compensation is higher where immigration flows are also larger).

## **6. Argument: Visa markets are compatible with both open and closed borders approaches to immigration**

I lastly claim that visa markets are compatible with either open or closed borders arguments, being that the legitimacy of visa markets is independent of the legitimacy of the right to exclude. I should stress out, however, that a market for visas is not the same as a *free* market for visas, in which case even terrorists or other criminals could buy their way in. Beginning in Joseph Carens's seminal



paper,<sup>30</sup> all open borders scholars seem to converge to the position that criminals do not have an equal moral claim to the right to migrate. In Carens's piece, he discusses the libertarian, Rawlsian, and utilitarian cases for immigration and provides evidence in each of such views for permissible restrictions under special circumstances. Therefore, I suggest that markets for visas can also exclude certain individuals from buying their temporary permits to enter, stay, or leave based on these claims shared across open borders scholars.

Why would open borders advocates object to visa markets then? They would first claim that placing a price on migration is morally wrong by arguing that the freedom of movement is a human right and States cannot auction them off to the highest bidder; in other words, such *erga omnes* rights precede the existence of the State and trump sovereignty. This is not, however, opposition to the adoption of market mechanisms. Rather, it is an opposition to *market systems with positive prices*, which is just a special case of the radical and fair solution.

I suggest we interpret human rights just like a good traded at markets. We transact human rights on a daily basis, but we do so subconsciously. Individuals are both producers and consumers of these rights. As a human being, I naturally produce the right to bodily integrity and distribute across my fellow humans in exchange for the same rights from others. We mutually exchange safety from physical harm. These transactions occur at price zero and last indefinitely. Supply and demand are unlimited. However, the fact that these transactions happen implicitly does not strip them from market properties. Systematic violations of human rights can be understood as humans who refuse or fail to honor these exchanges. They throw away all their natural production of rights and we collectively face a supply shortage.

If immigration is a human right, then open borders theorists are satisfied by an immigration price of zero for an infinite amount of time. Applicants sign up to visas and states assign them these rights, regardless of individual characteristics, willingness to pay, or expected net income. Whoever wants to immigrate is allowed to. All of the elements that are dear to open borders theorists are compatible with a market for visas with *zero prices*. What they actually oppose, therefore, are positive prices. The provision of a right in exchange for a (positive) monetary amount is their issue. This brings us to their real objection: are positive prices of migration violations of human rights? If they are singled out as the only selection criterion, then we could plausibly say yes. Returning to the point in section 2, poor people that cannot afford a visa are effectively excluded from migration.

I thus recommend that governments establish market systems at the same time *as supplying alternatives for those who cannot afford to pay for immigration*, such as loans or tax liabilities against future income. In this sense, the government is stepping in to solve the intertemporal financial constraint but still requires compensation from migrants for immediate negative effects. Rather than asking "do I have the means to immigrate to country A?," migrants will be asking "does the benefit of immigrating to A exceed the costs?," which is precisely what they already ask themselves. Positive prices are just a more transparent way to answer this question. Under current policies, costs are largely non-monetary, so migrants cannot precisely answer this question. Unless open border theorists suggest such intertemporal constraint-alleviation mechanisms are not permitted, there is no inconsistency with the radical and fair solution.<sup>31</sup>

For closed borders scholars, the argument is straightforward and it underlines the discussion in previous sections of this essay. If states have a legitimate right to exclude, and as discussed above a market for visas is not any worse than other acceptable forms of discriminatory immigration

policies, then excluding via price systems should also be permissible. The higher the price, the larger is the barrier imposed on migration. Coupled with the alternatives to fund visas, the exclusion of prospective immigrants remains more closely related to their expected future returns of immigration rather than current wealth.

## 7. Conclusion

This essay supplements the case for immigration markets advanced by Gary Becker, Javier Hidalgo, and Christopher Freiman. I advance Becker's reasoning in light of empirical evidence available after his initial proposal and suggest that revenues raised by immigration markets could be used to offset potential negative impacts of immigration in the short run. Furthermore, the argument developed is not conflicting with the moral case for public or private citizenship markets as suggested by Hidalgo and Freiman. I do, however, suggest that a narrower market in visas sold by the state is the alternative more aligned with rights-based views of immigration justice. Open borders advocates are satisfied either by zero prices or positive prices with alternatives for paying for visas; closed borders advocates are satisfied by price or time barriers (via the assignment of visas rather than citizenship) to the presence of immigrants in any destination country. These arguments bring together the moral and empirical claim for immigration markets and are the reason why I call this a *radical and fair solution to immigration*.

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<sup>1</sup> Becker, G. (2011). The Challenge of Immigration: A Radical Solution. *The Institute for Economic Affairs Occasional Paper*, 145, 66.

<sup>2</sup> Hidalgo, J. (2016). Selling Citizenship: A Defence. *Journal of Applied Philosophy*, 33, 223–239.

<sup>3</sup> Freiman, C. (2017). The Case for Markets in Citizenship. *Journal of Applied Philosophy*.

<sup>4</sup> Becker, G. op cit.

<sup>5</sup> Simon, J. (1999). *The Economic Consequences of Immigration*. Ann Arbor: University of Michigan Press.

<sup>6</sup> Hidalgo, J. op cit.

<sup>7</sup> Freiman, C. op cit.

<sup>8</sup> Hidalgo's point is that a market for citizenship is discriminatory as it would treat poor foreigners worse than rich foreigners for the latter possess the monetary means needed to immigrate. He thus conditions the permissibility of citizenship sale to that of other discriminatory immigration policies.

<sup>9</sup> I am defining visa as the right to enter, leave, or stay in a country for a specific period of time.

<sup>10</sup> This point is irrelevant for open border advocates because they do not agree that the individual right to exclude extends naturally to the collective right to exclude. For more on this, please see: Wellman, C. H. (2008). Immigration and Freedom of Association. *Ethics*, 119, 109–141; Fine, S. (2010). Freedom of Association Is Not the Answer. *Ethics*, 120, 338–356; Huemer, M. (2017). *The Right to Move versus the Right to Exclude: A Principled Defense of Open Borders*.

<sup>11</sup> Miller, D. (2008). Immigrants, Nations, and Citizenship. *Journal of Political Philosophy*, 16, 371–390.

<sup>12</sup> Ibid.

<sup>13</sup> Blake, M. (2008). 2008 Editors' Symposium: Immigration And Political Equality. *San Diego Law Review*, 45, 963–980.

<sup>14</sup> See MacKay (2016) for a more comprehensive discussion of one such policy, e.g. skill-selective immigration. MacKay, D. (2016). Are Skill-Selective Immigration Policies Just? *Social Theory and Practice*, 42, 123–154.

<sup>15</sup> Jason Brennan and Peter Jaworski develop this argument in book *Markets Without Limits*, where they claim that the exchange of goods and services for money does not change the morality of the good or service being exchanged. Anything that is immoral in a market exchange would also be immoral if exchanged in another form. See: Brennan, J. F., & Jaworski, P. (2015). *Markets without Limits: Moral Virtues and Commercial Interests* (1st ed.). Routledge.

<sup>16</sup> Forsythe, R., Horowitz, J. L., Savin, N. E., & Sefton, M. (1994). Fairness in Simple Bargaining Experiments. *Games and Economic Behavior*, 6, 347–369; Andreoni, J., Harbaugh, W., & Vesterlund, L. (2003). The Carrot or the Stick: Rewards, Punishments, and Cooperation. *American Economic Review*, 93, 893–902; Camerer, C. F. (2003). *Behavioral Game Theory: Experiments in Strategic Interaction*. Princeton University Press; Alesina, A., &

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Giuliano, P. (2011). Chapter 4 - Preferences for Redistribution. In J. Benhabib, A. Bisin, & M. O. Jackson (Eds.), *Handbook of Social Economics* (Vol. 1, pp. 93–131). North-Holland.

- <sup>17</sup> Alesina and Giuliano (2011) suggest that inequality can affect individual utilities indirectly – an increase in inequality causes crime rates to rise such that individuals are more likely to experience a crime event – or directly – people just genuinely do not like poverty and feel bad that others have to live such life.
- <sup>18</sup> Note there are no constraints on the type of effect neither on its duration. It could well be that city residents dislike newcomers or that, in the long term, these impacts fade out. The spatial concentration of migrants suffices for creating the disparity in effects.
- <sup>19</sup> According to Nozick, an individual A should compensate an individual B if A's action Y crossed the boundary of B's individual domain without B's consent. The compensation for A's action is the reestablishment of B's wellbeing if A had not done Y.
- <sup>20</sup> This is discussed in the next section.
- <sup>21</sup> Card, D. (1990). The Impact of the Mariel Boatlift on the Miami Labor Market. *ILR Review*, 43, 245–257.
- <sup>22</sup> Card, D., & DiNardo, J. (2000). Do Immigrant Inflows Lead to Native Outflows? *The American Economic Review*, 90, 360–367; Card, D. (2001). Immigrant Inflows, Native Outflows, and the Local Labor Market Impacts of Higher Immigration. *Journal of Labor Economics*, 19, 22–64; Ottaviano, G. I., & Peri, G. (2012). Rethinking the Effect of Immigration on Wages. *Journal of the European Economic Association*, 10, 152–197; Ottaviano, G. I. P., Peri, G., & Wright, G. C. (2013). Immigration, Offshoring, and American Jobs. *American Economic Review*, 103, 1925–59; Peri, G. (2016). Immigrants, Productivity, and Labor Markets. *Journal of Economic Perspectives*, 30, 3–29.
- <sup>23</sup> Hunt and Gauthier-Loiselle (2010); Hunt, 2011; Kerr and Lincoln, 2010. Though Borjas and Doran, 2012 shows a null effect, there are no studies showing a decrease in productivity. See: Hunt, J., & Gauthier-Loiselle, M. (2010). How Much Does Immigration Boost Innovation? *American Economic Journal: Macroeconomics*, 2, 31–56; Hunt, J. (2011). Which Immigrants Are Most Innovative and Entrepreneurial? Distinctions by Entry Visa. *Journal of Labor Economics*, 29, 417–457; Kerr, W. R., & Lincoln, W. F. (2010). The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention. *Journal of Labor Economics*, 28, 473–508; Borjas, G. J., & Doran, K. B. (2012). The Collapse of the Soviet Union and the Productivity of American Mathematicians. *The Quarterly Journal of Economics*, 127, 1143–1203.
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- <sup>25</sup> Miles, T. J., & Cox, A. B. (2014). Does Immigration Enforcement Reduce Crime? Evidence from Secure Communities. *The Journal of Law & Economics*, 57, 937–973; Adelman, R., Reid, L. W., Markle, G., Weiss, S., & Jaret, C. (2017). Urban crime rates and the changing face of immigration: Evidence across four decades. *Journal of Ethnicity in Criminal Justice*, 15, 52–77; Light, M. T., & Miller, T. (2018). Does Undocumented Immigration Increase Violent Crime? *Criminology*, 56, 370–401.
- <sup>26</sup> Adams, R. H., & Page, J. (2005). Do International Migration and Remittances reduce Poverty in Developing Countries? *World Development*, 33, 1645–1669; Beine, M., Docquier, F., & Özden, Ç. (2011). Diasporas. *Symposium on Globalization and Brain Drain*, 95, 30–41; Brown, R. P. C., & Jimenez-Soto, E. (2015). Chapter 20 - Migration and Remittances. In B. R. Chiswick & P. W. Miller (Eds.), *Handbook of the Economics of International Migration* (Vol. 1, pp. 1077–1140). North-Holland.
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- <sup>28</sup> Docquier, F. and Rapoport, H. (2012). Globalization, Brain Drain, and Development. *Journal of Economic Literature*, 50, 681–730.
- <sup>29</sup> Substantial evidence in favor of immigration is also found in Mountford (1997); Stark et al. (1997); Beine et al. (2001); Beine et al. (2008); Li et al. (2017); Theoharides (2018). See: Mountford, A. (1997). Can A Brain Drain Be Good For Growth In The Source Economy? *Journal of Development Economics*, 53, 287–303; Stark, O., Helmenstein, C., & Prskawetz, A. (1997). A Brain Gain with a Brain Drain. *Economics Letters*, 55, 227–234; Beine, M., Docquier, F., & Özden, Ç. (2011). Diasporas. *Symposium on Globalization and Brain Drain*, 95, 30–41; Beine, M., Docquier, F., & Rapoport, H. (2008). Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers. *The Economic Journal*, 118, 631–652; Li, X., McHale, J., & Zhou, X. (2017). Does Brain Drain Lead to Institutional Gain? *The World Economy*, 40, 1454–1472; Theoharides, C. (2018). Manila to Malaysia, Quezon to Qatar: International Migration and Its Effects on Origin-Country Human Capital. *Journal of Human Resources*, 53, 1022–1049.
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<sup>31</sup> Open borders supporters might still claim that loans are not permissible because they condition the respect for human rights to the repayment of the loan. The problem with such argument, however, is that it ignores that human rights are produced individually and exchanged as we interact with one another. It is only produced and traded when we engage with someone else. I am not denying human rights of farmers in rural Indonesia if I have not met them in my lifetime. I am denying human rights of my students if I do not unconditionally supply them with the right to freedom, life, and property (to name a few). These alternatives for affording a visa, however, are just governments facilitating these exchanges; they are not conditions under which individuals extend their supply of rights to others.