

The Case for Markets in Citizenship

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ABSTRACT *A number of countries sell citizenship rights to foreign buyers. Gary Becker makes an economic case for the state's sale of citizenship; more recently, Javier Hidalgo has offered a moral defence. However, the private sale of citizenship on a market remains largely unexplored and undefended. This article argues that under certain conditions states ought to permit their citizens to swap citizenship rights with foreigners in exchange for payment. I begin by offering two defeasible reasons to legalize citizenship markets: they would enable mutually beneficial exchange and increase the labour market opportunities of the global poor. I consider a number of counterarguments and conclude that none are dispositive, leaving the case for citizenship markets undefeated.*

Suppose Rick inherited shares in Google as a child. But now Rick is about to retire and has little interest in playing the stock market, so he sells his shares to Morty. Nothing else considered, Rick and Morty's exchange is unproblematic. (You might worry about the institution of inheritance – hold that thought.)

Here's a slightly different story. Rick inherited citizenship in the United States as a child. But now Rick is about to retire and has little interest in staying in the US, so he sells his citizenship to Morty, who lives in Belize. That is, Morty pays Rick to swap countries. Even if you were on board with my first case, you've probably jumped ship by now. But why?

I'll argue that a market in citizenship has two major virtues. It shares the first with markets in general: it enables mutually beneficial exchange. Both Rick and Morty are better off thanks to the sale of Google shares. And both Rick and Morty are better off thanks to the sale of citizenship. The sales are win-win.

Secondly, and more importantly, a market in citizenship would unlock opportunities to enrich the global poor. Economist Michael Clemens writes, 'Migrants from developing countries to the United States typically raise their real living standards by hundreds of percent, and by over 1,000 percent for the poorest people from the poorest countries.'¹ Ideally – to my mind at least – we'd increase immigration via open borders.² Foreigners could get citizenship for free. But citizenship markets are a small step in the right direction (§1).

Still, there's no shortage of objections to the private sale of citizenship. For one, membership in a political community might be considered inalienable and thus excluded from the market (§2). Others contend that the sale of citizenship sends the wrong signal about the nature of citizenship's value. You should use the rights and privileges of citizenship for the public good, not private gain (§3). Maybe you're worried that citizenship markets would exploit poor buyers or, alternatively, be monopolized by the (comparatively) rich (§4–5). Lastly, you might consider it unfair that

citizenship markets let citizens profit from luck-based advantages (§6). I argue that none of these objections are decisive and that whatever vices citizenship markets have are outweighed by their virtues (§7).

1. The Private Sale of Citizenship

The existing literature on selling citizenship focuses on the case of foreigners buying citizenship directly from the state itself. Moreover, much of the discussion is economic rather than philosophical.³ However, Javier Hidalgo has recently produced a moral defence of the state's sale of citizenship.⁴ The argument, very roughly, is that if a state may control its membership in general (e.g. by granting and denying citizenship to prospective applicants), then it may admit new members in exchange for payment. Think of it this way: a club may control its membership both by denying prospective applicants who don't meet the membership criteria *and* by selling membership to those who do.

For what it's worth, I think Hidalgo's arguments for the public sale of citizenship work. However, they won't do much to serve my purposes. His arguments, if successful, would only establish that the state itself has the right to sell new instances of citizenship. But my focus is a different arrangement, what we might call the *private* sale of citizenship, citizenship swaps, or a citizenship market.⁵ Here the state isn't auctioning off citizenship to foreign bidders. Rather, citizens would privately exchange their citizenship with citizens of another country for their citizenship plus financial remuneration.⁶

By way of example, suppose an aspiring American author wants to live in Costa Rica but needs a steady income to subsidize his writing. A Costa Rican mechanic looking to capitalise on the comparatively high wages paid to American mechanics wants to move to the United States. So, the author agrees to swap his citizenship for a fee. *This* is the sort of transaction I have in mind. I won't try to hash out how exactly these citizenship exchanges would be structured. My aim is only to make the case for the in-principle permissibility of the transactions. And by 'permissible', I mean *legally* permissible – that is, states should not interfere with these transactions provided they meet certain conditions.⁷

To be clear, then, I'm not arguing for an *unconditional* right to acquire citizenship via the market. Consider an analogy to another 'contested commodity': surrogacy. Defenders of commercial surrogacy deny that people have an unconditional right to buy and sell surrogacy services. Just as givers and receivers of non-commercial surrogacy services must satisfy certain conditions (e.g. receivers of children must be competent parents), buyers and sellers of surrogacy services must meet those same standards. The controversial question is whether the state should permit payment for surrogacy services assuming all else is equal with permissible cases of unpaid surrogacy.

Similarly, you might think that states should require prospective immigrants to pass a criminal background check, a civics test, and so on, before admitting them. Here I take no stand on the correct account of admissions criteria. My claim is this: so long as a foreigner meets your own favoured conditions for entry (whatever they are), the state should not interfere with her purchase of citizenship from an existing citizen.

So much for sketching my conclusion – what’s the argument for it? First, citizenship markets, like other markets, enable mutually advantageous exchange. Let’s start with an analogy. Charlie inherits a taxi medallion from his uncle. He has neither the desire nor the wherewithal to put it to good use. Only rarely does he drive a cab. Dee notices this and offers to buy the medallion from Charlie. She currently scrapes by as a fast food cashier, so she’s looking for a better job opportunity. Charlie accepts the offer and sells the medallion to Dee. Dee in turn gives rides to willing customers.

As the case is described, I see little reason to interfere with Charlie’s sale of the medallion to Dee. For one, both the buyer and seller benefit. Charlie wants the money more than the medallion and Dee wants the medallion more than the money. So, we can make a mutual advantage argument in defence of permitting the sale. Second, the medallion sale gives Dee, who was previously hovering at the poverty line, access to a new and more lucrative market for her labour. Thus, letting her buy the medallion has a humanitarian justification as well – now she has an opportunity to earn a decent living.

Note that these considerations in favour of permitting medallion sales do not rest on the claim that Charlie owns his medallion as *property*. Similarly, my argument for citizenship does not rest on the claim that citizens have property rights over their citizenship. Citizenship, like a taxi medallion, is a legal convention that grants its holder certain state-issued rights. Still, as the medallion case illustrates, we can have good reasons to permit markets in legal conventions.

The mutual advantage argument applies to citizenship markets just as it applies to medallion markets. The aspiring author values a steady income more than he values American citizenship (relative to Costa Rican citizenship) and the Costa Rican citizen values American citizenship (relative to Costa Rican citizenship) more than the income. It’s win-win. Of course, a standard-issue objection to markets in general applies to a citizenship market in particular – they can prove costly for third parties. I’ll return to this objection in Section 5.

Second, and more importantly, citizenship markets have a humanitarian justification: they open access to new labour market opportunities, which can help enrich the global poor. Economist Michael Clemens is worth quoting at length:

In contrast to the international movements of other factors of production, the international movement of labor itself does cause the earnings of people born in poor countries to converge with those of people born in rich countries. This convergence is nearly complete, nearly certain, and very fast. Migrants who arrive in the United States, even those from the very poorest countries, typically earn close to what observably identical nonmigrants earn [...] No other development policy realized within developing countries is able to generate anything close to this degree of convergence.⁸

To illustrate, Clemens notes that during the thirty-year period before the earthquake in Haiti in 2010, the living standards for the average Haitian fell by 50 per cent. However, during that same period, a 35-year-old male Haitian worker with less than a high school education who moved to the United States saw his real income increase by more than 500 per cent.⁹ The pattern is the same elsewhere. For instance, someone who moves from Yemen to the United States can expect to earn roughly fifteen times more real income without any change in education, skills, or profession.¹⁰ Although

other economists aren't quite as optimistic, even comparatively pessimistic projections suggest that many people would see their incomes rise significantly from moving to wealthy countries like the United States.¹¹

A standard explanation for these wage gaps is the effect that different institutions can have on labour productivity. The World Bank suggests that 'intangible wealth' accounts for about 80 per cent of the world's total wealth.¹² Intangible wealth, as defined by the World Bank, is roughly the portion of a nation's income from factors other than natural capital such as raw resources and artificial capital such as machinery.¹³ Typical cases include things like fair political systems, reliable adherence to the rule of law, a well-functioning judicial and property system, etc. Economists argue that productivity differences between workers in developed and developing economies are largely due to institutional differences.¹⁴ You'll be less productive if you lack reliable roads to use to drive to work, if your country is in a constant state of civil war, or if you don't enjoy enough healthcare to prevent sickness.

However, immigration restrictions prevent many foreigners from taking advantage of wage gaps between countries. Since markets in citizenship create new immigration opportunities for the global poor, any principle of distributive justice that recommends preferentially benefiting the poor – sufficiency, priority, equality, or utility – will recognise a reason to permit these markets.

To be clear, I don't take the preceding arguments to definitively establish the case for citizenship markets. However, they do make a defeasible case for the claim that a world with citizenship markets is a moral improvement over a world without them, all else equal. Now let's consider some potential defeaters.

2. Inalienability

The first objection, suggested by Ayelet Shachar, is that citizenship should be regarded as inalienable, primarily because it is 'identity-defining' both for individual citizens and for the political community as a whole.¹⁵ Before addressing this concern, let me note that Shachar seems to equate alienation with commodification: 'In its strongest form, inalienability means that certain things or relationships are categorically excluded from the market.'¹⁶ However, there is an alternative, broader conception of inalienable rights that goes beyond their exclusion from the market: inalienable rights are those that may not be transferred or waived – for money or for free. For example, liberty over one's own person is plausibly inalienable. You may not sell yourself into slavery, but you may not become a slave for free, either. Citizenship is not inalienable in this broader sense, given that immigrants routinely surrender their citizenship in their home countries.

What about the narrower sense of inalienability as exclusion from the market? At a minimum, the argument we ought not allow payment for membership in an identity-defining community overgeneralizes. For instance, synagogues are identity-defining, both for individual members and communities as a whole, and many charge membership dues.¹⁷

Shachar also argues that the protections of membership in a political community 'are seen as contributing to one's freedom, security, and well-being' and thus ought not to be commodified.¹⁸ These kinds of protections are 'priceless: they bear a

nonmonetary value that justifies placing them above exchange value and safely outside the realm of the market.¹⁹ One initial worry about this argument is that people frequently buy and sell things that contribute to freedom, security, and well-being – e.g. bail bonds, defence attorney services, home alarm systems, body guards, bottled water, yoga classes, education, and so on.²⁰

Also, citizenship is not priceless. Suppose an Austrian named Hannah eventually becomes an American citizen after taking a job in Boston that will pay her \$10,000 more than her previous job in Austria. In doing so, she effectively puts a price on her Austrian citizenship. Price is simply a measure of opportunity cost; Hannah calculates that the gains made possible by American citizenship exceed the opportunity cost of losing Austrian citizenship. Although it is difficult to specify the exact price, we can safely say that Austrian citizenship is not worth \$10,000 more to Hannah than American citizenship.

3. Symbolic Concerns

A related objection asserts that the rights and privileges of citizenship should be used for the public good – to use them for private gain is to misvalue them.²¹ To buy and sell citizenship is to express the wrong attitude or send the wrong signal about the value of citizenship.²²

In reply, I'll first note that it is permissible to both relinquish and acquire citizenship for the sake of private economic gain. Suppose Hannah left Austria out of unmitigated economic self-interest – she came to America simply to make more money. She relinquishes her old citizenship and acquires a new one for the sake of private gain. Still, she does nothing impermissible.

Perhaps it is worse for people to *directly* buy and sell citizenship for the sake of their economic self-interest than to *indirectly* profit from one's citizenship as in the case above. But even if it is *prima facie* wrong to buy and sell citizenship on the grounds that it signals an incorrect valuation of citizenship, sending the wrong signal about citizenship's value can be justified all things considered if the benefits are great enough.²³ If an eccentric billionaire offers to quintuple the lifetime salary of a Haitian worker if you burn an American flag, I'd advise reaching for the matches. Even if you think it would be *morally* wrong to burn the flag, it's still a leap to conclude that the state is justified in interfering with you. (Indeed, I'd say the state shouldn't interfere with your decision to burn an American flag for free.)

I'll elaborate on that last point. Even if it is wrong to 'misvalue' your citizenship and treat it as a means to personal profit, it may still be the case that others shouldn't interfere. Using photos of beloved family members as tissues certainly shows that someone doesn't value those photos correctly, but others may not interfere when they sneeze in them. Similarly, there are plenty of cases where the state may not interfere with citizens' decision to use the rights and privileges of citizenship for personal profit.

Take voting: as David Estlund notes, citizens generally may vote as they see fit without state interference.²⁴ Consider the following real-world case. Due to a districting irregularity, a college student in Missouri was the only citizen eligible to vote on a local sales tax increase.²⁵ Suppose she disregards all considerations of the public good and casts her (guaranteed-to-be-effective) vote solely based on whether she expects the

tax to benefit her. Would this act signal an incorrect valuation of the rights and responsibilities of citizenship? Maybe. But suppressing that signal doesn't justify the state in interfering with her vote.

Also, keep in mind that the people who are so tenuously attached to their citizenship that they're willing to sell it off are those who are *leaving* the country. Regarding citizenship buyers, I'd presume that they would acquire citizenship for free if the option were available. Given that the option isn't available, I see nothing wrong with offering payment.

Here's an analogy. Suppose my daughter is an opera singer and I want to see her sing. The opera house refuses to give me a ticket. So, I buy a ticket from someone to watch my daughter's performance. Does my buying the opportunity to watch my daughter perform indicate that I somehow misvalue or degrade her performance? No. If anything, I'd say the opposite. That I was willing to give up something extra to watch her perform indicates that I value her performance quite highly.²⁶ That citizenship buyers are willing to pay additional costs to immigrate indicates that they value citizenship quite highly as well.

Indeed, citizenship markets would systematically replace those who value citizenship less highly with those who value it more highly. Suppose the city of Green Bay distributed tickets to a Packers game to its residents via lottery. Because the process is random, many of the tickets are likely to land in the hands of residents who aren't Packers fans. How could we channel more diehard fans into the stadium? Simple: let the residents sell their tickets. This way people who don't value the Packers highly will distribute their tickets to those who do.

4. Poverty and Exploitation

Here's another objection: citizenship markets are unlikely to be humanitarian in practice because poor migrants won't be able to offer enough money to make a citizenship swap worth the while of current citizens of, say, the United States.

One way in which proponents of the state sale of citizenship have addressed this worry is by suggesting that the state loan citizenship buyers the funds they need.²⁷ This strikes me as a plausible plan, although it might be less applicable in the case of citizenship swaps. Prospective citizenship sellers might not have enough money to loan or they might not want to wait to see a return on their citizenship swap.

As an alternative, I propose that the parties could make use of an *income share agreement* (ISA). Citizenship sellers can acquire 'shares' in the citizenship buyers' future earnings in exchange for agreeing to the citizenship swap. ISA sellers are no more beholden to buyers than debtors are beholden to creditors.

ISA's have been proposed as an alternative to loans as a way of financing higher education.²⁸ Professional football players have also sold portions of their future earnings (from contracts, endorsements, and so on) to investors.²⁹ So my proposal is that the aspiring American author can swap citizenship with a Costa Rican mechanic in exchange for a portion of the mechanic's future earnings – earnings that will rise significantly due to the swap itself.

I think the central worry about ISA arrangements is that they would be exploitative. Citizenship sellers could take advantage of citizenship buyers' severely constrained

option set and demand exorbitant shares of their future earnings. This worry is compounded by the potentially large wealth disparities between buyers and sellers.

Is an ISA exploitative if it transfers a large percentage of the citizenship buyer's future income to the seller? It surely is, at least in the following respect: the seller takes advantage of the prospective buyer's lack of options. Should the state interfere with the ISA? That's a more complicated question. At minimum, that a contract exploits one party's severely-constrained option set for the advantage of the other is not *sufficient* to render that contract criminal or unenforceable. Take an example adapted from Robert Nozick.³⁰ Suppose someone produces a ranked list of all of her potential spouses. I'm last on the list. She'd marry me if there is literally no other suitor, but only because she dreads dying alone. Sadly for her, there's literally no other suitor. Knowing this, I take advantage of her lack of options and propose. It's either me or dying alone. She accepts and we marry. Although my offer of marriage exploits my spouse's lack of options, our marriage contract is valid.

There are different reasons why we might not want the state to interfere with this contract. Maybe you think that liberty of contract is a basic liberty.³¹ To be frank, though, I'm less compelled by the liberty-centric arguments to permit these contracts than by the welfare-centric ones. When you disallow this marriage contract or an Income Share Agreement, you are in effect 'solving' the problem of a constrained option set by further constraining that option set.³² What's more, you are removing the very option that the exploited party values most highly (as indicated by their desire to choose that option over all of the other alternatives).³³ Unless the state bundles its interference with the contract with the provision of additional and better options, the interference actually makes the exploited party worse off.

Of course, there's a straightforward way for the state to provide would-be citizenship buyers with a better option – open the borders and give away citizenship for free. I'd have fewer objections to blocking a citizenship market in a state with open borders, but then again, such a state would have little reason for the market in the first place. However, countries like the United States have significant immigration restrictions and therefore are not providing prospective citizenship buyers with better options. So, I contend that consideration for the welfare of the global poor obliges states like the US not to interfere with citizenship swaps.

Suppose, though, despite my arguments, you disagree with my claim that exploitative ISA's are permissible. Even so, this conclusion wouldn't show the in-principle impermissibility of citizenship markets. It would simply show that we have a practical problem. And one solution to this problem is regulatory: enforce caps on the percentage of future income transferred in the ISA.³⁴ By analogy, even if exploitative labour contracts are impermissible, labour contracts generally may remain permissible. The state can simply enforce (among other things) minimum wage requirements.³⁵

5. Brain Drain

The next challenge alleges that citizenship swaps won't do much to help the global poor because buyers of citizenship will tend to be comparatively rich foreigners. Writing of the state auction of citizenship rights, Shachar presses a similar point: 'Those who can afford the economic privileges of citizenship under this system of auctioning

entry permits are most likely not the ones most in need of its enabling and levelling up capacities. Rather than to reduce global disparities in rights, goods, and opportunities, to commodify citizenship is to aggravate these inequalities.³⁶ Indeed, the likelihood that citizenship buyers will be comparatively rich is increased if states impose caps on the percentage of income that may be transferred as part of an ISA. Ten per cent of a software designer's wages is a lot more money than ten per cent of a bus driver's wages. So, American citizens (for instance) will be more likely to sell to foreign software designers than foreign bus drivers. This means that citizenship markets lose at least some of their humanitarian justification.

Before digging in, it's worth noting that this objection clashes directly with the exploitation objection. The exploitation objection presumes that citizenship buyers will typically be low-wage workers with poor fall-back options; the objection sketched above presumes that high-wage workers will outbid low-wage workers for citizenship.

To start, I'll say that even if citizenship buyers are comparatively wealthy foreigners, states should still permit citizenship markets. Perhaps there would be *fewer* reasons to permit them, but there would still be some.³⁷ Disallowing citizenship markets would involve 'levelling down' – it would deprive some of a benefit without producing offsetting benefits for anyone else.³⁸ But it's better to distribute a benefit to some rather than none.

You might reply that permitting citizenship markets *would* harm some – namely, the comparatively poor foreigners who are outbid and thus remain in their countries of residence. In brief, allowing comparatively wealthy foreigners to buy citizenship will cause 'brain drain,' whereby the comparatively poor foreigners will be deprived of the fruits of the wealthy's human capital. An exodus of doctors, engineers, and software developers would harm the mechanics remaining in the country.

For this counterargument to work, it must be the case that (1) the brain drain objection can justify significant immigration restriction in general and (2) permitting the movement of high-wage labour harms the economic interests of those people who do not move. But we have good reason to reject both claims.

First, it's simply not clear that the brain drain objection is successful against labour mobility in general.³⁹ Although I lack the space to survey the literature, let me dial up a quick challenge. Brain drain arguments often point to the ways in which a wealthy prospective immigrant has benefitted from her home country's institutions or investment in her human capital. But it strikes me as implausible that an institution's investment in someone's human capital justifies significant restrictions on that person's labour mobility. Suppose Bobby attends Tom Landry High School, which invests thousands of dollars in his education. Bobby aspires to teach high school himself after he graduates from college. That Bobby benefitted from Tom Landry High School's investment in him does not seem to justify restrictions on his opportunities to teach at other high schools.

Secondly, the evidence that emigration impoverishes remaining citizens is mixed.⁴⁰ For one, by depriving people of foreign buyers for their labour, restrictions on mobility deprive them of an incentive to develop their human capital in the first place. Many of the skilled labourers who leave their countries of residence for economic opportunities abroad acquired their skills at least in part precisely *because* they expected to profit from them abroad. Thus, reducing labour mobility may increase the supply of domestic physicians (for example) over the short term, while reducing the supply over the

long term, as fewer citizens elect to acquire these skills when they cannot fully benefit from them.

At this point, you might wonder how citizens who do not emigrate benefit when their fellow citizens acquire, say, medical training only in the hopes of *leaving* their countries of residence. There are at least three ways. First, some who acquire the new skills with the thought of leaving ultimately decide not to leave. Second, some leave and then return later. Third, wealthy migrants often send remittances to family and friends who remain, thereby enriching their original countries of residence.⁴¹ Thus, citizenship markets create incentives for people to develop their human capital and earn more income, a result that can create a new and bigger stream of income into their original country of residence.

Suppose, though, we acquire compelling evidence that voluntary remittances fail to adequately address the problem of brain drain. I contend that this evidence would not clinch the case against citizenship markets. Rather, it should prompt us to attend to the design of citizenship markets – specifically, we could allow citizenship markets on the condition that states tax the sale of citizenship and redistribute that revenue directly to remaining citizens or use it to fund various social programs.⁴² Indeed, given that citizenship buyers would likely see their earnings increase dramatically due to immigration, even a modest tax on their ISA could result in income gains for remaining residents that would exceed the gains they could expect from policies restricting the flight of human capital.⁴³

6. Egalitarian Concerns

The last concern is broadly luck egalitarian. Citizenship markets are unfair because they enable citizens of countries with high levels of intangible wealth to profit through no choice or effort of their own. In brief, American citizens (for example) merely *inherit* a good that they are in turn able to sell for a high price in the global marketplace. Thus, if you object to allowing large inheritances of material goods, you should object to citizenship markets.

My reply here is simple: by this criterion, citizenship itself is unfair. Citizens of countries with high levels of intangible wealth profit through no choice or effort of their own simply in virtue of *working* in those countries. Whether you sell your marketable citizenship or not, you benefit from it. The cab driver from Brooklyn earns 15 times as much as the cab driver from Yemen. So, if we are serious about making a dent in luck-based global inequalities, eliminating immigration restrictions is the place to start. Liberalizing immigration policy would enable the cab driver from Yemen to increase his earnings for free.

As things stand, citizenship markets would be a step in the right direction from the luck egalitarian perspective because they would reduce luck-based global inequalities. Let's revisit some of Michael Clemens's earlier remarks:

In contrast to the international movements of other factors of production, the international movement of labor itself does cause the earnings of people born in poor countries to converge with those of people born in rich countries. This convergence is nearly complete, nearly certain, and very fast. Migrants

who arrive in the United States, even those from the very poorest countries, typically earn close to what observably identical nonmigrants earn.⁴⁴

Easing restrictions on the global movement of labour is the most effective means of closing the gap between the global rich and global poor. While open borders would be ideal, citizenship markets will nevertheless help by increasing the movement opportunities of the global poor relative to a world without citizenship markets. So, luck egalitarians should be squarely in the corner of citizenship markets as a partial, non-ideal corrective to the global injustice of immigration restriction.

7. Would A Citizenship Market Be Successful?

For the most part, I've focused on the demand side of citizenship markets. In closing, it's worth asking how robust the supply of citizenship will be. You might be sceptical that many New Yorkers are looking to swap citizenship with the cab driver from Yemen, even for a healthy fee.

It's hard to say how frequently citizenship swaps would occur. It doesn't take much of a leap of the imagination to think that a wealthy American retiree would swap citizenship with a worker from Belize (whose earnings would more than triple) if she learns she can expect more income from the ISA than Social Security.⁴⁵ Indeed, nearly 400,000 American retirees already live abroad.⁴⁶ And even if a citizenship market ends up being a niche market, that's not a reason to ban it. We don't disallow niche markets just because they're niche markets – selling books on metaphilosophy isn't a crime after all.

In any case, we're bad at predicting market success or failure from the armchair. The Segway was going to revolutionize the way we travel. It didn't. Ken Olsen, CEO of the second largest computer company in the US in the 1980s, said that there was no reason for anyone to own a personal computer.⁴⁷ He was wrong. The point is that we should be sceptical of our largely *a priori* judgments about how hot or cold any given market will be. We need to experiment and see how things go. I see no reason to treat the sale of citizenship any differently, particularly given the magnitude of the potential rewards.⁴⁸

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NOTES

- 1 Michael Clemens, 'The biggest idea in development that no one really tried' in E. Chamlee-Wright (ed.) *The Annual Proceedings of the Wealth and Well-Being of Nations* (Beloit, WI: Beloit College Press, 2010), pp. 25–50, p. 29.
- 2 See, for instance, Christopher Freiman, 'The marginal cases argument for open immigration,' *Public Affairs Quarterly* 29,3 (2015): 257–276, and Christopher Freiman & Javier Hidalgo, 'Liberalism or immigration restrictions, but not both,' *Journal of Ethics and Social Philosophy* 10,2 (2016): 1–22. For other defenses of open borders that I find compelling see Michael Huemer, 'Is there a right to immigrate?,' *Social Theory and Practice* 36,3 (2010): 429–61; Joseph Carens, *The Ethics of Immigration* (New York: Oxford University Press, 2013); Chandran Kukathas, 'The case for open immigration' in A. Altman &

- C. Wellman (eds) *Contemporary Debates in Applied Ethics* (Malden, MA: Wiley-Blackwell, 2013), pp. 207–220.
- 3 See Julian Simon, *The Economic Consequences of Immigration* (Cambridge, MA: Blackwell, 1990), pp. 329–335; Gary Becker, *The Economics of Life* (New York: McGraw-Hill, 1998), pp. 58–59.
- 4 Javier Hidalgo, ‘Selling citizenship: A defence,’ *Journal of Applied Philosophy* 33,3 (2016): 223–239.
- 5 Hidalgo (op. cit., pp. 237–8, fn. 20) mentions this possibility. He thinks the private sale of citizenship is probably permissible, but doesn’t pursue it. See also Robin Hanson, ‘Transferable citizenship,’ *Overcoming Bias*, 21 October 2011. Available online at: <http://www.overcomingbias.com/2011/10/transferable-citizenship.html>.
- 6 I should note that Hidalgo’s proposal is compatible with mine: a state could both directly sell new instances of citizenship to foreign buyers and permit citizens to sell their citizenship rights. One practical difference between the private and state sale of citizenship is that the former doesn’t increase the total number of citizens in receiving countries. Thus, it could be the case that the private sale of citizenship places less of a strain on public infrastructure, although this is an empirical question. Hidalgo (op. cit., p. 228) suggests that a state could use some of the revenue from the citizenship sales to offset these costs. This is a fair point; however, this proposal may require the state to charge higher prices for citizenship. Thus, we have reason to think that the state sale of citizenship would be more likely than the private sale of citizenship to exclude the global poor. I am grateful to an anonymous referee for pressing this point.
- 7 An anonymous referee notes that a citizenship market would likely demand more than non-interference from states given that they will need to recognize, facilitate, and enforce the relevant contracts. This seems right to me. To address this concern, states could impose a tax on the citizenship sales to offset any increases in public legal costs.
- 8 Clemens, op. cit., p. 29.
- 9 Ibid.
- 10 Michael Clemens, Claudio E. Montenegro & Lant Pritchett, ‘The place premium: Wage differences for identical workers across the U.S. border,’ *Center for Global Development*. Working Paper #148 (2008), p. 3.
- 11 See, e.g., George Borjas, *We Wanted Workers* (New York: W.W. Norton, 2016), p. 69. Borjas (op. cit., p. 72) notes, though, that many choose not to immigrate because the social and cultural costs of moving are often too high.
- 12 World Bank, *The Changing Wealth of Nations* (Washington DC: The International Bank for Reconstruction and Development), 2011.
- 13 Ibid.
- 14 Clemens *et al.*, op. cit., p. 52.
- 15 Ayelet Shachar, *The Birthright Lottery: Citizenship and Global Inequality* (Cambridge, MA: Harvard University Press, 2009), p. 57.
- 16 Ibid.
- 17 Hidalgo (op. cit., pp. 230–1) argues that membership in a golf club may share these features as well.
- 18 Shachar op. cit., p. 58.
- 19 Ibid., p. 57.
- 20 For a similar reply, see Hidalgo op. cit., p. 231.
- 21 Some of Shachar’s arguments suggest this sort of concern. Hidalgo (op. cit., section 3) discusses these challenges as well, although his counterarguments differ from mine.
- 22 My sense is that this worry is less pressing for my position than for the position that the state itself ought to sell citizenship. I merely ask the state to refrain from interfering with the private sale of citizenship. We might not want the state to *actively* treat citizenship as a commodity. We might object to the US government selling an original copy of the Constitution or a national park because in some sense the state is the steward of those things and has special obligations not to sell them.
- 23 I owe this style of response to Jason Brennan & Peter Jaworski, ‘Markets without symbolic limits,’ *Ethics* 125,4 (2015): 1053–1077.
- 24 David Estlund, *Democratic Authority* (Princeton, NJ: Princeton University Press, 2007), p. 261. For a related discussion, see Christopher Freiman, ‘Vote markets,’ *Australasian Journal of Philosophy* 92,4 (2014): 759–774, at pp. 762–763.
- 25 Caitlin Campbell, ‘College student would be sole voter in CID sales tax decision,’ *Columbia Daily Tribune* 25 August 2015. Available online at: <http://www.columbiatribune.com/6702c44b-0243-51f8-861c-1df0b462cd92.html>

- 26 For a more detailed defence of the claim that a willingness-to-pay standard does not imply that the good being purchased is being devalued, see Christopher Freiman, 'Cost-benefit analysis and the value of environmental goods,' *Georgetown Journal of Law and Public Policy* 13 (2015): 337–348. See also David Schmidt, 'A place for cost-benefit analysis,' *Philosophical Issues* 11,1 (2001): 148–171.
- 27 Simon op. cit., p. 333.
- 28 See, e.g., Milton Friedman, 'The role of government in education' in R.A. Solo (ed.) *Economics and the Public Interest* (New Brunswick, NJ: Rutgers University Press, 1955).
- 29 Peter Lattman, 'A second NFL player signs public offering deal,' *The New York Times*, 31 October 2013. Available online at: http://dealbook.nytimes.com/2013/10/31/fantex-adds-another-athlete-to-its-i-p-o-roster/?_r=0
- 30 Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), p. 263.
- 31 See, for instance, Jessica Flanigan, 'Rethinking freedom of contract,' *Philosophical Studies* 174,2 (2017): 443–463, and Eric Mack, 'In defense of "unbridled" freedom of contract,' *American Journal of Economics and Sociology* 40,1 (1981): 1–15.
- 32 On this idea, see Matt Zwolinski, 'Sweatshops, choice, and exploitation,' *Business Ethics Quarterly* 17,4 (2007): 689–727.
- 33 Ibid.
- 34 More generally, the state could stipulate prices or repayment terms for the citizenship market just as it can stipulate prices and repayment terms in other cases (e.g. price gouging laws and payday loan regulations).
- 35 I'd make a similar argument with respect to concerns about the exploitation of vulnerable citizenship sellers. Ideally, citizens would never need to sell their citizenship to escape from severe poverty because there would be policies in place that effectively alleviate poverty. However, as things stand, there *are* citizens in severe poverty. So, the key question is this: would opening up the option of selling citizenship be better than not opening up the option, all else equal? I believe that giving citizens that option would be an improvement for the reason I mentioned earlier: if the problem is that very poor citizens have too few options, then it would be helpful to give them more options. But even if I'm wrong, it doesn't follow that we should ban citizenship markets. Rather, we should regulate and restrict the market accordingly. For instance, states could require sellers to meet certain minimum income requirements. Thanks to an anonymous referee for raising this concern.
- 36 Shachar op. cit., p. 56.
- 37 Hidalgo (op. cit. p. 236) takes a different approach when addressing concerns about unfairness: 'When people sell luxury cars, mansions, or expensive antique furniture, they discriminate against poor people. These people in effect treat poor people worse than rich people by selling products that only rich people can afford. Nonetheless, it appears permissible to sell luxury goods to rich people. It does not even seem presumptively wrong to discriminate against people in this broad sense. If selling citizenship is only discriminatory in this broad sense, then selling citizenship can still be permissible.'
- 38 On the levelling down objection, see Derek Parfit, 'Equality and priority,' *Ratio* 10,3 (1997): 202–221.
- 39 For compelling objections to the brain drain argument for immigration restrictions, see Kieran Oberman, 'Can brain drain justify immigration restrictions?' *Ethics* 123,3 (2013): 427–455.
- 40 For a full discussion, see Ian Goldin, Geoffrey Cameron & Meera Balarajan, *Exceptional People: How Migration Shaped Our World and Will Define Our Future* (Princeton, NJ: Princeton University Press, 2011).
- 41 Goldin *et al.*, op. cit., pp. 186ff.
- 42 To borrow terminology from Jason Brennan and Peter Jaworski, the issue here is not whether we ought to allow a market in citizenship but rather how we ought to design the specific *architecture* of that market. See Jason Brennan & Peter Jaworski, *Markets Without Limits* (New York: Routledge, 2015), p. 35. As Brennan and Jaworski would put it, the issue in this kind of case is not *what* can be sold but rather *how* it is sold. To use my earlier analogy, you might think that a labor market is permissible but only if certain conditions are met (e.g. minimum wages, payroll taxes, and so on). Thanks are due to an anonymous referee for stressing this concern.
- 43 See also Oberman (op. cit., p. 440) for the suggestion that taxation can offset the adverse effects of brain drain.
- 44 Clemens op. cit., p. 29.
- 45 Clemens *et al.*, op. cit., p. 11. In many cases, a cost of selling American citizenship will be a loss of one's freedom to easily travel abroad. It's worth noting, though, that citizens of many countries are permitted to travel to the United States to visit friends and family and receive medical treatment, a consideration that

lessens the opportunity cost of losing American citizenship. Thanks are due to an anonymous referee for stressing the ways in which citizenship can impact one's ability to travel outside one's country of citizenship.

46 *CBS News*, 'More Americans are retiring abroad,' 17 December 2016. Available online at: <http://www.cbsnews.com/news/more-americans-are-retiring-outside-the-u-s/>

47 Jonathan Gatlin, *Bill Gates: The Path to the Future* (New York: Avon Books, 1999), p. 39.

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