

Immigration

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1. Capitalistic Acts Between Consenting Adults

Alex is looking for work. He's young and doesn't have any special skills, but is willing to put in the time to acquire them on the job. Bernice runs a restaurant. She could use an extra hand in the kitchen. The extra hand would be worth a little more than \$9/hour for her bottom line. With the additional help, she could offer a couple more menu items and keep the place a bit cleaner, and she expects the additional customers that this would draw in to add up to just above \$9/hour over the near future. The rate is good enough for Alex, and it sure beats getting paid nothing at all while idling his day away in his parents' basement. Alex and Bernice would thus like to make an arrangement wherein Alex works at the restaurant for \$9/hour.

But suppose the government comes in and forbids this transaction. It says the wage is too low. The minimum wage an employer must pay to hire someone is \$15/hour, according to this government's policy. For Bernice, this is just not worth it. She'd rather not offer those new menu items and make the place that little bit cleaner. If she hires someone at the \$15/hour rate to do the things she wants Alex to do, she'd be losing money. She's not a charity, and besides, she has kids to feed. So, what ends up happening is that Bernice doesn't hire Alex.

Libertarians will take issue with this restriction for two main reasons. First, Alex has a right to do with his person as he wishes, so long as he's not violating other people's rights. He's not violating

anyone's rights by choosing to work at Bernice's restaurant. Likewise, Bernice owns her restaurant and her liquid cash. She has a right to do with them as she pleases, so long as she's not violating someone else's rights. Obviously, she can't use that cash to hire a hitman to kill someone. Likewise, she can't burn her restaurant down for fun, because that might lead to nearby buildings catching on fire. But hiring Alex is not like doing these things. Thus, by forbidding this consensual transaction, the government is violating the rights of both Alex and Beatrice.

Second, there are gains to be made left on the table. Alex would be better off if he has a job, by his own lights. He may be able to develop useful experience in the food industry. He can also use the money to buy an old car. Bernice, likewise, would be able to make her restaurant run more smoothly for a reasonable price, by hiring Alex. And so, both parties could be made better off. The wage restriction, then, is *Pareto inefficient*, in economic terms.

The first reason is a rights-based reason to remove wage restrictions. The second is a welfare-based reason. Libertarians will see both these reasons as applying to a wide range of cases where a mutually consensual interaction is forbidden by some authority. Similar arguments can apply to, for instance, price ceilings on sales of goods, rent controls, tariffs, zoning restrictions, and so on. All these are ways to unjustly prohibit "capitalistic acts between consenting adults" (Nozick, 1974, p. 163).

This reasoning seems to transfer over nicely to the case of immigration restriction. Suppose now that Alex lives in Guyana while Bernice's restaurant is located in the United States. In this case, instead of a minimum wage restriction, there is an immigration restriction. Bernice would like to hire Alex, and Alex would like to work for Bernice, but the U.S. government says that he can't move into and settle within its territory because he doesn't fulfill any of the conditions required for obtaining residency (e.g. having immediate family in the U.S., having special skills, having won the green-card lottery, etc.).

Here, libertarians will typically argue that Alex's rights to *free movement* are being violated (Freiman and Hidalgo, 2016; van der Vossen and Brennan, 2018). Freedom of movement is a basic and important liberal right, on this view. Imagine that a government prohibited people's movement from rural areas to cities, as was the case in many 20th century communist regimes. Such a society would not be upholding the basic principles of liberalism. Liberalism posits a fundamental right to free

movement. So, the U.S. does not live up to the principles of liberalism insofar as it prohibits Alex from moving into its territory.

Bernice's rights are being violated too, on the libertarian view (Carens, 1987). Bernice has a property right over her restaurant, and this means she can invite over whomever she wishes to enter it. If the government prohibited all customers from entering her restaurant, say, it would be violating her property rights. Likewise, the U.S. government violates Bernice's property rights by decreeing that she can't have Alex helping her at the restaurant.

There is a powerful welfare-based argument here too. There are (big) potential gains left on the table. Alex would be made better off because he can earn a much higher wage in the U.S. than he can in Guyana. Besides, we're stipulating that he *wants* to move to the U.S. and so by his own lights he is being made better off. Bernice can be made better off too. She will be able to hire him for a lower wage than she can hire a comparably skilled current U.S. resident. And thus, she stands to gain by hiring Alex. Having open borders, whereby people can move and settle as they please across national boundaries, then, promotes economic efficiency in the sense that it avoids situations where both parties within a particular context can be made better off.

The welfare-based reason interacts with the rights-based reason. Some ways of interfering with a person's opportunities to improve their welfare constitute impermissible harm. Thus, suppose a hungry individual seeks to go to a marketplace to buy a loaf of bread. However, an armed guard stops this individual at the gate of the market. Plausibly, this armed guard impermissibly *harms* the person who seeks to enter. It's not simply that the guard fails to confer benefits on the hungry bread-seeker. Allowing this person to enter the market is not merely a nice, good-Samaritan thing to do; it's the only minimally decent thing to do. Analogously, immigration restrictions constitute impermissible harms inflicted upon would-be immigrants, not merely permissible refusals to confer supererogatory benefits (Huemer, 2010).

Thus, it looks like the case for open borders should be just as uncontroversial as the case against minimum wages, from the libertarian perspective. If people have a *pro tanto* right to free movement, and furthermore, overall welfare could be increased substantially by allowing for such movement, then there had better be very good countervailing reasons in favor of the status quo of restrictive

immigration policy (Kukathas, 2005). It seems hard to imagine how this justificatory burden could be met.

In what follows, I will examine some potential avenues through which advocates for some immigration restriction have tried to meet the justificatory burden. Section 2 explores the implications of the popular idea that countries have special obligations to their own citizens. In Section 3, I turn to the question of culture, and whether and how reasons to preserve culture might justify immigration restriction. Section 4 takes up an influential strand of argument that builds on the idea that people have a right to free association, and that on the level of countries, this entails the right to exclude foreigners. Section 5 looks at the potential downstream effects of open borders, through the channel of economic inequality. Finally, Section 6 explores the new economics of immigration, which considers the potential effects of different kinds of immigration on the host country's institutional quality.

While libertarians have developed compelling responses to some of these points, others remain open questions. In particular, once we look at the issue from a *non-ideal theory* perspective, it's no longer obvious that welfare and other important goods are maximized in the long run through a regime of open borders. Furthermore, libertarians who defend open borders owing to rights-based reasons will need to argue that the right to free movement across national borders is so strong that it outweighs the potential risks and externalities discussed in Sections 3, 5, and 6.

2. The Interests of Citizens

An immediate initial worry about fully open borders is the following. It's one thing to allow one person, Alex, to move to the U.S. to work for Bernice. But open borders would mean anybody can move to the U.S. And the world contains a lot of people. The U.S. is an exceptionally rich country, and so many people will want to move to it in search of better jobs and opportunities. Yet, if enough people move, then the supply for labor (especially unskilled labor) will increase quite a bit. However, that will drive wages down, and harm domestic workers (Borjas, 2003). That is an unacceptable consequence, it might be thought.

Libertarians can give a compelling response here. First, potential wage depression for local workers does not generate a permission to restrict free movement. Take the domestic analogue. Suppose that people want to move from California to Texas in search of better living standards. This will mean some possible wage depression for Texan workers, as well as rent increases. Nonetheless, the Texas state government would be violating Californians' rights if it forbade them to move to Texas for this reason. The same reasoning, libertarians will insist, applies across national borders. At any rate, it will be the burden of the immigration restrictionist to say why the cases are not analogous.

One natural counterargument here is that a country's government has special obligations towards its own citizens (Nagel, 2005; Sangiovanni, 2007). Even if one rejects the strongest versions of statism, according to which a country's government *only* has obligations to its own citizens (Pevnick, 2011), it might nonetheless be thought that the state ought to be partial to its citizens' interests. At any rate, this is implicit in many countries' practices from welfare spending on domestic as opposed to international projects, defense strategies, diplomatic relations, trade deals, and so on. And so if free movement will depress wages for domestic workers, typically those lacking special skills – who will already be among the worst off in society – then, immigration restrictions of certain kinds might be required by justice (Macedo, 2007, 2011).

Here, libertarians can deny that governments have special obligations to their citizens that can justify the rights-violations of foreigners (Huemer, 2010). After all, if conquering and colonizing Canada would make current U.S. citizens better off, it still doesn't mean this is a permissible thing to do. Why? Because conquering and colonizing Canada would violate the sovereignty rights of Canadians. So, even if you can give preferential treatment to your own citizens in some ways – by giving them welfare checks, medical aid, defense protection, etc. – you can't do so in a way that violates the rights of non-citizens. But, libertarians will note, restricting immigration violates the free movement rights of foreigners.

Now, some might simply deny that there is a right to free movement across national borders. Moreover, liberal societies restrict freedom of movement within their borders in many ways that don't seem problematic (Miller, 2005; Wellman, 2008; Joshi, 2020). For example, you cannot enter others' property without their permission. Similarly, you cannot go into the gate areas of airports

without a boarding pass. So, the burden may well be on the libertarian to show why such restrictions are okay but the requirement to meet certain conditions in order to settle within a country is not.

Libertarians can sidestep this issue to the extent that they can show that open borders are in fact beneficial to current citizens. One thing to stress is that just as the supply of labor would increase due to open migration, so would the demand for it (Caplan and Weinersmith, 2019). The new immigrants would also consume goods and services, for the production of which more workers would be needed. Furthermore, even supposing that the wages of *some* citizens would inevitably be depressed – particularly of those with low skill levels – the economic surplus created by open borders could be partly used to compensate them, with ample left over. Thus, even if open borders may not be *Pareto* superior, they could be *Kaldor-Hicks* superior.¹

Some economists have argued that there would be a very large surplus indeed due to open migration – with estimates ranging from 50 to 150 percent world GDP (Clemens, 2011). This supports the utilitarian case for open borders. Libertarians and others who hold their policy views on utilitarian grounds will thus find this reason particularly compelling. Furthermore, the extent of the surplus also bolsters the case for the Kaldor-Hicks efficiency of open borders, and if governments do actually implement plans to compensate their adversely affected citizens, then even a nationalist who believes that the interests of the domestic needy are especially weighty can embrace open borders.

Finally, one concern that often crops up, particularly in popular discussions of immigration, is the potential increase in crime associated with immigration from particular sources. A regime of (more) open borders, the thought goes, would increase the prevalence of crime within the host country, thereby generating a good reason for that country to resist such a policy. Defenders of open borders have noted that within the United States in particular, the crime rates of natives actually exceed those of the foreign-born population (Ewing, Martinez and Rumbaut, 2015). So, the argument seems to rely on faulty empirical premises, at least in the case of the U.S. However, this is not true across the world, for example Sweden (Martens, 1997). At any rate, it is interesting to think about the ethics of immigration within a context where the average immigrant from Country A to Country

¹ A distribution D_1 is *Pareto inefficient* if at least one person could be made better off without anybody being made worse off. A distribution D_2 is *Pareto superior* to D_1 just in case at least one person is better off in D_2 and nobody is worse off. A distribution D_3 is *Kaldor-Hicks superior* to D_1 if goods within D_3 could be redistributed so as to generate D_2 and D_2 is Pareto superior to D_1 . Importantly, D_3 itself need not be Pareto superior to D_1 (Gaus, 2008).

B is *in fact* more likely to engage in criminal activity than the native resident of B. Again, one's conclusion will depend on how strong one thinks of a state's obligations to its own citizens as being, as well as how much weight one puts on the right to free movement.

Libertarians here will hasten to emphasize that even *within* countries there are differences among the crime rates of different regions. And yet, within liberal democracies at least, we do not forbid the movement of people across regions where crime rates differ – this would be considered an inappropriate violation of liberty (Jaworski, 2020). Furthermore, blanket prohibitions of movement would seem to punish the many for the actions of a few, which grates against most plausible conceptions of justice. In general, we don't punish all people with red hair for the actions of one person with red hair (Caplan and Weinersmith, 2019) – so why should we punish all potential immigrants from Country A for the actions of a small minority of immigrants from Country A?

3. The Question of Culture

A separate, not primarily economic, concern with open borders is that it would undermine the preservation of culture (De Clercq, 2017). Large enough in-migrations of individuals from different cultures would inevitably alter the overall culture and character of a place, the thought goes, and people have a right to determine the shape of their future public culture (Miller, 2005, 2016). Thus, imagine a large movement of people from south and southeast Asia into Japan, which has a relatively high standard of living. It's natural to think that the public culture of modern-day Japan, including language, customs of various kinds, cultural products, etc. would change over time so as to alter the character of the place. If the Japanese have a right to determine the future trajectory of their culture, then they have a right to exclude foreigners as they deem fit.

There are two main responses libertarians have given here. One is that culture is constantly in flux. Cultures are not fixed points, nor is it desirable for them to be. Furthermore, immigration might enrich and complement an existing culture, rather than degrade it (Caplan and Weinersmith, 2019). Second, cultural preservation is not a sufficient justification to override the rights of individuals (Freiman and Hidalgo, 2016). To see this, we might note that the goal of cultural preservation can be threatened in many ways. For example, the consumption of foreign films by a country's residents

might alter its future cultural trajectory. But it would be draconian and illiberal to ban foreign films for this reason. Similarly, people choosing to leave a particular religion to become atheists might change culture in the long run as well. But again, it would be illiberal to achieve cultural preservation by banning apostasy. If freedom of movement is a basic right like freedom of conscience, then, it may not be overridden by the goal of cultural preservation.

The general force of the culture argument might depend in part on what is meant by ‘culture’. Insofar as the notion of culture in question largely consists in food, dress, methods of worship, etc., it’s hard to see how preserving the homogeneity of culture can justify interference with the free movement of foreigners. The cultural preservation argument is much more plausible, however, to the extent that we think of culture as comprising the basic norms, values, and levels of social trust present in a society. And these, some have argued, vary quite deeply and significantly across the world (Huntington, 1996, 2004; Henrich, Heine and Norenzayan, 2010).

The problem becomes especially pressing once we consider the question of immigration from cultures where the dominant norms are illiberal. What should libertarians – or more broadly, those who accept basic liberal principles – say about open migration from countries where policies like the death penalty for apostasy, the stoning of adulterers, mandatory clothing restrictions for women, etc. enjoy popular support? The worry here is then that liberalism would be self-undermining. If cultural norms are sufficiently robust, and if sufficient numbers of individuals endorsing illiberal norms move to a country where the dominant culture is broadly liberal, that liberalism may not last for long. If the newcomers are given voting rights, then the issue becomes even more severe, for they might vote for politicians who support illiberal policies. Liberalism, then, would seem to be committed to welcoming its own eventual destruction (Joshi, 2018).

Defenders of open borders have two chief options. One is to hold out hope that assimilation into the host country’s culture would occur such that individuals moving from places where the culture is illiberal to liberal democracies would come to accept liberal norms. Some might argue that the very desire to move to a liberal democracy suggests that the individual in question accepts, or is likely to accept, norms in the liberal neighborhood. However, this may not be the case if the primary motives for immigration in a particular context are economic rather than cultural. At any rate, this is an

empirical question that is impossible to settle from the armchair and needs rigorous and dispassionate sociological analysis.

The second option is to bite the bullet and hold that even if liberalism is threatened by illiberal migration, the right to freedom of movement is strong enough to override this potential concern (Wellman, 2020). One can interpret the right to free movement in a Kantian way here. Kant thought that it is impermissible to lie even to a murderer who asks where the person whom he intends to kill has gone (Kant, 1996). Likewise, it might be thought, even if liberal norms in the host country are threatened by migration in large enough numbers from an illiberal culture, nonetheless it is simply wrong to infringe on individuals' right to free movement. The challenge will be to spell out why the right to move and settle across *all* national borders, as opposed to rights to exit and free movement within particular countries, is sufficiently weighty in a way that doesn't invite implausible policy conclusions in other domains.

4. Freedom of Association

An influential argument for countries' rights to determine immigration policy is based on freedom of association (Wellman, 2008). Freedom of association is thought to be an important right within a liberal order. For example, we have a right to choose whom we marry. A practice of forced marriage would be violating the individual's right to determine whom she associates with. Likewise, the ideal of freedom of association is foundational for religious freedom as well. In a liberal order, we are free to choose our religious associates – hence, an individual cannot be forced to worship with others whom she doesn't want to worship with.

Wellman argues that just as individuals have the right to free association, so do groups and states. Thus, a golf club is within its rights to determine membership as it pleases. To make the golf club accept anyone who wishes to join would be to violate the rights of free association of individuals within it. Now, it might be thought that since association within states is non-voluntary – we are born within particular states, without having previously made a conscious decision to join the political community – that freedom of association cannot apply to states. But Wellman observes that it would be wrong to force say, Canada, to join a particular trade agreement. Likewise, it would be

wrong for the U.S. unilaterally annex Canada (even supposing this could be done without any violence – which is plausible given the comparative strengths of the militaries in question). Why would it be wrong to do these things? Wellman concludes that the wrong lies in violating the freedom of association of legitimate states.

A libertarian might concede the state's right to free association, but nevertheless point out that Bernice's property rights in the case mentioned earlier are in tension with the state right. And, when the rights of individuals and states conflict, a libertarian will typically come down in favor of the former. However, Wellman contends that one cannot always resolve the tension in this way without committing oneself to anarchism. States must, and do, limit our property rights in many ways. Some decisions must inevitably be made by the political community as a whole in order for a state to function.

The other worry has to do with Alex's freedom of movement. Isn't this obviously being curtailed by immigration restriction? Here, Wellman has two responses. First, the right to free movement is not absolute and unqualified – we need permission to enter others' property for example. Second, and more important, the right to free movement, properly understood, does not entail a duty on behalf of states to invite prospective settlers into their territory. Analogously, the freedom to choose one's spouse does not entail a duty on behalf of an individual to marry any and all suitors. Therefore, though Alex ought to have the freedom to exit Guyana, that freedom is only a freedom to enter a country willing to accept him – just as your freedom to marry is only a freedom to marry a person who is willing to marry you.

Wellman's argument has invited several replies and I will briefly mention a few strategies here. First, liberties, including the liberty to associate, plausibly come with a harm proviso. Thus, your right to property and free association does not entail a right to have loud parties at 3 A.M. But the exclusion of would-be immigrants harms their interests in many ways. When exclusion has this potential to harm, the presumptive liberty to freely associate starts to look weaker. Perhaps we do not fret so much about golf clubs because exclusion there does not involve the kinds of serious harms that the case of immigration restriction presents (Fine, 2010). Moreover, even in the domestic case, the "public accommodation" doctrine and laws against discrimination of various kinds, show that we limit freedom of association in important ways in order to secure other rights and goods. Another

worry is that it's not obvious how a state's right to exclude individuals from its *territory* can be grounded in a right to free association. A yoga club that meets regularly in Central Park might well be within its rights to exclude others from joining the club's activities, but it may not unilaterally exclude others from the physical space in Central Park (Fine, 2010).

A distinct objection results from revisiting the involuntary nature of state membership. Unlike clubs, we cannot choose not to be part of a state and neither can we easily form states of our own. These features of states threaten to undermine Wellman's analogy with clubs. Clubs, because of their voluntary nature may require many things states cannot require. One could start a club exclusively for people who cut off their left arms, for example. Crazy club, but nobody is forced to join – take it or leave it. While it would not be a rights violation to start such a club, a state, on the other hand, if it required its residents to cut off their left arms, would obviously be acting impermissibly (Huemer, 2010).

According to yet another line of response, Wellman's argument relies on an equivocation between whether the right to free association is understood on an individual or collective level (van der Vossen, 2015). If the proper locus of the right is meant to be the state as a collective entity, then would-be immigrants do not seek to associate with the state. On the other hand, it may be thought that immigrants seek to associate with all the individuals within a state, and it is that collection of individuals which reserves the right to free association. But now it becomes puzzling why smaller collections of individuals (Texans, say) may not similarly exclude compatriots (Californians, for example) from settling within the territory they occupy.

5. Inequality and Non-Ideal Theory

One critique of open borders proposals is that they would exacerbate domestic inequalities. Since the average immigrant under a regime of open borders is going to be less skilled than the average worker in developed countries (due to educational and other disparities), domestic inequality would spike – even if workers are to be paid their marginal products. There would be some haves and lots of (relative) have nots. What's more, the shape of inequality might also take a “racialized” form, leading to undesirable social consequences in the long run (Salam, 2018).

This form of critique cuts little ice with libertarian thinkers, who typically do not see inequality as bad in and of itself. If a scheme benefits *both* parties, what's there to lament? In general, the trade of goods and services leads to Pareto improvements even if it leads to greater inequality. Thus, suppose that A has 5 units of welfare and B has 4 under a regime where they cannot trade their goods. If they are allowed to trade, both can be made better off (if this were not so, they wouldn't trade). Now suppose after the trade, A moves up to 10 and B gets up to 6. In this situation, there is more inequality. Some might think that the resulting increase in inequality is bad in and of itself, and morally outweighs the welfare gains made by both parties. But this sort of view seems perverse to many classical liberal and libertarian thinkers.

Under a regime of open borders, then, in principle, nobody would have a reasonable complaint in relation to the status quo. This would be true especially if the domestic workers who experience wage losses are compensated with the economic surplus gained through labor mobility – either directly through cheaper goods or indirectly through some mechanism of redistributive taxation. A regime of open borders then, has the potential to lift all boats, and thus it is preferable to the status quo even if domestic inequality would thereby rise.

Moreover, open borders would dramatically reduce *global* inequality, by allowing individuals to move from poor countries to richer ones in search of better opportunities (Caplan and Weinersmith, 2019). Thus, we'd have a situation where domestic inequality rises but global inequality drops. Why prioritize the former over the latter? Imagine that allowing workers to move from rural areas to metropolitan areas increased their standard of living, and reduced inequality within the country as a whole. But suppose it were to increase inequality within big cities in particular. It would seem perverse to prohibit migration for this reason, especially if all parties were gaining from the movement. The same reasoning may be applied to the case of migration across national borders.

However, one worry here arises from considering how the political dynamics might play out given the *non-ideal* world we live in. Libertarians often stress the indispensability of non-ideal theory in their critiques of both Rawlsian and socialist theories of justice (Brennan, 2014; Freiman, 2017). Brennan thus emphasizes the need to compare non-ideal socialist economies (e.g. the former USSR, Venezuela, Cuba) with non-ideal market economies (e.g. U.S., Japan, Denmark), rather than simply

idealizing away the moral limitations of human beings when considering socialist justice (Cohen, 2009). Freiman argues that if humans were ideally motivated by justice (Rawls, 1971, 2001) then there would be no need for a redistributive state. The very need for such a state implies that people are not always motivated by justice. Thus, we should take the various incentives of voters, politicians, lobbyists, bureaucrats, etc. into account when assigning redistributive roles to the state. In general, the public choice tradition in economics and philosophy emphasizes looking at politics “without romance” (Brennan and Buchanan, 1985; Buchanan, 1999, 2001).

But if we are to look at politics without romance in this way then we need to carefully think about what would *actually happen* if there were vast domestic inequalities. Empirical work suggests that inequality is correlated with instability and lack of investment (Alesina and Perotti, 1996). Within the United States, rising inequality has already led to strong and popular calls for restricting economic freedom in a variety of ways – for example through high minimum wages, national rent controls, steep redistributive taxes, and so on. It seems implausible to think that adding to this inequality would not push electoral dynamics even further in this direction – which, by libertarians’ own lights, would be counterproductive. Indeed, libertarians commonly point out that economic liberty is strongly correlated with high standards of living (Gwartney, Hall and Murphy, 2019; United Nations Development Programme, 2019). If open borders would lead to greater domestic inequality, which would in turn lead to greater instability and lower economic freedom, then it’s not obvious that the pros outweigh the cons, even if *in an ideal world*, they would.

These worries are further exacerbated by two factors. First, studies of immigration to the developed world suggest there is strong intergenerational transmission of outcomes (Borjas, 1993, 2006; Park and Myers, 2010; Salam, 2018). The immigrants whose children do well in the economy were already relatively well off in their countries of origin before they moved. There is reason to suspect, then, that the inequality caused by a more open regime of migration may well be *persistent*.

Second, given the scope of labor restrictions and welfare provisions, particularly in Western European countries like Sweden, many low-skill immigrants find themselves unemployed while being supported by the state (Frum, 2015; Salam, 2018). In such scenarios then, the argument that open borders would be beneficial to both the immigrants themselves as well as the receiving countries becomes implausible. The Nobel Prize winning libertarian economist Milton Friedman

thus argued that open borders are undesirable within the context of the welfare state, even if they would be desirable in a situation of no welfare provisions (Friedman, 1999). Of course, libertarians might argue here that the just thing to do is to get rid of the modern welfare state, but that is politics with a generous dose of romance.

6. The New Economics of Immigration

The classic economic case for open borders relies on the following reasoning. Countries vary greatly in terms of the quality of their institutions. Some have much more by way of rule of law and economic freedom than others. This in turn has implications for how productive individuals can be within different countries. Workers can be much more productive in places with relatively good institutions. So, one obvious way to dramatically boost world GDP is to allow for free movement between countries so that workers can go to those places where they're most productive. Regardless of level of skill, a worker can be much more productive in the U.S. or Japan or Denmark as compared to Haiti or India or Nicaragua. Therefore, permitting free movement would dramatically increase world GDP – and thus living standards across the globe – by allowing labor to be allocated where it's most productive (Clemens, 2011).

An analogous case can be made for trade in factors of production in general. Imagine that there is a ban on the sale of iron from Region A to Region B. Suppose Region A uses iron for making cast iron pans, whereas Region B has a thriving steel industry. Now steel is much more of a needed good than cast iron pans. Steel is used for making buildings, highways, surgical instruments, and much else. If Region A were to open trade in iron, much of that iron would go towards making steel in Region B – which would be a vastly better use for that iron. Instead, that iron mostly sits in the mines of Region A and some goes to making very cheap cast iron pans. A regime of open trade here has the potential of making use of resources in the most productive and helpful ways to society in general. Similar points apply in the case where the “good” in question is labor.

Does the analogy go through? One reason to resist the analogy is that while the movement of goods does not change institutions (except perhaps obliquely and indirectly), the movement of *people* might. James Buchanan, the founder of the public choice school in economics, put it thus:

The entry of an immigrant into an ongoing social-political-legal-economic order, with a defined membership, an experienced history, and a set of informal conventions, necessarily modifies the structure of “the game itself”... Membership involves more than a joining of the economic exchange network. Membership carries with it the power and authority, even if small, to modify the political-legal-constitutional parameters within which the economic game is played (Buchanan, 2007, p. 62).

The idea here is that immigration has the potential to change institutions. It’s a mistake to simply assume that institutions are externally fixed – or “exogenous” – variables. Rather, institutions are *endogenous* to the question of immigration policy in the sense that their future shape depends on which immigration policy is adopted.

The new economic debate then hinges on how immigration can change institutions. One idea is that moving the representative person from Country A to Country B in large enough numbers will make Country B’s institutions more like Country A’s in the long run (Collier, 2013; Borjas, 2015; Jones, 2016). Some reasons to think this include the following. If you look at estimates of the quality of institutions in 1500 A.D. (as indicated by technological advancement, population density, etc.) and look at where people moved since then, it turns out that the countries with good institutions now have populations whose ancestors largely originated from countries with good institutions 500 years ago (Ang, 2013; Spolaore and Wacziarg, 2013). This suggests that people take their institutions with them, in a sense. Another empirical result in favor of this view is that movement from countries with high corruption levels to countries with relatively low corruption levels increases the levels of corruption in the latter (Dimant, Krieger and Redlin, 2015). Given that many of the world’s poorest countries also have high corruption levels, and that people are most likely to move to the developed world from such countries, the worry is especially pressing. Third, trusting behavior, as well as the transmission of trust to new generations, depends strongly on the country of origin (Algan and Cahuc, 2010; Alesina and Giuliano, 2014). Since social trust, and informal institutions in general (Williamson, 2009), are important for long term economic growth and prosperity, it’s not obvious that open borders will promote economic prosperity within receiving countries in the long run.

Some libertarian defenders of open borders might argue that insofar as the mechanism by which new immigrants might change a country's institutions in the long run is voting, then a compromise might be to avoid or delay the granting of voting rights (Caplan and Weinersmith, 2019). Essentially, what is being suggested is a system approximating modern day Qatar or the United Arab Emirates or Singapore, where large numbers of migrant workers are admitted but disenfranchised (Salam, 2018). However, this is again a form of ideal theorizing. These three states, though they have economic institutions that allow for high standards of living, are nowhere near as democratically controlled as the United States or Sweden. Given the ways modern democracies actually function, it is hard to imagine them maintaining a large class of disenfranchised workers even if this were, for the sake of argument, a desirable outcome.

Now, one might accept some of these worries, but nonetheless claim that the overall utilitarian calculus still comes down in favor of open borders. Even if the modern developed world might see the quality of its institutions deteriorate, the welfare gains made by those allowed to settle in new countries will outweigh the welfare losses caused by the relative drop in institutional quality in some places. What's more, some countries may well experience an *increase* in institutional quality if they have to "compete" with other countries to keep residents.

This, of course, is a complex case to evaluate. However, there are some important considerations for wanting *some* countries to have *excellent* institutions, as opposed to having one large global scheme with mediocre institutions. The main point to note here is that countries with relatively excellent economic institutions (like the United States, Denmark, Japan) have enormous positive externalities in terms of innovation and technology. Antibiotics, the light bulb, automotive vehicles, modern surgical techniques, vaccines, and much else have come almost exclusively from the developed world – modern day North America, Europe, and East Asia in particular. These developments have been a huge boost to humanity as a whole, dramatically improving life expectancy and standards of living around the world. Even on the purely utilitarian calculus then, it's not obvious that a regime of open borders would be optimal in the long run (Joshi, 2020).

The quality of institutions debate regarding open borders is by no means settled. According to some new work, recent data show that the total factor productivity (TFP) of host countries is largely unaffected by low TFP levels of origin countries of immigrants (Clemens and Pritchett, 2019). In

other words, economic institutions may be fairly robust, in modern contexts, to immigration shocks. Going forward, however, the economic case for open borders is bound to be complex, requiring further detailed analysis. For the reasons Buchanan suggested, the toy economic model on which open movement yields Pareto efficient outcomes is complicated by the simple fact that people are not like goods – the movement of people across borders has important potential downstream implications for the very nature of the economic and political “game” being played, in a way that the movement of iron or wheat does not.

7. Conclusion

When it comes to the immigration debate, libertarians have typically come down in favor of open borders. In doing so, they have marshalled strong rights-based considerations – of property and free movement in particular – as well as welfare-based reasons having to do with mutual gains that are left on the table via immigration restriction. In general, libertarians have been skeptical that reasons of cultural preservation or putative special obligations to compatriots can bear the normative weight necessary to outweigh the defeasible case for open borders.

Depending on the context, however, looser immigration restrictions might have institutional consequences in the long run of a kind that, by libertarians’ own lights, would be detrimental. Dramatic increases in domestic inequality, for example, might bolster demands for further redistributive measures and government limitations on market transactions. The future contours of the debate will have to take these “public choice” considerations seriously. This is true especially since close attention to the *non-ideal* workings of institutions has long been a core argumentative strategy that libertarians have employed against left-liberal and socialist views of justice.

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