

The Ethics and Efficacy of Selling National Citizenship

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ABSTRACT. The inevitable global marketplace creates a need for freer movement of labor. The question is not whether this movement will occur but how it will be implemented. This paper discusses the idea of selling citizenship rights as an alternative approach for allocating immigration and permanent residency. First presented is the rationale for using the market approach to selling citizenship. Next the political, country image, economic, and ethical implementation issues of the proposal are discussed. And last, selling citizenship is discussed in terms of ethical theory and frameworks.

Give me your tired, your poor, your huddled masses yearning to breathe free, The wretched refuse of your teeming shore, Send these, the homeless, tempest-tossed, to me: I lift my lamp beside the golden door.

Emma Lazarus, American writer whose poem "The New Colossus" is inscribed on the base of the Statue of Liberty in Upper New York Bay.

Introduction

The right of citizenship usually follows one of several conventions. *Ius sanguinis* (citizenship by parentage) and *ius soli* (citizenship by place of birth) are the two most common approaches. The majority of European countries base their definitions of citizenship on the principle of *ius sanguinis*. U.S. citizenship is acquired by place of birth or by naturalization. Acquiring citizenship through naturalization in the United States involves a period of residency (usually three or five years), demonstrating good character, passing a simple language test, and paying a nominal fee. The right to become a citizen is obtained primarily through refugee/political asylum, marriage, employment (for example for those individuals who have a certain expertise that is in short supply) or "employment creation" (for example in the U.S., aliens who will invest at least \$1 million in a business project and employ at least ten workers thereby benefiting the economy).

Using the U.S. as an example, every year hundreds of thousands of foreign nationals enter the country, legally and illegally, hoping eventually to become citizens. Immigrants perceive citizenship to provide relative security, opportunity to work, and a host of personal freedoms

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and advantages that are either unavailable or restricted in their home countries.¹ High demand for U.S. citizenship rights and foreigners paying exorbitant fees to immigration lawyers or smugglers are clear evidence that the right of citizenship has become an economic good.

A premise of the arguments herein is that citizenship is already being "sold" in the U.S. and other countries and that the events of September 11, 2001 insure that scrutiny and reform of visa, residency, and citizenship granting are forthcoming. The issue then is not whether citizenship, and to a lesser extent permanent residency, will be sold, but how this policy can be implemented more equitably. This paper, then, has several purposes. First presented is a review of proposals to sell citizenship. Second, the results of a survey of U.S. citizens' perceptions of the idea of selling citizenship are reported. Third, given the results of the survey and extant literature on the subject, an examination of the economic, political, and ethical issues related to selling citizenship rights is proffered. And last, a plea is made for consideration of selling citizenship as a public policy for the U.S. and other countries. Our thesis is that, although no immigration system is perfect ethically, politically, and economically and notwithstanding its probable political unpopularity, selling citizenship does have advantages that remove some of the hypocrisy, immorality, and disadvantages of existing policies.²

Selling citizenship proposals

Adams (1968) summarizes the simple and appealing economic logic for selling citizenship: the market approach

... reflects the operation of an international market for a particular factor of production – specialized human capital. Like its physical counterpart, such capital will tend to move to those regions (and occupations) where its productivity is high and out of regions (and occupations) where its productivity is low. As long as human capital is free to seek the highest reward (i.e., an income equal to the value of its marginal product), and as long as it bears the cost of its own movement, it

will automatically tend to flow into uses where its contribution is greatest – where it can do the most good (Adams, 1968, p. 4).

The idea of selling citizenship rights also was suggested by Chiswick (1982). Chiswick briefly discussed the idea of selling U.S. citizenship rights as an alternative rationing mechanism. The criterion for immigration would be to set the entry price at a level so as to maximize net aggregate income of the native population. Obviously under this plan the government may act as a monopolist to control immigration and maximize the welfare of the existing population. Under the Chiswick scheme, if productive immigrants could not afford to pay the entry fee, they could agree to a surcharge that would be added to their federal income tax.

Becker's (1987) idea of selling citizenship rights is similar to Chiswick's. Immigrants unwilling to wait their turn through regular channels, or those not falling within the regular immigration criteria, could buy their way into a country by paying a fee set by the government (similar to the employment creation criterion in current practice in the U.S. and many other countries). Immigrants unable to pay the entry fee could secure a loan from government or financial institutions.

The eminent Julian Simon advocated selling U.S. citizenship rights to *qualified* applicants. He believed that a market approach for obtaining citizenship rights has several advantages over a non-pecuniary approach. According to Simon, an auction plan offers economic benefits to Americans, is fair to the applicants, and is beneficial to the countries of emigration. Simon argued that selling citizenship is plausible because, among other reasons, well-known economists advocate it. Simon revealed discussing the idea with notable economists Milton Friedman, Melvin Reder, and Mark Rosenweig. All were in favor of such a proposal (Simon, 1999, p. 364).

Extant proposals focus on citizenship and not other immigration groups (for example, permanent residency or "green card" status). Citizenship is assumed to have benefits that other types of immigration do not offer. However, we believe that permanent residency based on

unique qualifications could easily and logically be included in the paid for category. An organization that believes an alien is "uniquely qualified" could demonstrate and support this belief by paying the determined immigration fee.

Notwithstanding what some might consider an elegant simplicity and the fact that the practice already exists in a limited form, the selling citizenship notion has not received wide recognition or coverage in the literature. No other sources were found that deal directly with the profound public policy, political, economic, and ethical ramifications of such a practice. Furthermore, no current evidence was found of public opinion concerning the understanding, appropriateness, or efficacy of such a policy.

Rationale for selling citizenship

Selling citizenship can be justified on both theoretical and practical grounds. Economic theory would predict in a market economy, when there is a disparity between the supply of and the demand for a good or service, the price mechanism will bring equilibrium to the market. The market principle can be used to remove excess demand for immigration while overcoming the inefficiency, unfairness, and arbitrariness inherent in current U.S. and other countries' immigration policies. The market principle is efficient because the market decides who will immigrate. Implicit in the market solution is that the individual who is willing and able to pay will take into account the probability of his or her success in the U.S. or other country by comparing the present value of his or her future income streams with the current cost of citizenship. "Costs" include the expenditure of money, time, and energy required to acquire citizenship. Implicitly or explicitly, potential immigrants will have to assess job markets and their own skills and make the decision to immigrate/emigrate if the probability is high that immigration has a positive net present value. The "net present value" in the decision to emigrate would have to include an implicit qualitative dimension for attributes such as freedom and security. Using the market mechanism by selling

citizenship would, therefore, open up the possibility of immigrating to all.

Strictly from a practical economic and political point of view, selling citizenship rights may make sense for several other reasons. First, paying immigrants are unlikely to be a drain on the social service system or government assistance programs. Second, selling citizenship would produce significant revenues. For example, for the last three years that records are available (1996, 1997, 1998), an average of almost 800 000 legal immigrants entered the United States each year. A price of, say, \$50 000 results in annual revenue of almost \$40 billion. Although \$40 billion as a percentage of the U.S. Gross Domestic Product is small, its impact on individual programs could be substantial.

Third, the market approach should attract ambitious, skilled, and energetic individuals who are confident of recuperating their "investment" in citizenship rights within a reasonable period of time. Global communication makes it increasingly easier for potential immigrants (and emigrants) to assess potential returns on an investment in citizenship in any country. Economies, therefore, would benefit not only directly in terms of cash flow, but also indirectly in terms of providing stimulants to economic activity. Macro productivity would benefit because of more efficient and effective division of labor.

Fourth, selling citizenship is consistent with the inevitable movement toward global mass communication and global marketing. Global communication and markets mean greater division of labor that, in turn, requires movement of labor. The European Union and North American Free Trade Agreement are results of the need to facilitate labor and capital movements regionally. Eventually global markets will be more efficient with the same ease of movement. The problem is that political obstacles, security, nationalism, xenophobia, and public opinion make it difficult to gain acceptance for labor movement without, at the least, some "price" or benefit to the admitting country. Selling citizenship may be the lubricant to facilitate movement and pay for immigration reforms.

Public opinion

Public opinion is a necessary ingredient and consideration in any proposal to sell citizenship. Neutral or favorable public opinion creates desirable degrees of freedom for legislators. Negative public opinion means any proposal would carry considerable political risk or require significant public opinion change through information and education programs. No current information was found about public sentiment with respect to selling citizenship. To fill this void, a survey was undertaken to determine perceptions of Americans concerning:

- 1) general attitudes about selling citizenship;
- 2) concerns about selling citizenship;
- 3) citizen perceptions of appropriate price ranges for selling citizenship;
- 4) uses of revenues generated from selling citizenship;
- 5) criteria for groups eligible to buy citizenship (including whether any groups should be eliminated or receive lower priority);
- 6) demographic characteristics of respondents.

The survey

A mail survey was completed in the fall of 1999 in a medium-sized mid-western U.S. city. The city has a population of 117 500, is 48 percent male, an average *per capita* income of \$21 500, and a median age of 34 years. The city is 92 percent white and 7 percent African-American. The average number of years of education is 12 and the average age is 29 years (U.S. Census, 1997). Although the city is considered to be a microcosm of American values and culture and has been used in major sociological studies (Hoover, 1990), the purpose of the survey was exploratory. No external validity is assumed. To discuss the practicality of the proposals herein, some understanding of existing concerns and emotions was necessary.

A cover letter and two-page questionnaire were sent to 1000 randomly selected residents of the test city. Respondents returned 198 usable questionnaires. Wave analysis indicated no

response bias with the exception of a relatively large response from non-U.S. residents (11%) and relatively low response from African-Americans (3%). Given the subject matter of the questionnaire, the large response from non-U.S. residents is not surprising. A Fisher exact test was performed to determine if U.S. citizens and non-residents differed on favorable/unfavorable perceptions of selling citizenship. Responses to the favorable/unfavorable question were not statistically significantly different depending on whether the respondent was a U.S. citizen or not.

The low response from African-Americans could be due to an unwillingness to provide that information (measurement error) or low response from that group (non-response error) or a combination of both. Because 11% of respondents were unwilling to provide race information and African-Americans may be more sensitive to a race question, measurement error is likely to exist. If a significant proportion of the "Other" category (11%) is African-American, then neither measurement nor response error is a problem. Of course, the composition of the "Other" category is unknown. The only other anomaly was that respondents appeared slightly older than the city population. The demographic characteristics of the respondents are summarized in Table I.

Survey results

Respondents expressed strong reservations about the notion of selling citizenship. Fully two-thirds (67.2%) were against the idea. Seventy-four percent of the respondents believed that selling citizenship rights is discriminatory in nature. Other concerns voiced by respondents are summarized in Table II.

Unsolicited comments in the margins of questionnaires provided interesting insight into some of the emotions attached to immigration issues. These comments included the following sentiments:

- a) Some respondents believe that the richest country in the world should not get richer at the expense of poorer countries.

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TABLE I
Demographic characteristics of the respondents

Sex		Citizenship	
Male	56%	U.S. citizen	89%
Female	44%	Non citizen	11%
<i>Education</i>			
High school graduate			32%
Two year college			15%
Four year college			31%
Graduate degree			12%
Other/no answer			10%
<i>Race</i>			
White			86%
African American			3%
Hispanic, Asian American, "other"			11%
<i>Age</i>			
18-25	13%	46-55	15%
26-35	14%	56-65	19%
36-45	17%	over 65	22%

TABLE II
Concerns over selling U.S. citizenship rights

Selling citizenship rights:	
1. is discriminatory	74.4%
2. will produce a negative image for the U.S.	55.3%
3. will contribute to disintegration of struggling countries.	48.4%
4. will cause a drain of money from poor countries to the U.S.	43.2%
5. will result in overpopulation.	41.1%
6. will imbalance the racial makeup of the U.S.	33.9%

- b) Some respondents consider citizenship rights as sacred and believe that putting a price tag on this right is repugnant.
- c) Some respondents believe that wealthy people in poorer countries should use their fortunes to help their own people.
- d) Some respondents believe no one (or almost no one) should be admitted to the

U.S. ("We don't need any more immigrants in this country.")

Unsolicited comments seem founded on altruism (for example, a, b, and c) and bigotry (d).

Discussion

From the literature and public opinion emerge four major problem areas for selling citizenship – political concerns, country image concerns, economic concerns, and ethical concerns. Previous proposals frame the selling citizenship question in terms of economics and, to a lesser extent, politics. Our survey's results uncovered significant country image and ethical concerns. Manifestations of "ethical" concerns include discrimination, fairness, and justice, including such problems as the brain drain from less developed countries and the image of "trafficking" in humans. Below is a discussion of the four concern areas followed by suggestions for implementing a selling citizenship policy with special consideration of the identified concerns. Discussed in detail are the "ethics" of selling immigration with respect to commonly applied ethics' frameworks and major ethics theories.

The politics of selling citizenship

Selling citizenship rights, despite its obvious benefits, has considerable national and international political hurdles to overcome. For example, U.S. international interests have always played key roles in drafting immigration laws. President Truman's veto message of the McCarran Walter Act contains one of the clearest expressions of the foreign policy aspects of immigration:

What we do in the field of immigration and naturalization is vital to the continued growth and internal development of the United States – to the economic and social strength of our country – which is the core of the defense of the free world. Our immigration policy is equally, if not more important to the conduct of our foreign relations and to our responsibilities of *moral leadership* (emphasis added) in the struggle for world peace . . . (Veto of Bill, 1952).

For foreign policy reasons, Presidents Eisenhower, Kennedy, and Johnson all urged the Congress to remove discriminatory features from immigration laws, which, they believed, hindered the success of U.S. foreign policy and economic growth. For example, President Johnson considered the national origins' quota system incompatible with basic American traditions and U.S. relationships with a number of countries, and, therefore, an impediment to the success of U.S. foreign policy (Special Message to the Congress, 1965).

Beyond specific foreign policy objectives, immigration laws have been used as a conduit for portraying a positive international image. According to a Presidential Commission report: "The immigration law is an image in which other nations see us. It tells them how we really feel about them and their problems and not how we say we do" (*Whom We Shall Welcome*, 1953).

A selling proposal may seem incongruent with the ideal moral and democratic principles the U.S. and other countries wish to portray. A selling proposal also adds a new dimension to the "brain drain" problem, already a political and social concern to some politicians. Less developed countries (LDCs) may argue that the immigrating countries, instead of compensating them for their investment loss in human capital, are draining their much needed investment funds *and* their human capital. If the exodus of trained professionals were added to the transfer of substantial capital funds from LDCs to the more developed countries, destabilization of economies and jeopardized geopolitical interests could result.

Another key political issue is the attitude, perceptions, and beliefs of the public vis-à-vis the proposal. As the results of our survey demonstrate, currently Americans view a selling scheme with considerable skepticism. Past public opinion findings indicate that Americans are not in favor of more immigration. A longitudinal study of magazine articles and available national U.S. public opinion polls (Gallup, NORC, and Harris) by Simon (1985) indicated that, generally, Americans favor less immigration. Simon's study does not, however, address public opinion on the question of immigrants *paying* for the

opportunity to immigrate and, of course, her findings are now dated. Assuming that the strong sentiments expressed in the current survey against immigration and, to a lesser extent, the idea of selling U.S. citizenship rights can be generalized to the rest of the U.S. population, a proposal favoring the concept of paying for citizenship will probably not be a politically popular proposal. Other developed countries' citizens could be expected to have similar attitudes.

Special interests and pressure groups also could be prominent opponents of expanded immigration policies. Morris puts these pressure groups into three broad categories:

- 1) Patriotic-nationalistic organizations such as the major U.S. veterans' groups, the Allied Patriotic Societies, Daughters of the American Revolution, and the Liberty Lobby;
- 2) Labor organizations;
- 3) Groups such as Zero Population Growth (ZPG) and Federation for American Immigration Reform (FAIR) (Morris, 1985, p. 28).

These pressure groups would have to understand and/or be convinced that the global marketplace will soon be a reality for labor as well as goods and services and that their constituencies are little threatened and will probably benefit from selling citizenship.

Country image and selling citizenship

A legitimate and related political concern for selling citizenship is the image it conveys to others around the globe. Country image may be thought of as a dynamic collage of impressions. The non-static dimension means that a country's image is being adjusted constantly in the "mind's eye." Notwithstanding the dynamic nature of image, core static elements also exist, commonly in the form of stereotypes. "When countries have an international presence, it is common to talk of 'stereotyping' with respect to the nation's image" (O'Shaughnessy and O'Shaughnessy, 2000, p. 57). To some, capitalistic countries are already associated with self-serving materialism

and greed. Selling citizenship could be seen in some parts of the world as more of the same, rather than a policy aimed at adding fairness and economic forces to labor movement.

"A nation offers a fragmented set of images, so the key is to exploit the right fragments . . ." (O'Shaughnessy and O'Shaughnessy, 2000, p. 58). Unless the goals and rationale for the selling policy are clearly communicated and articulated, country image could suffer. A *clear* articulation of the policy, however, could mean that image could change for the better. For example, the current \$1 million and job creation criterion for U.S. citizenship is clearly more consistent with the *undesirable* U.S. stereotype than the proposed policy. The key will be communication of the intent to be more *open, pluralistic, and inclusive* about immigration. The present U.S. policy relies on the fact that Americans and others around the globe will remain uninformed about the current "price" of citizenship. Country image, then, is an important consideration for the proposed immigration policy.

The economics of selling citizenship

Implicit in the discussion of public opinion and pressure groups is the assumption that selling citizenship will result in an *increase* in the number of immigrants entering the country. The demand for citizenship, like any other good or service, will depend on the asking price. At a relatively low price the number of immigrants will increase. Technically competent, fee-paying immigrants will gravitate toward industries in need of skilled professionals. The net impact will be a moderation in wages, and hence incentives for producers to bring in more immigrants, but less incentive for immigrants to come. Thus price would gravitate toward some equilibrium point once a government establishes the desired number of immigrants. In the U.S., this "desired number" could very well be fewer than current immigration policy allows thereby addressing some political, image, and public relations concerns.

An informed public should realize quickly that by charging a market price and providing the

opportunity for immigrants to finance their citizenship, the country is being fairer in its policy making while admitting no more, and possibly fewer, immigrants. This could allow the public to favor immigration as long as there are macro net gains. Obviously, some of these "gains" will be difficult to measure. Most important, perhaps, is that some illegal immigrants, either prospective or already in the country, will be able to purchase their citizenship rights and contribute directly to public revenues through fees and tax payments rather than avoiding those responsibilities.

Public perception and understanding of economics are problems for any proposal relating to immigration. From early colonial times, a significant proportion (usually a majority) of American citizens believed that immigrants have deleterious effects on the economy and social structure. Immigrants have been accused of lowering wages, intensifying unemployment, displacing natives, and being a burden on public programs. Economists have provided irrefutable evidence that these beliefs, whether directed at legal or illegal immigrants, are false (J. Simon, 1999).

A selling citizenship proposal focuses on legal immigrants, but, of course, in countries like the U.S., some illegal immigration still would exist. The interesting question is whether the opportunity to buy citizenship through an open market would significantly decrease illegal immigration. Illegal immigration is much more pervasive than most U.S. citizens realize – approximately 300 000 per year from Mexico alone. Would ambitious would-be illegal immigrants avail themselves of the opportunity to emigrate legally? A reasonable assumption is that a significant portion of potential illegal immigrants would relish the opportunity to enter a country legally, accepting the opportunity *and* financial obligation.³

With respect to legal immigration, there is no evidence to support the allegations that the long-range effect of immigration has been to lower wage scales and thus depress the standard of living (Jones, 1992, p. 296). The empirical evidence reviewed by J. Simon suggests that, in general, immigration causes little or no unemployment (J.

Simon, 1999, p. 266). Simon also provides evidence that in the U.S., on average, immigrants use substantially less than do native families of such public services as welfare, unemployment compensation payments, food stamps, Medicare, Medicaid, and schooling for children (J. Simon, 1999, pp. 134–135).

If non-paying immigrants do not have any significant macro adverse effects on the economy, a logical extension is that paying immigrants, *ceteris paribus*, will benefit the economy. This conclusion can be justified on the following grounds. First, paying immigrants, like any other entrepreneurs, will assess their potential for success before making any investment commitment. Second, it is very likely that young and ambitious individuals would take advantage of the immigration opportunity. The public will benefit from this influx not only because these new citizens are less likely to use public services, but also because they will contribute tax payments over a lifetime. Admission fees thus could be viewed as an extra tax paid by immigrants.

There also may be positive externalities associated with the immigration of paying immigrants. An example of such externalities would be an engineer's work that contains a large measure of social benefits for which he or she does not directly receive compensation (see Grubel and Scott, 1986; J. Simon, 1999; Bhagwati, 1976).

Another economic argument for the selling citizenship proposal is the significant revenues generated through such a policy. Currently, only a small percentage of immigrants seeking *citizenship or permanent residency* enter the U.S. (or any other country) seeking asylum or refugee status. The proposed system, combined with the inevitable tightening of illegal immigration, might slightly reshuffle who enters a country, but not come at the expense of any one category of immigrant group. A "price tag" on citizenship might discourage some, but encourage others. Using the average number of legal immigrants in the U.S. from 1996, 1997, and 1998 (791 585), almost \$40 billion in revenue would be generated.

Although these revenues are small relative to the entire U.S. budget, they are significant when compared to individual programs. For example,

\$40 billion exceeds the entire U.S. federal budget for education. Also, recent current events (September 11, 2001) will inevitably result in an overhaul of immigration policy and procedures. Immigrant fees could provide for a self-financing system.

The ethics of selling citizenship

The idea of selling U.S. citizenship rights evoked several strong moral and ethics-related emotions among respondents to the survey. Several types of concerns emerged:

1. Citizenship rights are "sacred." Putting a market price on them will denigrate those rights.
2. The selling concept is discriminatory in nature because it denies the opportunity for less advantaged people to become citizens.
3. Selling citizenship rights will tarnish the image of the selling country in the world.
4. The selling concept is tantamount to trafficking in human flesh.
5. More developed countries in the world should not get richer at the expense of the poor countries.

All would agree that a selling citizenship policy should not be implemented when the net economic and social benefits are negative. The more difficult question is whether such a policy is defensible if the short-term effects are negative either in the immigrating or emigrating country, but the long-term global effects are positive. These questions can never be answered fully because effects (especially social effects) will be difficult or impossible to measure and anticipate. Several key issues, however, need to be considered before drawing a conclusion about the ethics and efficacy of selling citizenship.

The myth of free citizenship. A look at immigration history shows that immigrants usually "pay" very high prices to obtain the right to enter a country such as the U.S. For example, the fare for crossing the Atlantic in the early 19th century was about one year's annual earnings in the

colonies. While relative transportation costs have declined considerably, immigrants still endure significant financial costs and the psychological costs of long waiting periods, completing cumbersome forms and dealing with the sometimes frustrating requests of the Immigration and Naturalization Service (INS) to provide and prove personal information. For example, during the probationary period, an alien married to a U.S. citizen has to *prove* that he or she has *not* divorced. Proving that one has *not* done something can be difficult and frustrating for persons going through the U.S. immigration process.

Moreover, there is a flourishing black market for smuggling aliens into countries. The original fee paid to the smuggler, depending on the reported case, varies from \$300 to \$60 000 for each alien (see CNN.com, 2000, and Strozier, 1998). Smugglers often charge additional black-mail-like fees once the alien is established.

Unknown to most citizens is that immigrants may legally purchase citizenship under *current* public policy. The United States and countries such as Canada, Australia, Belize, and the Commonwealth of, Dominica already offer "economic citizenship" programs. Economic citizenship is granted to foreign individuals who are willing to invest a specified amount of investment capital that will create jobs for citizens in the immigrant receiving country. The proposed selling program would merely be a more equitable expansion of an already existing policy.

The myth of non-discriminatory immigration policy. A significant majority of respondents (74.4%) to our survey believed that selling U.S. citizenship is discriminatory in nature because it is likely to favor one economic group. One respondent referred to the famous words of Emma Lazarus inscribed on the base of the Statue of Liberty presented at the beginning of this article.

All immigration policies are discriminatory in some way. Discrimination is not always considered to be a negative concept. A discriminatory government policy related to citizenship rights may be highly desirable in some situations. For example, most would consider it positive that countries do not allow individuals to become citizens who have committed atrocities against

humanity. Conversely, western norms would find it extremely undesirable for a government to adopt a discriminatory policy based on, for example, race, religion or country of origin.

The current immigration policies of the United States and other countries *are* discriminatory. Current policy discriminates applicants by kinship and political ideology and a host of other criteria. A market-oriented economic system always discriminates individuals on the basis of their willingness and ability to pay the price of goods and services in the market. There is nothing about citizenship rights that changes the nature of discrimination from "positive" to "negative" or vice versa. It is difficult, however, to say that a market system that discriminates on the basis of willingness to pay (by either the immigrants or their sponsors) is less equitable than a system that discriminates on the basis of, say, the kinship criterion.

Another argument in favor of a selling policy is that the economic criterion does not necessarily exclude the poor from becoming immigrant citizens. Citizenship rights can be purchased for individuals by the business organizations that want to hire them. Under current U.S. law, for example, organizations can make cases for "uniquely qualified" immigrants. Whether the candidate is truly unique in the sense that he or she is more qualified than current citizens often is questioned. The proposed system would allow organizations to demonstrate how "unique" the person really is by providing or financing the immigration fee. Other potential immigrants may borrow from friends or relatives. Once established, it is more likely that immigrants will reimburse and contribute to relatives or friends in their home country, benefiting both the immigration and emigration countries.

Other financing options would evolve with an economic citizenship policy. Financial institutions could make judgments about potential immigrants' ability to repay. Some financial analysts anticipate that the bad debt rate would be extremely low for qualified and ambitious immigrants making them good investments (see Becker, 1987). As with the price of citizenship, market forces would determine interest rates for such financing. Finally, selling citizenship would

not preclude certain cases (e.g. political asylum) being dealt with as they are currently.

Selling citizenship rights and the question of human trafficking. The specter of returning to the days of indentured servants and quasi-slavery are reasonable criticisms of the selling citizenship proposal. Indentured servant contracts required an immigrant to work for a specified period, usually five or six years. This practice attracted numerous predatory and unscrupulous practitioners. Unfortunately, even though these types of contracts are now illegal, versions of indentured servitude still exist. In 1998 operators of a modern-day slavery ring were indicted by a U.S. federal grand jury for smuggling Mexican women and girls to work as prostitutes for migrant workers in Florida and South Carolina. The women were lured by promises of legitimate jobs, but were forced to sell sex until they had paid their "debts" for being smuggled into the United States (Harder, 1999). The proposed selling strategy could serve to reduce this type of unscrupulous and illegal practice by providing a market driven and regulated alternative.

The issue of brain and capital drain from poor to rich countries. Another issue concerning the concept of economic citizenship is the notion of the capital and "brain drain" from poor to rich countries. The essence of this argument is that those most likely to purchase citizenship rights are scientists, those skilled in technical areas, and health care professionals. The selling policy not only drains human capital from LDCs but also investment capital. A combination of money flow and brain drain may produce negative economic and social outcomes for the emigrants' countries. A vicious cycle begins that further separates the "haves" from "have-nots" as countries like the U.S. become even more inviting. This concern views the brain drain as a zero-sum game for the countries involved. Also, a by-product is that a thriving economy will become even more inviting for unskilled workers to enter illegally, exacerbating that problem.

The migration of scientists, the technically competent and professionals is neither a recent phenomenon nor limited to a selling citizenship

policy. Referring to scientists, for example, Dedijer reflects: "For at least the past 2200 years people in power have been doing something about the migration of scientists: they have had policies to promote or prevent it" (Dedijer, 1968, p. 10). Under *current* laws (for example those that deal with the "uniquely qualified"), little has been done to discourage the brain drain.

If the brain drain is a reality under the present *and* the proposed policy, the question then becomes: what are the real effects of the brain drain on the world economy and on emigrating countries? The "cosmopolitan" school of thought argues that international movement of capital and labor are beneficial to the world community by increasing world productivity. Migration of educated people also reflects a social advance of individual freedom of choice.

"Internationalists" acknowledge the existence of by-products resulting from the movement of skilled and educated people. If the net effect of these by-products is negative, the emigrating countries should be compensated accordingly. One method of compensation, which raises fairness issues, is an annual, in perpetuity, tax levied on the income of immigrants. Tax receipts or, in the case of selling citizenship rights, a portion of the citizenship fee could be sent to the countries of emigration. Ignoring for a moment the defensibility of double taxation and the administrative hurdles of implementing such schemes, certain groups of immigrants may object to sending money to the country of emigration because of religious persecution or human rights violations which caused them to leave their homeland.

"Nationalists" reject the viewpoint that "... the 'world' should be considered as a single aggregate from the welfare viewpoint and that the welfare of this unit [be] maximized by the free flow of resources between countries" (Patinkin, 1968, p. 93). "Nationalists" regard "... certain minimum levels of human capital, as indispensable to a country's economic development. If the emigration of human capital causes the nation to fall below this minimum, the consequences are not, as the 'cosmopolitan' model suggests, merely to raise the marginal productivity of the human capital remaining, but to

jeopardize the growth-potential of all combined resources in the economy" (Adams, 1968, pp. 4-5). These old arguments are similar to the LDC's argument that their fledgling industry needs protection thereby making an open door policy not in their interest.

A literature review related to the subject of the "brain drain" and its economic consequences to the emigrating countries indicates that remittances made by immigrants and resulting "externalities" or by-products are two important considerations in the "brain drain" issue. A study by Goldfarb, Havrylyshyn, and Mangum (1984) of physicians' migration from the Philippines found that under the most reasonable assumptions about the parameters of their model (factors such as lifetime physician income in the Philippines and in the U.S., the marginal propensity to consume, and the proportion of physician's income in the U.S. that will be remitted to the Philippines), it is probably economically beneficial to the Philippines to train physicians for export. Surely, the brain drain problem is one of the most complex and difficult issues related to selling citizenship in particular and immigration in general. History teaches that "brains" will move no matter what public policy is in place.

Theory, ethics, and the concept of selling citizenship

Major ethical philosophies *do* provide guidance for a proposal to sell citizenship. For example, utilitarianism (Mill, 1861) is the theory most compatible with such a proposal and with capitalism in general. The classic teleological or consequentialists' utilitarian argument would be that a system that allows movement of labor provides the greatest good to the greatest number. The desirable ends of maximum productivity and personal freedom supercede the possible harm to a *relatively* small group. Critics would point out, however, that the "small group" adversely affected under a selling immigration policy might be as large as an entire country.

Another major criticism of utilitarianism is the need to anticipate consequences and the probability of consequences in order to make decisions.

Policy makers would have to predict labor needs and flows and labor price elasticities for myriad markets. Economists already have a dismal history of anticipating a significant portion of economic outcomes. Notwithstanding these criticisms, a looming global marketplace portends a utility-based approach to immigration to provide the most efficient means of production. The history of economic productivity sends a clear and irrefutable message: freer movement and individual choice mean greater per capita productivity. As long as the "costs" (possible adverse effects of brain drain, human trafficking, etc.) are judged to be not too great, utilitarianism would argue for the selling proposal.

Cultural relativism also allows for selling citizenship. Cultural relativism is based on two important premises: the existence of cultural diversity and the cultural origin of values. Cultural relativists (see, for example, Sumner, 1906; Herskovits, 1947; Nielsen, 1966) would argue that, in effect, citizenship is already being sold and most cultures consider the practice acceptable. A move to a more market driven model is only a matter of the degree of the practice. The attitudes of some citizens notwithstanding, selling citizenship has been acceptable for centuries. Because no absolute truths exist, cultural relativists would argue it is completely within ethical bounds given current sociology and societal values.

Deontological models provide the most interesting insight into the appropriateness of selling citizenship. Consequences become less important in a world of duty and moral obligations (see, for example, Kant, 1959 translation; Ross, 1930; Rawls, 1971). Embedded in most deontological thinking is an acute concern for the *least* advantaged. These concerns raise interesting questions relative to the selling of citizenship proposal.

Any discussion of deontological models and ethical issues in public policy and business must include distributive justice. Distributive justice relates to how the goods or, more generally, the rewards of a society should be distributed. Rawls (1971) argued that certain principles must guide decisions related to primary goods (things that every rational person is presumed to want):

Unlike socialist political theorists who argue that justice prevails in a society only when differences among people are minimized, Rawls suggests that a just society can tolerate differences in wealth, privilege, and so forth. But he places two restrictions on such inequalities: (1) these inequalities in position and wealth must benefit the least advantaged in society; and (2) these inequalities must be attached to positions open to all. (Borchert and Stewart, 1986, p. 302)

This logic resulted in two guiding principles in forming a just social structure and public policy: (1) "Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all" (Rawls, 1971, p. 250), and (2) "Social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged, and (b) attached to offices and positions open to all under conditions of fair equality open to all" (Rawls, 1971, pp. 302-303).

The first principle is called "The Principle of Greatest Equal Liberty" and deals with freedom and rights of citizens (i.e., voting, free speech, personal property). The second principle is more relevant for the selling citizenship issue and has two parts. The first part is the Difference Principle. This principle means that inequalities must be arranged so that they are to the greatest benefit to the least advantaged. Selling citizenship meets this criterion because it provides opportunity for those who otherwise would not have a chance to emigrate to the U.S. Moreover, there is at least a reasonable chance that benefits would accrue to disadvantaged current American citizens because of the effects of the increased revenues generated by such a scheme and increased system productivity. The only possible cost to current citizens would be job opportunities lost to immigrants. Economic theory would argue that immigrants would be much more likely to gravitate to job markets that have shortages and the available evidence argues that this "cost" is minimal or does not exist (J. Simon, 1999).

More problematic are the effects of the selling proposal on emigrating countries and the least advantaged in those countries. A strict interpre-

tation of the Difference Principle "bars even the smallest sacrifice on the part of the least-advantaged . . ." Boatright, 2000, p. 85). The brain and capital drain problems, although some would argue to the contrary (see Goldfarb et al., 1984), could, in the short run, cause negative effects on individuals in emigrating countries. A counter argument would be that long-term benefits would accrue to all in emigrating countries. Notwithstanding counter arguments and Goldfarb et al., selling citizenship may not be acceptable using a strict interpretation of Rawls and a short-term orientation. Certainly the Difference Principle raises the most difficult standard for the selling proposal.

The second part of the second principle is the Principle of Fair Equality of Opportunity. This principle argues that accidents of birth should not influence access to opportunity. For selling citizenship this principle is a two-edged sword. The most obvious interpretation is that the principle would favor the proposal because more citizens (of the world) would have access to the opportunity to gain citizenship. Implicit in Rawls's proposal, however, is that some mechanism be in place to insure equal opportunity for all. For example, a complete lottery system would meet this criterion, but would not meet the difference principle and would not benefit existing citizens and immigrants as much as a system based on the expected economic and social utility of emigrating.

There is no doubt that basic rights or fairness issues are associated with a selling immigration policy. For a global economy to exist, "citizens of the world" need to be free and able to pursue happiness and the good life – the goal of ethics and philosophical thought. This "right" appears to come into conflict with the rights of current citizens and the obligations of governments to protect them. Governments would have to deal with the difficult issue of whether current citizens are better off (in a utilitarian sense) with a selling citizenship policy. The argument here is that taking a long-term view, current citizens and non-citizens are both better off with a selling policy.

The European Union (EU) solution has been to allow free (or at least freer) movement of

labor, but not citizenship. The by-products of this system have been stronger class lines and increased prejudice and discrimination. Labor movement takes on a very transient and temporary nature that results in increased separation of groups in societies.

Another interesting perspective is that of virtue ethics. One of the bases for virtue ethics is that other ethical theories (utilitarian, rule-based, etc.) are used to address quandaries or dilemmas (especially in business ethics) and represent little more than baselines for minimum action. The baselines may vary by theory, but are merely baselines nonetheless. The theories are applied as tools to help decision makers in difficult situations (such as the one at hand), and, in that sense, are helpful, but they do not move the decision maker toward the optimum or higher-level ideal.

Virtue ethicists would argue that decision makers make decisions “. . . in ways consistent with the community or cultural *ideals* that have influenced and nurtured them for a lifetime . . .” (McCracken et al., 1998, p. 26, emphasis added). The higher those ideals or virtues, the better the decisions. The issue then becomes one of cultivating virtues in the individual so that resolutions are for the “good of the whole” in the Aristotelian sense – virtues must contribute to something. Virtuous individuals make virtuous families, which in turn make virtuous communities, which in turn make virtuous political communities, etc., leading to a better life for all.

How then would virtue ethics help in evaluating the decision to change public policy regarding selling citizenship? One argument could be that loyalty is a virtue and citizens that emigrate are not loyal to their home countries and risk injuring the welfare of their homeland because of the brain or capital drain. One could envision other virtue dimensions that selling and buying citizenship might appear to diminish. Our argument is that if the “good of the whole” is the criterion, selling citizenship makes sense and virtues are being cultivated by allowing citizenship to be available to more individuals. The U.S. and other western countries (Canada, for example) that have encouraged immigration are the behavioral laboratories to prove the point. The period of greatest immigration/emigration

coincides with the greatest improvement in welfare, not only in the immigrating countries like the U.S. and Canada, but also in emigrating countries. Individuals relied on the opportunity to develop the virtues of honesty, fairness, hard work, and independence. Freer movement allows better “wholes.” Aristotle’s “*eudaimonia*,” the end-state of virtues is, loosely, by definition the state of “flourishing” or “doing well” see (McCracken et al., 1998, p. 27). One can only do well and manifest and cultivate virtues if one has the opportunity to well. Implicit in our arguments is that “doing well” includes concern for one’s emigrating country.

A plan for implementing selling citizenship

The first step in implementing a selling citizenship plan is to make the proposal palatable to citizens and the international community. Step one would include creating a better-informed citizenry about the benefits of and present realities concerning immigration. Concerns about over-population and racial composition would have to be addressed notwithstanding the merits (or lack thereof) of those concerns. For example, currently almost 800 000 legal and several hundred thousand illegal immigrants enter the U.S. without any significant *direct* payment to the government. Asking immigrants to pay a fee for their citizenship rights may result in, if policy decisions dictate, *decreasing* rather than increasing immigration, especially if illegal immigration is included in the analysis. More importantly, better division of labor globally would result. Citizens would need to understand these possibilities.

Another issue to be faced is the public’s understanding of charging uniform or differentiated prices for applicants. Under a selling proposal, price becomes an active ingredient in immigration policy. As in the marketing of any good or service, price may be used to demarket (reduce demand without harming it) or market (increase demand for selected “segments”). The question of differential pricing for groups raises some difficult policy decisions. Policy makers would have to identify “target” groups based on relevant criteria. For example, skilled technical workers

to fill spot labor shortages could gain citizenship at "reduced" prices. Inappropriate criteria would be those normally protected, such as race, gender, ethnic origin or religion.

A second step would be a pricing strategy or determination of equilibrium and optimum prices. The appropriateness of price will depend largely on what immigration policy a country wants to pursue. For example, the U.S. government will be acting as a monopolist and could set the price at a level that maximizes its revenue subject to certain constraints (for example, the number of applicants to be admitted). This approach assumes that the INS has estimates of costs and the demand for immigrant visas. Simon (1987) provides a good theoretical basis and suggestions for estimating costs of immigrants. Marketing research methodologies are available to estimate demand. Trial and error tests, much like test markets, are possibilities. Another alternative would be marketing research of pricing (probably survey based). As with any product, managers would set prices based upon consumer reaction to combinations of product and attribute offerings.

Concluding comment

To Adam Smith, price was nothing less than the total value one expends in acquiring a product. "The real price of everything, what everything really costs the man who wants to acquire it, is the toil and trouble of acquiring it" (Smith, as cited in Cady, 1977, p. 17). Smith's words still ring true and are the basis for the proposal herein. If participants in the global marketplace believe that immigrating to or emigrating from any other country is worth the "toil and trouble," should not that opportunity be available to them if reasonable order can be maintained through price? Through "toil and trouble," citizenship is rationed in way that provides better division of labor and incentives, increased business productivity, and more equal opportunity.

The fact is that most countries currently operate under a very arbitrary and dissatisfactory "pricing" public policy for immigration. The reality of the evolving global marketplace is that

reform is needed to facilitate labor movement, productivity and fairness. Why not look to things that work – the form of utilitarian capitalism tinged with distributive justice that is the basis for most of what we do. This system has driven human progress and been the basis for the "good life" enjoyed by so many.

Acknowledgements

The authors would like to acknowledge the helpful suggestions and comments provided by two anonymous JBE reviewers.

Notes

¹ The forces behind immigration are generalized under "push" and "pull" theories. For a general discussion of these theories see Morris (1985) and for a technical discussion see Otciza (1968).

² Although the arguments herein focus on the U.S., the proposals could easily be extended to all countries. Thus, in the long run, the proposals could form the foundation of a more efficient global labor market, more efficient and effective production and marketing, and, therefore, the opportunity for a better life for *all*. Moreover, the proposals may appear naïve because of the significant and numerous social ramifications. The reader is asked to think long term and acknowledge or accept that a shrinking world is inevitable because of communication, technology, and freer movement of labor.

³ Readers interested in this subject may refer to Chapter 15 of J. Simon (1999). Chapter 15 is devoted entirely to the economic consequences of illegal immigrants and guest workers.

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